

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10635 SENATE LABOR & COMMERCE

480

This amendment clarifies that aircraft that is primarily engaged instead of regularly engaged in interstate or foreign commerce is exempt from the independently procured premium tax.

Payment of Premium Taxes and Fees

Section 30 establishes a late fee payment for when premium taxes for surplus lines insurance placements are not received by the division when due.

Section 30. AS 21.34.180(f). Late Fee, page 12.

The new subsection (f) adds a fee for late payment of the premium tax required under AS 21.34.180 for surplus lines insurance placements. The fee is the greater of \$100 per day or 25% of the tax due. In addition interest is charged at 1% per month or partial month. Remaining subsections are renumbered.

Insurable Interest

Section 31 clarifies the application insurable interest to life, annuity or health insurance.

Section 31. AS 21.42.020(d). Insurable interest, page 12.

AS 21.42.020 is intended to apply to life, health and annuity insurance. However, the term "personal insurance" is used and is not defined in AS 21.42. It is a particularly confusing term to use since "personal insurance" is defined in AS 21.36.310 only for purposes of 36.210-310 and it is defined to exclude life, health, and annuity insurance. Therefore, the change to this section deletes the reference to personal insurance and replaces it with life, health and annuity insurance.

Stop Loss Insurance Regulation

Section 32 regulates the issuance of stop loss insurance policies by setting standards for such policies.

Section 32. AS 21.42.145. Stop Loss Insurance, page 12.

This new section added to Chapter 42 prohibits a health insurer from issuing a stop loss insurance policy that allows payment at claim levels below \$10,000 for an individual or for a large employer plan is \$4000 times the number of individuals covered in a plan or 120% of claims for a plan or \$20,000, whichever is greater, or pays claims at lower than 110% of expected claims, or provides direct coverage of health care expenses. This provides a definition between health insurance and stop loss insurance policies covering health risks. The new section allows adjustment of the standards set and allows adoption of a regulation to implement the section. The new section defines terms used in the section.

Health Insurance

Section 33 through 40 makes small changes to health insurance policy benefits, requirements for insurers discontinuing health products in this state, and small employer insurers.

Section 33. AS 21.42.363. Eye care under health insurance, page 13.

AS 21.89.040 requires an insurer to provide reimbursement for services provided by an optometrist if the plan covers services within the scope of practice of an optometrist. This provision should be in AS 21.42 where the other coverage mandates are located. This section simply moves the provision to a new section AS 21.42.363.

Section 34. AS 21.42.365(b). Health policy benefits, page 14.

Under AS 21.42.365(b) the director is required to make adjustments to the alcohol and drug abuse limits on January 1 every three years using the prior calendar years. It is not possible to use the prior calendar years and make the adjustment on January 1, since the CPI data is not available until after January 1. The change to this section removes the requirement that the adjustment be based on the prior calendar years so that the director can make the adjustment, effective on January 1, based on available CPI data.

Section 35. AS 21.42.390(b). Diabetes benefits, page 14.

This subsection is repealed and reenacted to require insurers to provide not less than \$1,500 for diabetes outpatient self-management education. HB 298 was signed into law this year with a limitation provision that is ambiguous. The change in this section modifies the provision to more clearly reflect the intent.

Section 36. AS 21.42.500(5). Definitions, page 14.

When the HIPAA provisions were added in 1997, the mandated benefit provisions in AS 21.42 were amended to use terms consistent with the HIPAA group definitions. The HIPAA definition of individual health coverage was not defined in our statute, since we used the CHIA as the alternative mechanism, which made most of the individual health provisions in HIPAA inapplicable. However, using the group definitions of health insurance coverage did not reflect the exclusion for individual short-term medical coverage as provided in the individual health HIPAA provisions. The unintended consequence is that individual short-term medical coverage (non-renewal health care coverage for less than 1 year) must comply with health benefit mandates. Most of these do not make sense for a short-term medical coverage such as annual screening exams. This section amends the definition of health care insurance plan in order to exclude short-term individual health coverage from the benefit mandates.

Section 37. AS 21.42.500. Definitions, page 14.

This new paragraph refers to already existing definitions given in AS 21.51 in the area of health insurance.

Section 38. AS 21.51.090. Claim forms, page 14.

This amendment clarifies that the insurer has 10 working days to furnish claimant forms when notified of a claim. The changes to this section modify AS 21.51.090 (individual health insurance), which became effective in 1966, to be consistent with the unfair claim practice regulation requirement regarding claim communication.

Section 39. AS 21.51.110. Time of payment of claims, page 14.

This amendment clarifies that indemnities will be paid within 30 days of receipt of written proof of loss. The changes to this section modify AS 21.51.110 (individual health insurance), which became effective in 1966, to be consistent with the unfair claim practice regulation requirement regarding claim payment.

Section 40. AS 21.54.130(c). Discontinuing health care plans, page 15.

Under HIPAA, insurers are allowed to exit the small group, large group or both markets. However, the current statutory language implies that they must exit from both markets. The change to this section clarifies that an insurer can exit just one or both of the group markets.

Section 41. AS 21.55.010. Regulation of MEWAs, page 15.

This amendment adds a licensed self-funded MEWA to the membership of the Comprehensive Health Insurance Association set out in Chapter 55.

Small Employer Health Insurance

Sections 42 and 43 clarify two areas of the small employer health insurer provisions in AS 21.56.

Section 42. AS 21.56.120(c). Small employer insurer, page 11.

Prior to the HIPAA modifications in 1997 this section required the actuary to certify to compliance with the renewal requirements because they were in Chapter 56. The 1997 HIPAA changes moved this section to AS 21.54 without modifying the references so that under current law the actuary is no longer required to certify to compliance with the renewal requirements (because it is no longer in the

chapter as referenced in AS 21.56.120). The change to this section corrects this error and also adds the requirement that the actuary certify to all the HIPAA provisions in AS 21.54 as they relate to small group coverage as was intended.

Section 43. AS 21.56.140(c). Small employer insurers, page 16.

The intent of AS 21.56.140(c) is to require that insurers exclude any employee who has existing comprehensive medical coverage in determining whether an employer has met established minimum participation requirements. The use of the term "similar existing coverage" does not clearly reflect this intent and therefore the change to this section modifies this to "existing creditable coverage". Creditable coverage is a clearly defined term under AS 21.54.

Consumer Credit Insurance

Sections 44 and 45 clarify information that must be provided in notices to a debtor before consumer credit insurance is purchased and information that must be provided in the policy.

Section 44. AS 21.57.055(a). Consumer credit insurance, page 17.

These two amendments clarify that the creditor must allow the debtor to provide any other creditor required insurance through existing policies or other insurers and state whether or not benefits will pay off the debt at the time of death, disability or unemployment. An insurer may require insurance but not necessarily credit insurance. The current disclosure requirement is incorrect in that it implies that an insurer may provide coverage for unearned premium payments. However, AS 21.57.040 does not allow coverage of unearned premium. Therefore, the change in this section modifies the provision to clarify the insurer must disclose whether benefits will completely pay off debt existing at the time of death, disability, or unemployment.

Section 45. AS 21.57.060(b). Consumer credit insurance, page 18.

Credit unemployment was left out of this disclosure requirement in error. The change to this section adds credit unemployment to the disclosure statement.

Late Fee for Late Payment of Title Insurance Premium Tax

Section 46 provides for a late fee when the premium tax on title insurance business written during the year is not paid by the due date in statute.

Section 46. AS 21.66.110(c). Late Fee, page 19.

The new subsection (c) adds a late payment fee for late payment of the premium tax required under AS 21.66.110 on title insurance. The fee is the greater of \$100

per day or 25% of the tax due. In addition, interest is charged at 1% per month or partial month.

Section 47. AS 21.66.380(b). Confidential documents, page 19.

This amendment specifies that information provided to the division that could identify the experience of a particular title insurance limited producer is confidential.

Annual Fee for Joint Insurance Arrangements

Section 48 sets an annual fee for an entity operating as a joint insurance arrangement under Chapter 76.

Section 48. AS 21.76.130. Annual Fee, page 19.

This new subsection adopts an annual fee to be paid by each entity operating under Chapter 76 as a joint insurance arrangement. The annual fee is to compensate the division for services performed in determining that an entity is staying within the authority given in Chapter 76. An entity that is found to be operating outside of Chapter 76 must be appropriately licensed as an insurer or producer under other provisions of Title 21.

Claim Priority in Liquidation Proceeding

Section 49 corrects the classification of claims by government by removing them from stockholders claims class 8.

Section 49. AS 21.78.260(5). Claim Priority in Liquidation Proceeding, page 19.

This amendment to paragraph (5) moves claims of a government entity for penalties out of Class 8 Stockholder Claims to Class 7. Class 8 are residual payments to stockholders of the defunct company and Class 7 are for payment of miscellaneous claims such as surplus notes, premium refunds on assessable policies, and payments to members of a mutual company. Specific penalty claims as a part of residual claims as the statute currently reads provides an impossible allocation of remaining funds in a liquidation estate.

Section 50. AS 21.85. Regulation of MEWAs, page 20.

This new Chapter in Title 21 provides the details of regulation of self-funded MEWAs operating in the state of Alaska.

AS 21.85.010. Certificate of authority required

This new section requires that a MEWA may not exist unless a certificate of authority is obtained from the director. The section defines when a self-funded MEWA is established or maintained in the state and thereby required to obtain a certificate authority.

AS 21.85.020. Name

This new subsection provides rules for the name of a self-funded MEWA such that the name does not imply that the MEWA is an insurer and that the name is not similar to another MEWA such that it would mislead the public.

AS 21.85.030. Qualifications for a certificate of authority.

This new subsection sets out in (a) the standards that must be met to obtain a certificate of authority. The employers must be members of an association in a related trade, profession or industry. The employers must exercise direct control of the arrangement. The MEWA must be nonprofit and provide only allowable benefits along with life insurance that meets the Alaska insurance statutes. The MEWA must have adequate facilities and competent personnel and the arrangement must cover not less than 2 employer and not less than 75 employees. The MEWA must not solicit participation from the general public but may associate with a licensed insurance producer to enroll employers. The arrangement may not be used solely to collect premiums and forward premiums to an insurance company except in the case of life insurance.

The new subsection (a) sets some solvency requirements. The MEWA must deposit \$100,000 with the director for payment of claims if the arrangement should become insolvent and the arrangement must provide the director a written plan of operation that ensures financial integrity if the director requests such a document. The MEWA must demonstrate that it has the ability to remain solvent. The methods open to the director for determining that the MEWA has the ability to remain solvent are

- pro forma financial statements
- types and levels of stop-loss insurance
- deposit requirement for each employee equal to at least one month cost of providing benefits
- management experience
- other factors the director considers relevant.

The new subsection (b) allows the director to require documents which describe the rights and obligations of the participants to say that those participants are liable for a pro rata share of all liabilities that are unpaid.

The new subsection (c) requires that the MEWA must have stop loss insurance coverage for 100% of claims in excess of the attachment point recommended by a qualified actuary.

AS 21.85.040. Application for a certificate of authority.

This new section sets out the items that must be submitted in an application for a certificate of authority. The items include the submission of an application showing detailed information of the MEWA along with a fee. The application must also have the following

- a copy of all documents describing rights and obligations of the employers, employees and beneficiaries of the arrangements,
- copy of the summary plan description files with the US Department of Labor,
- evidence of coverage or intent to cover at least 2 employers and at least 75 employees
- copy of the most recent annual financial statement or pro forma financial statement including an actuarial opinion
- proof of fidelity bonds
- copy of any stop-loss insurance policies in place or proposed
- biographical reports evidencing trustworthiness and competence of each managing employee or fiduciary
- a statement that the information provided is true and correct and that the arrangement is in compliance with specific state and federal laws, and
- base contribution rates for participation for the initial year of operations.

AS 21.85.050. Minimum reserves.

This new section requires that a self-funded MEWA maintain reserves equal to at least 30% of unpaid claim liability or the amount certified by an actuary, whichever is greater.

AS 21.85.060. Investments.

This new section requires that the MEWA maintain an amount of funds equal to 85% of net unpaid claim liability in cash, cash equivalents, insured bank deposits, bank certificate of deposits, insured share or savings accounts of a savings and loan or rated credit instruments issued or guaranteed by the US or Canada or by a government-sponsored enterprise of the US or Canada if the instrument is guaranteed or is backed by the full faith and credit of the US or Canada. The bank certificate of deposit is subject to review of the director to determine if the investment is sound. If it is not determined to be sound the director may require liquidation of the portion found to be unsound.

AS 21.85.070. Contribution rates.

This new section requires that the self-funded MEWA maintain contribution rates that fund the greater of the amount certified by a qualified actuary, or the sum of projected claims liability for the year, plus all projected costs of operation for the year, plus an amount equal to deficiency of reserves for the prior year minus an amount equal to reserves in excess of minimum required levels of reserves. The contribution rates must also be not excessive, inadequate or unfairly discriminatory.

AS 21.85.080. Reporting requirements.

This new section sets out requirements for the filing of financial statements with the director. The statements must be a statement of the financial condition, transactions and affairs as of the preceding December 31 on forms required by the director. The financial statement as a whole must include

- statement of financial condition (balance sheet);
- a statement of change in financial condition (income statement) accompanied by an actuarial opinion by a qualified actuary certifying that the unpaid claim liability meets the requirements for health coverage reserves in Chapter 18 of the Alaska insurance statutes, including a recommended level of specific and aggregate stop loss insurance, and a description of actuarial soundness with recommendations for improvement;
- Statement of contribution rates for next year;
- Certified financial statements for the prior two years if payments to the arrangement by participants during the prior year exceeded \$2 million; and
- Additional information the director finds necessary to determine financial integrity.

New subsection (b) requires a quarterly statement to be filed within 60 days of the end of each quarter which must include:

- statement of financial condition,
- statement of change in financial condition since the prior year end
- report of number of participating employees and number of covered lives at the end of the quarter and contributions received during the quarter, and
- any other information required by the director.

The new subsection (c) requires that the self-funded MEWA must also file with the director a copy of each Form 5500, with attachments, filed with the Internal Revenue Service.

AS 21.85.090. Consumer information notice.

This new section requires that a notice be given to each participating employee, in writing at the time coverage becomes effective that is clear and conspicuous, no smaller than 10 point type, and that states that the coverage is issued by a self-funded MEWA ; coverage is not protected by the Alaska Life and Health Insurance guaranty Association; and if claim payment is not made by the MEWA the employer or employee may be responsible for payment.

AS 21.85.100. Applicability of other provisions.

This new section sets out what other provisions of the Alaska insurance statutes apply to self-funded MEWAs. The sections include requirements for examinations, managed care insurance plans, unsound management, issuance and continuance of the certificate of authority, disciplinary action against the certificate of authority, filing of financial statements, payment of premium tax, filing of changed information, retaliatory fee, reporting of material transaction,

maintenance of records, health insurance reserves, requirements for unauthorized insurers, trade practices and frauds, approval of policy forms, coverage mandates, requirements for group life insurance, requirements for health insurance, participation in small employer health insurance and high risk health insurance, requirements for rehabilitation or liquidation.

AS 21.85.500. Definitions.

This new section defines the terms used throughout Chapter 85. It also defines "self-funded multiple employer welfare arrangement" as used in this chapter to be a MEWA that does not provide for benefit payment under a policy of insurance issued by authorized insurance companies.

Section 51. AS 21.87.190(b). Confidential documents, page 29.

This amendment specifies that detailed rate justifications and rating formulas are confidential without a specific determination by the director.

Repeal of Sections

Section 52 repeals several sections because of statute changes included in this bill.

Section 52. Repealing sections, page 29.

The section repeals AS 21.33.045(d) that exempted life, health and annuity insurers from providing information if the director had reason to believe the coverage was placed with a nonadmitted insurer. Life, health and annuity insurers who write business in Alaska and were not admitted in Alaska would be treated like all other insurers and required to provide information to the director. The section repeals AS 21.87.340(17) because it references repealed section AS 21.89.040. The section repeals current section AS 21.89.040 due to the optometric services provision being added as a new section AS 21.42.363 in Sec. 33 of this bill.

Section 53. Revisor instruction, page 29.

The revisor is instructed to change the title of AS 21.42.020 to reflect the change made in Section 31 of this bill.

Section 54. Effective date, page 30.

This section provides for an effective date of July 1, 2002 for all sections of this bill.

<u>DATE</u>	<u>FILE</u>	<u>(H) TRANSMITTED TO (S)</u>
04/25/02	<u>3152</u>	(H) VERSION: CSHB 246(JUD)
04/26/02		(S) READ THE FIRST TIME - REFERRALS
04/26/02		(S) L&C, JUD
04/26/02		(S) REFERRED TO LABOR & COMMERCE
04/30/02	<u>Text</u>	(S) L&C AT 1:30 PM BELTZ 211

Similar Subject Match or Exact Subject Match

- COURTS
- DISCLOSURE
- HEARINGS
- INSURANCE
- INVESTMENTS
- MEDICAL CARE
- PRIVACY
- PUBLIC RECORDS
- TAXATION

Bill Root: Display Bill Root



TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS 

Return to Basis Main Menu (22 Legislature)

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FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 246(L&C)
 (H) Publish Date: 4/17/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Omnibus Insurance Bill BRU Insurance (116)
 Component Insurance Operations
 Sponsor House Labor & Commerce by Request
 Requester House Labor & Commerce Component No. 354

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 GF Receipt Supported Services						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill has no fiscal impact on this component.

Prepared by: Robert A. Lohr, Director Phone 907-269-7900
 Division Insurance Date/Time 4/11/02 11:55 AM
 Approved by: Deborah B. Sedwick, Commissioner Date 4/11/2002
 Agency Department of Community & Economic Development

HB

262

Bill History/Action Display



BILL: HB 262

SHORT TITLE: BUILDING SAFETY ACCOUNT

BILL VERSION:

SPONSOR(S): LABOR & COMMERCE BY REQUEST

CURRENT STATUS: (S) L&C

STATUS DATE: 03/13/02

THEN STA, FIN

TITLE: "An Act relating to accounting for and appropriations of receipts from fees collected by the Department of Labor and Workforce Development for certain inspections and for certain plumbing and electrical worker certificates of fitness; establishing a building safety account; and providing for an effective date."

[Full Text](#)
[Fiscal Notes](#)
[Committee Action with Bill History](#)

Jrn-Date	Jrn-Page	Action
04/28/01	<u>1310</u>	(H) READ THE FIRST TIME - REFERRALS
04/28/01	<u>1310</u>	(H) L&C, FIN
02/01/02	<u>2109</u>	(H) L&C RPT 4DP 3NR
02/01/02	<u>2110</u>	(H) DP: HAYES, CRAWFORD, KOTT, MURKOWSKI;
02/01/02	<u>2110</u>	(H) NR: ROKEBERG, MEYER, HALCRO
02/01/02	<u>2110</u>	(H) FN1: (LWF)
03/01/02	<u>2431</u>	(H) FIN RPT 10DP
03/01/02	<u>2431</u>	(H) DP: BUNDE, WHITAKER, HARRIS, CROFT,
03/01/02	<u>2431</u>	(H) DAVIES, MOSES, LANCASTER, HUDSON,
03/01/02	<u>2431</u>	(H) MULDER, WJ LIAMS
03/01/02	<u>2431</u>	(H) FN2: (LWF)
03/06/02	<u>2488</u>	(H) RULES TO CALENDAR 3/6/02
03/06/02	<u>2488</u>	(H) READ THE SECOND TIME
03/06/02	<u>2488</u>	(H) ADVANCED TO THIRD READING UNAN CONSENT
03/06/02	<u>2488</u>	(H) READ THE THIRD TIME HB 262
03/06/02	<u>2488</u>	(H) PASSED Y36 E3 A1
03/06/02	<u>2489</u>	(H) EFFECTIVE DATE(S) SAME AS PASSAGE
03/06/02	<u>2497</u>	(H) TRANSMITTED TO (S)
03/06/02	<u>2497</u>	(H) VERSION: HB 262
03/13/02	<u>2413</u>	(S) READ THE FIRST TIME - REFERRALS
03/13/02	<u>2414</u>	(S) L&C, STA, FIN
03/13/02	<u>2414</u>	(S) REFERRED TO LABOR & COMMERCE

Similar Subject Match or Exact Subject Match

BUILDINGS

FEES

FUNDS

LABOR

LICENSING

ALASKA STATE LEGISLATURE

Representative Lisa Murkowski Chair
Representative Andrew Halcro Vice-Chair
Representative Pete Kott
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
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HOUSE LABOR AND COMMERCE COMMITTEE

Sponsor Statement

HB 262

Building Safety Account

House Bill 262 is a fees-for-service measure establishing a building safety account to allow the Department of Labor to collect fees to support its mechanical inspections program and eventually to eliminate the sizeable backlog of elevator and boiler inspections.

In the mid-1990s there were five electrical inspectors, two elevator inspectors, and five boiler/pressure vessel inspectors to inspect the state's boilers and elevators. Currently there are two electrical inspectors, one elevator inspector, and three boiler/pressure inspectors. While the number of inspectors has decreased, the number of boilers has increased to 44,000, and with the enactment of the Americans with Disabilities Act, the number of elevators has nearly doubled to 900. With that, the backlog of boilers has increased to 6,100 and 300 for elevator inspections.

Passage of House Bill 262 will provide the mechanism for the mechanical inspections program to generate enough funds to not only become self sufficient, but to restore three new inspectors to the program, and to eliminate the sizeable backlog of inspections in approximately two years.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 262
 (H) Publish Date: 3/1/02

Revision Date/Time (Note if correction): 02/26/2002 3:12pm Department: Labor and Workforce Development
 Title: Building Safety BRU: Labor Standards & Safety
 Component: Mechanical Inspection
 Sponsor: House L&C
 Requester: House Finance Component Number: 346

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(1,275.8)					
1037 GF/Mental Health						
New# Building Safety Acct	1,275.8					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill creates the Building Safety Account in the state treasury, and designates certain fees collected by the Department of Labor and Workforce Development to be deposited into the fund. These fees include fees collected for boiler inspections, elevator inspections, and electrical and plumbing worker certificates of fitness. The Mechanical Inspection program within the Division of Labor Standards and Safety has collected program receipts in excess of appropriated authority for a number of years, while at the same time funding part of the program with general funds. Creating the Building Safety Account would consolidate collections into a single account and allow replacement of program receipt and general fund authorization. This Fiscal Note was developed based on the authorization levels in the FY 2003 Governor's Amended Budget.

Prepared by: Richard Mastriano, Director Phone: 269-4900
 Division: Labor Standards & Safety Date/Time: 2/26/02 3:13 PM
 Approved by: Ed Flanagan, Commissioner Date: 02/26/02
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

HB

274

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 274(L&C)
(H) Publish Date: 2/6/02

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
Title: Expedited Workers' Compensation Hearing BRU: Workers' Compensation
Component: Workers' Compensation
Sponsor: Representative Coghill
Requester: House L&C Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY2002) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would require any physician performing an employer requested or board ordered medical evaluation to be licensed in the state or jurisdiction where the examination takes place. The bill would also give the Workers' Compensation Board authority to provide an expedited hearing to an injured worker who needs medical treatment where the treatment is necessary to avoid harm to that worker. The department does not anticipate a financial impact as a result of this legislation.

Prepared by: Paul Grossl, Director Phone: 465-2790
Division: Workers' Compensation Date/Time: 1/31/02 10:23 AM
Approved by: Ed Flanagan, Commissioner Date: 01/31/02
Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

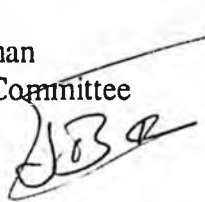
ALASKA STATE HOUSE OF REPRESENTATIVES

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Session Contact:
(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 102

REPRESENTATIVE JOHN COGHILL

Date: April 26, 2002
To: Senator Ben Stevens, Chairman
Senate Labor & Commerce Committee
From: Representative John Coghill 
Re: CSHB 274(L&C)

I am requesting a new hearing on CSHB 274(L&C) "An Act Relating to the qualification of a physician used for an employer's independent medical examination and to the authority of the Alaska Workers' Compensation Board to provide an expedited hearing when an employee needs medical treatment; and providing for an effective date."

I have attached a draft committee substitute that deletes the expedited hearing provisions but would enact in statute the language that requires a physician conducting a workers comp examination in Alaska for an employer to be licensed in the State of Alaska.

My staff has consulted Senator Torgerson's office and Senator Torgerson does not have a problem with the language of the committee substitute. I have also attached a draft concurrent resolution that will have to be adopted by both houses to accommodate the title change.

Thank you for your consideration.

Thank you for your consideration.

ALASKA STATE HOUSE OF REPRESENTATIVES

Interim Address:
119 N. Cushman, Suite 211
Fairbanks, AK 99701
(907)-456-5081
Fax# (907)-456-8245



Session Contact:
(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 102

REPRESENTATIVE JOHN COGHILL

Debbie

Date: March 15, 2002

To: Deb Grundmann

From: Rynniva Moss *Rynniva Moss*

Re: HB 274

I talked to Charlie Miller and Paul Grossi after the meeting. I have also discussed with Representative Coghill the concerns discussed at yesterday Senate Community & Regional Affairs Committee Meeting.

From those discussions, Representative Coghill would like a committee substitute that amends Section 2 of the bill as follows: (I have put the new language in bold.)

- (i) Notwithstanding (c) of this section, upon request by a party, the board or the board's designee may schedule an expedited hearing if the board or the board's designee determines that the claim involves an issue of medical treatment **that has been controverted with supporting medical evidence** and an expedited hearing is necessary to avoid **serious** physical harm to the employee.

Also, an expedited hearing with the new language would be conducted after most of the discovery process is complete, so expediting the appeal will reduce costly attorney and adjusting fees. This may be a concern of the attorneys and insurance adjusters, but Representative Coghill is concerned about the injured worker and the employer caught in the middle.

I also discussed Senator Torgerson's suggested about both parties having to agree to an expedited hearing. Representative Coghill feels this puts employers in an awkward position with the insurance companies. From personal experience, I would have to agree with Representative Coghill. When an employee is injured and an employer has a worker's compensation claim filed, the insurance company can be very intimidating to the employer. Even to the extent of holding higher premiums over their head.

22-LS0983\L
Ford
4/24/02

SENATE CS FOR CS FOR HOUSE BILL NO. 274()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES COGHILL, Hayes, Green, Foster, James

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the qualification of a physician used for an employer's independent
2 medical examination; and providing for an effective date."

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

4 * Section 1. AS 23.30.095(e) is amended to read:

5 (e) The employee shall, after an injury, at reasonable times during the
6 continuance of the disability, if requested by the employer or when ordered by the
7 board, submit to an examination by a physician or surgeon of the employer's choice
8 authorized to practice medicine under the laws of the jurisdiction in which the
9 examination occurs [PHYSICIAN RESIDES], furnished and paid for by the
10 employer. The employer may not make more than one change in the employer's
11 choice of a physician or surgeon without the written consent of the employee.
12 Referral to a specialist by the employer's physician is not considered a change in
13 physicians. An examination requested by the employer not less than 14 days after
14 injury, and every 60 days thereafter, shall be presumed to be reasonable, and the

1 employee shall submit to the examination without further request or order by the
2 board. Unless medically appropriate, the physician shall use existing diagnostic data
3 to complete the examination. Facts relative to the injury or claim communicated to or
4 otherwise learned by a physician or surgeon who may have attended or examined the
5 employee, or who may have been present at an examination are not privileged, either
6 in the hearings provided for in this chapter or an action to recover damages against an
7 employer who is subject to the compensation provisions of this chapter. If an
8 employee refuses to submit to an examination provided for in this section, the
9 employee's rights to compensation shall be suspended until the obstruction or refusal
10 ceases, and the employee's compensation during the period of suspension may, in the
11 discretion of the board or the court determining an action brought for the recovery of
12 damages under this chapter, be forfeited. The board in any case of death may require
13 an autopsy at the expense of the party requesting the autopsy. An autopsy may not be
14 held without notice first being given to the widow or widower or next of kin if they
15 reside in the state or their whereabouts can be reasonably ascertained, of the time and
16 place of the autopsy and reasonable time and opportunity given the widow or widower
17 or next of kin to have a representative present to witness the autopsy. If adequate
18 notice is not given, the findings from the autopsy may be suppressed on motion made
19 to the board or to the superior court, as the case may be.

20 * **Sec. 2.** This Act takes effect July 1, 2002.

DG
 HB 274

LAW OFFICES OF
HOLMES WEDDLE & BARCOTT
 A PROFESSIONAL CORPORATION

701 WEST EIGHTH AVENUE, SUITE 700 • ANCHORAGE, ALASKA 99501-3408

TEL (907) 274-0668 FAX (907) 277-4857

TELECOPY DOCUMENT COVER PAGE

TO: Honorable Ben Stevens
 OFFICE: Senate Labor and Commerce Committee
 FAX NUMBER: 1-907-465-3872
 FROM: Timothy McKeever

MESSAGE: Ben-

Thank you for having Debbie send us the proposed CSHB 274(L&C). This version deletes the provision calling for expedited hearings but retains the provision which requires IME doctors to be licensed in the state in which they conduct IMEs. I have discussed this matter with a number of folks who testified in opposition to the original bill before your committee.

Everyone I have conferred with supports this substitute. Generally we understand that doctors should be licensed in the states where they perform IMEs and so there is no opposition to the substitute.

We are concerned that the provision providing for expedited hearings not be enacted and so our support of CSHB 274(L&C) is based on an assumption that an effort will not be made in conference or otherwise to reinstate the expedited hearing language. The group that was opposed to the bill at the hearing would strenuously oppose reinstating the expedited hearing language at any stage of the process. If you believe that the substitute version will be enacted without amendments providing for expedited hearings we support it. But if there is a chance that the expedited hearing language will be added later we would oppose passage of CSHB 274 (L&C) by your committee.

Thanks for conferring with us about this matter. If you have further questions please let me know. I am copying this to Rep. Coghill's office so he will know where our group stands.

Tim McKeever

FILE NUMBER: 99999-15285

FILE NAME: WCCA

DOCUMENT TITLE

NUMBER OF PAGES BEING SENT 0 + COVER

OPERATOR'S NAME: Patty

DATE: May 1, 2002

TIME: 5:00

April 8, 2002



The Honorable Ben Stevens
Chair, Senate Labor and Commerce Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

Lynden Incorporated
6441 South Airpark Place
Anchorage, Alaska 99502-1809
(907) 245-1544
Fax: (907) 245-1744

RE: HB 274

Dear Senator Stevens;

Our Third Party Administrator, Wilton Adjustment Services, and our insurance underwriters have brought to our attention the potentially very negative impacts that are embedded in House Bill 274 currently being considered in your committee. The technical aspects that produce these potentialities are well articulated in correspondence directed to your office by: Laura Jackson, Claims Manager for the University of Alaska, on March 25; Katharine Collins, Claims Administrator for ARECA Insurance Exchange, on March 21; an email from Glenn C. Smith, Risk Manager for Municipality of Anchorage, on March 21. Of particular concern is the removal of the notification of hearing requirement to the employer, which effectively negates the employers' right to due process and is certain to result in increased litigation in many claims.

Premium costs for worker's compensation insurance were escalating prior to events of September 11 that, in and of itself, had a devastating effect on all insurance markets. Insurers were exiting the Alaska market or being very selective about what coverage and limits to provide and whom they would provide it to. If passed in the current form, this legislation is likely to exacerbate an already formidable situation. We would appreciate your consideration in addressing these issues.

Very truly yours,

LYNDEN INC.

A handwritten signature in black ink, appearing to read 'David W. Haugen', written over a horizontal line.

David W. Haugen
Vice President



University of Alaska

Statewide Office of Risk Management

3890 University Lake Drive • Suite 104 • Anchorage, AK 99508
Office (907) 786-7755 or (907) 786-6119 -- Fax (907) 786-1412

March 25, 2002

The Honorable Ben Stevens
Chair, Senate Labor and Commerce Committee
Alaska State Legislature

RE: HB 274

Dear Senator Stevens:

As I noted in my testimony at the hearing on March 14, 2002, I am opposed to HB 274, which is currently being considered in your committee. As the Claims Manager for the University of Alaska and an adjuster licensed in the State of Alaska since 1987, I am very concerned about the impact of this proposed legislation on the due process of employers and, ultimately, on the economy of the state.

I first heard about the bill after it had already gone through the House. I personally know of no employer, adjuster or insurer who was aware of it. (I am actively involved in the Alaska Adjusters' Association and the Insurance Association of Alaska.) Apparently about the only people who knew about it before it passed the House were those who proposed the legislation to Representative Coghill. Those of us working for the employers are too busy taking care of injured workers to spend time on the web. We rely on the Alaska Workers' Compensation Board and the statutory (3 AAC 30.200) Workers' Compensation Review And Advisory Committee to notify us of proposed changes. Unfortunately this committee does not appear to be doing so. For that reason, only the injured workers testified at the House public hearings. Once I became aware of the legislation, I made sure to review the bill and the testimony in order to understand the concerns that generated the bill and the effect it was expected to have. I also notified others of HB 274 so that they could consider it.

You will note that in the testimony of the injured workers, the main theme was that they object to the employer being allowed to have an employer's medical evaluation. They were not particularly enchanted with the Board being able to have a Second Independent Evaluation either. In other words, they want only their own opinion and that of the medical providers of their choice to be heard. Clearly, there is no venue in which only one party has rights. Even under the Workers' Compensation Act, an Act which has been described by the Board and the Courts as social legislation intended to assist the employee in every way to obtain benefits, the employer still has some right to due process.

The Act imposes certain requirements and time frames on both parties. Under AS 23.30.095 (e), the employer is not even allowed an Independent Evaluation until at least 14 days have passed since the injury. 8 AAC 45.090(c) reiterates this and adds a requirement to give the employee 10 days notice prior to the exam. It would be impossible to set an employer's evaluation in time to gather medical information, depose employees, witnesses, experts, and doctors, etc., if necessary. I might note here, the same can be said for the employee, should the employer be the party requesting the expedited hearing. There is no due process for either side if Section 2 of the proposed bill is adopted.

I do believe, however, if the wording were changed to read "upon request by both parties," it would allow an expedited hearing if both believed they were sufficiently ready to present their cases. The bill attempts to throw out AS 23.30.110(c) which allows only 10 days for a response to a request for hearing as it is written now. A prehearing is then set within 30 days and a hearing within 60 of that, unless opposed. Considering the very complicated nature of many of the cases that go to hearing, these are not egregious time frames. It is my understanding that the Board makes every attempt to expedite the process and, barring opposition, the hearing would be set in fairly short order now.

Having handled claims since before the 1988 changes in the Act, I am aware those changes came about because the cost of providing Workers' Compensation had gotten out of control. Insurers were bailing out of Alaska and the premiums for those who chose to remain were too high for many small employers to afford. The unavailability of the coverage caused companies

March 21, 2002

The Honorable Ben Stevens
Chair, Senate Labor & Commerce Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801
Fax# (907) 465-3872

Re: HB274

Dear Senator Stevens:

There has been considerable discussion regarding HB 274, specifically Section 2, which amends AS23.30.110 by adding a new subsection. I would like to express my regrets that ARECA Insurance Exchange did not testify on HB274 while it was in the House. However, ARECA Insurance Exchange was not aware of the bill until late February.

I have voiced my concerns regarding Section 2 of the bill both in testimony to the Senate Labor and Commerce Committee and in writing to Representative Coghill. Following is a brief explanation of those concerns.

First, there is the question of what issue the expedited hearing will address. If we go on the assumption that the claim has been controverted, which would trigger the prehearing and expedited hearing, then the hearing would have to address the basis of the controversion. A controversion which affects the availability of medical care for the injured worker can be based on many issues including, but not limited to, the following:

1. Benefits may be controverted because of a dispute whether the injured worker was in course and scope of employment at the time of the injury or condition for which the treatment is being sought.
2. Benefits may have been controverted on the basis of a statute of limitation defense because the worker claimed that the need for medical care arises from an incident which occurred some years in the past.

Senator Ben Stevens
Page Two
March 21, 2002

3. The employer may have controverted the claim and the injured worker did not request a hearing within two years following the filing of the controversion notice which is a basis for denial. AS23.30.110 (c).
4. The claim may have been controverted on the basis of AS23.30.235 (2) which states that when an injury is proximately caused by intoxication of the employee or proximately caused by the employee being under the influence of drugs unless the drugs were taken as prescribed by the employee's physician, compensation is not allowed.

Time is required to prepare for hearing in any of these events. Due process will not be served with an expedited hearing. When an injured worker requests an expedited hearing to obtain medical treatment to avoid physical harm, the controversion may be based on issues other than medical treatment, some of which are stated herein.

Medical care should not be provided at the expense of employers if the claim is not compensable. A different avenue to procure medical care must be found other than depriving employers and insurance carriers of due process. Enactment of the amended AWCBC regulations currently awaiting signature by Lieutenant Governor Ulmer will speed up the hearing process without passage of Section 2 of HB274.

ARECA Insurance Exchange recommends that Section 2 be deleted from HB274. We would welcome the opportunity to participate in any discussion of how this issue might be dealt with more fairly for all parties concerned. The implications of this bill are far reaching. It is ARECA's position that Alaskan citizens would be better served by re-looking at how to address the concerns of injured workers which were voiced to you. Thank you for taking the time to review ARECA Insurance Exchange's concerns as well as those of its membership, which consist of 23 utilities in Alaska.

Sincerely,

Katharine Collins
Claims Administrator
ARECA Insurance Exchange

> ----- Original Message -----

> From: "Houston, Tabetha M." <HoustonTM@ci.anchorage.ak.us>

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

> Sent: Thursday, March 21, 2002 2:32 PM

> Subject: House Bill 274

>> The Honorable Ben Stevens, Chair
>> Senate Labor & Commerce Committee
>> Alaska State Legislature

>> Dear Senator Stevens:

>> I am writing you regarding concerns I have about HB 274. As I understand,

> it
>> has been referred to your committee.

>> I am the Risk Manager for the Municipality of Anchorage and have been
> for

> 5
>> years. Prior to that, I administered the MOA claims as a Third Party
>> Administrator, (TPA) for 5 years. I have been adjusting and
> administering
>> multiline claims in Alaska for 25 years.

>> Some of my concerns are as follows:

>> There is no definition of "serious medical issue". This will put a
> burden
>> on the Board as presently they are not prepared to make this call. I
> have

>> no
>> way to represent the hard and soft costs of this burden.

>> The current Act provides for 10-day notice to an insurer of a
> hearing----the
>> bill removes such a standard.

>> There will be a substantial cost to employers and the public as ALL
> cases
>> will have to be prepared as if they were to be litigated. I am sure
>> insurance companies will attempt to pass this on to insureds in the form
> of
>> premium increases in a market that took a great hit in lieu of 9/11.

>> The MOA processes and adjusts through their TPA over 600 WC claims a
> year

>> at
>> a cost of over \$3 million, excluding TPA fees, excess insurance premiums
> and
>> safety engineering. This year between the SIF contribution and user fee,
> we

>> also paid the State over \$160,000.00. In the 25 years I've been
> adjusting
>> claims in Alaska we have lost numerous markets contributing to the
> increased
>> work comp premiums quoted by the remaining markets.

>> This type of proposed legislation can only hurt the Alaskan market
> place.

>> Glenn C. Smith, Risk Manager
>> Municipality of Anchorage

Subject: HB274**Date:** Sat, 16 Mar 2002 13:20:46 -0900**From:** "Bob Jackson" <bob-jackson@wiltonalaska.com>**To:** "Ben Stevens" <Senator_Ben_Stevens@legis.state.ak.us>**CC:** "Laura M. Jackson, ACS" <laura.jackson@alaska.edu>,
"Murlene J. Wilkes" <harbor@alaska.net>

I am President of Wilton Adjustment Service and am the manager of our Anchorage office. Our company is an independent multiline adjusting company and handles a considerable amount of workers' compensation claims for various clients. My wife and I are also residents of your District.

I wish to voice my opposition to HB274. It is my concern that this piece of legislation seriously impinges upon the rights of employers for due process in the workers' compensation arena. It will increase costs and drive premiums even higher. I believe it will discourage new w/c carriers to enter the market in Alaska and may encourage some of those already here to leave the market.

The bill provides for an expedited hearing. The effect of this allows the employee and his attorney to prepare for it prior to requesting the hearing. The bill even removes the requirement that the employer get 10 days notice of the hearing. This does not provide the employer any time to prepare for a Second Independent Medical Exam (SIME) or have medical testimony on an issue brought up by the worker and his attorney. Once the money is paid for medical and other benefits it cannot be recovered even if subsequent investigation and medical testimony shows the claim is not covered.

The standard to get an expedited hearing is feather light and will result in a dramatic increase in requests for such hearings. This will increase litigation costs to employers and undoubtedly result in payment of claims which would not otherwise be covered. It is an abuse of the employers' due process and is simply unfair and unbalanced.

In the interests of brevity I will not go into further details of my objections but ask that you vote no on HB274.

Bobby E. Jackson
6939 Windsor Pl.
Anchorage, AK 99502

As a follow-up to my e-mail over the weekend, I would like to address the comments made by Paul Grossi, the Director of the Division of Workers' Compensation, because I believe that his testimony was very unclear.

First, Mr. Grossi stated that the Department supported the bill because it was a "minor change" and he did not understand why all the testimony was given on March 14th. This change is not a minor change but a significant overhaul that strips a party of its right to due process. The fundamental issue is the right of a party to have the time to complete its discovery in order to adequately defend itself in a judicial process.

Mr. Grossi stated that in the vast majority of cases, the employer has already completed their discovery and accumulated sufficient evidence to support their controversion (denial) of a benefit. What isn't made clear is that the "vast majority" of cases are not in dispute, as Mr. Grossi later conceded. The "vast majority" of cases are opened, paid and closed routinely without disputes and/or litigation.

In Mr. Grossi's testimony he stated, "There may be occasions where a claim comes out of an injury that occurred a while back and needs some discovery. But most cases, the vast majority of cases that happen, the employer has a controversion on the claim so if it was for medical treatment, they would have filed a controversion denying that particular treatment. If that occurs, for a controversion to be valid, they have to have medical evidence or some legal basis for that. So, I'm not sure I understand completely the denial of due process. The employer wouldn't have denied the treatment in the first place if they hadn't done some basic discovery on the need for medical treatment in order to deny treatment in the first place. There may be some instances but that would be a relatively small number of those cases. So basically the employee, if the employee gets injured, the employee files a report, goes to the doctor and gets treatment and the employer can pay or not pay and if they question . . . they have the claim. . . they have the employee examined by a physician of their choice which is what we heard some testimony on and they can either pay or deny the claim or treatment or benefits that surround that. And that is how most cases, the vast majority are dealt with. So then in the vast majority the basic discovery should have been done before the denial occurred. That's not to say there aren't instances where that would be a problem. But the law doesn't say you *have* to have an exam (should be hearing) it says that an examination (should be hearing) "may be scheduled." Where these circumstances are found, I think there's some room for those types of situations the way the statute is written."

Mr. Grossi began a statement that said in "in some instances but that would be a relatively small number of cases," and he glossed over the fact that litigated cases are a relatively small number of cases. This bill addresses that small minority. Example, the employee could file a brand new claim for an injury that occurred in the past but never reported it to the employer. The employee may have had months and months of medical treatment and possibly surgery by his treating physician(s). This bill would allow the employee the right to request an expedited hearing regardless of whether the employer has been given adequate notice or not. What isn't addressed is what issues could be heard, such as causation, compensability and medical necessity.

The employer would be impacted on several fronts:

- 1) they have to begin at ground zero and request releases from the employee before they can even begin to do any discovery. After the employee signs the releases and returns them, it can take as much as six weeks to gather the medical reports. Meanwhile, the time is ticking and the employer has no medical evidence to support a controversion for any reason and they will be forced into a hearing without any discovery. The Board would rule on the only evidence available, that is, the employee's physician's reports;
- 2) the Board could order the employer to pay for medical treatment before the employer has sufficient medical evidence to support a denial and before the issues of causation or compensability were addressed;
- 3) if after the Board orders payment of the medical treatment, the condition is found to be non-compensable or not medically necessary, the employer is prohibited from recouping the cost from the employee.

Regarding Mr. Grossi's comments that this bill would give the Board a tool for distinguishing the level of need for an expedited hearing, he stated:

- 1) that the Board's designee would not rely on their own prognosis or diagnosis, but on the medical evidence in the way of medical reports in order to reach a determination for a need for an expedited hearing. Again, the only medical reports in evidence would be from the employee's physician;
- 2) based on those medical reports, the designee would set the claim on for hearing and this bill would give them a right to some preferential treatment over some other cases. The point remains, that there is now an expedited hearing scheduled that the employer must attend but without the benefit of any discovery.

Undoubtedly, the Board will interpret the statute narrowly and take the position that the statute mandates a hearing and will also make a determination, based on the medical reports in evidence, that the employer must pay for the employees medical treatment. Even though it is likely that the employer may raise the issues of causation, compensability or medical necessity, they will be ordered to pay for the medical treatment. This will lead to more litigation and associated costs as each case will have to be appealed to the higher courts for resolution. And, if the employer prevails at the nigher courts, they have expended thousands of dollars on a non-compensable claim that they cannot recoup.

HB 274 is ambiguous and unfairly weighted to one party. I urge you to **not** pass HB 274. I have previously testified concerning this bill refer you to that testimony as well as my e-mail this weekend. I would be happy to address any issues you would like to discuss with respect to this bill.

Sincerely,

Senator_Ben_Stevens@legis.state.ak.us <Senator_Ben_Stevens@legis.state.ak.us>

Thursday, March 14, 2002

Dear Ben Stevens,

Thank you for absolutely blowing my mind today!!!! I testified about HB274 The Workers Compensation Bill. I have never been publicly treated so rudely by a public official. You really confirmed for you that you could absolutely care less about the hundred of workers that I represent statewide so you could move along to the defense attorneys and insurance companies that probably contributed hefty to your campaign. Sorry that we are lowly voters and excuse me for thinking that you care about us,

First off, lets start with who we are, you are a senator's son from privilege and prestige. Me, I have a high school diploma and I have worked hard for everything I have earned. One of the things I have earned from thousand of hours of free work is knowledge of exactly how the workers compensation affects workers. Dedicated to educating injured workers, their families, and healthcare providers all over the state. One thing between your salary and mine is I don't get one. See I have three small children under five and a mentally disabled husband(related to his work injury.) I serve hundred of workers statewide with an education service absolutely free of charge.

Me and my family really understand the complex problems that workers face because we have lived in our car, we have been subject to those medical exams that you know nothing about. I had to struggle to understand all this legal stuff. I had to help my family survive the aftermath. you see I am now the bread winner in my house and I have to arrange every detail of my husbands life. I am not complaining but You fuel my fire. I am the only person helping injured workers and I am also the only person in the state providing guardian services for mentally and physically incapacitated workers. Those same workers who voted for you. Those same workers who depend on those benefits, that you know little or nothing about. Those same workers that believed enough in you to vote for you unless you solely depended on big business and insurance companies for campaign monies and votes.

Exactly how much do you know about workers compensation? Do you know that this bill offers NO protection to workers? Do you know that by applying more unnecessary layers of bad law to a problem they are only more complex to sort out? the more complex this get for workers the more you listen to defense attorneys and insurance companies. What does the average people have to do to get your respect and courtesy and attention. For people who have little or no experience testifying you are sending a CLEAR message that we are not welcome to be heard. I thought that this was a public opportunity to comment. What do we have to do to be heard in the appropriate manner by you? Is there some special code, do we flash money, or exactly what do we do to participate in this process? What do we have to say or do to command your attention. You are a senator to serve Alaskan's are you not?

Thank you I think for your time in reviewing this information.
Sincerely,

Barbara Williams

Here

URGENT MESSAGE / URGENT MESSAGE

CONCERNING HOUSE BILL 23.30.095 (e) I am writing to you to urge you to reconsider these amendments that you have requested. The offering you have made to workers is very inadequate. I will offer you some information so that you may make some informed changes that will benefit the workers and not insurers. Workers understand the need for the employers insurer to have the right to have them examined by their own doctor. We understand that insurers and employers may want a second opinion. This would be an excellent check and balance if the language were adjusted to indicate more protection for workers. what that would look like is

- a licensed physician. Licensed in the State of Alaska . Licensed and held to the Alaska Standard for workers compensation.

This would mean that physicians flying to Alaska must be licensed to practice in this state. Additionally physicians licensed outside would provide before an examinations proofing of license and bond in the state in which the examination occurs. Any sanctions must be noted and

worked informed before the examination commences. Panels of physicians must be approved by the Alaska Workers Compensation Board before an employee would have to submit to examination. Most workers are subject to panels of physicians with many different specialties. Currently workers do not have the ability to employ panels of doctors. Many times workers are subject to blind mental psyc. examinations and have no idea they are being seen for mental diagnosis. There is also no LEGAL REQUIREMENT for anyone to produce or read the medical records of injured workers. Often insurers hire nurse case managers to summarize or medical records and pass the information along to the "independent medical examiner". We have found through independent research that workers have questioned these doctors and have discovered that the independent medical evaluators have never looked at one medical record. The legal requirement only attached when the board is asked to arrange for a second opinion that the employer pays for. A little known fact is that the fees for all services fall under the "Reasonable and Customary" fee schedule . An opinion has a billable rate of only \$350.00 any other fee must be approved by the board. If in fact the insurers are (our research indicates it does) employing these evaluators at fees beginning 1,200.00 and moving up into the tens of thousands of dollars. Insurers are able to manipulate the medical care an injured worker may receive. There is currently no protection for workers in this area.

- There needs to be a legal requirement for all records that would be relevant to the claim be reviewed by the independent medical examiner.
- If an employee refuses an examination a hearing should be held to conclude if the employee had good reason for not submitting to the examination.

Many times employees have given proper notice and had good cause not to be available to be examined. They always loose benefits because there is no protection for them. In some instances employees have demonstrated good medical cause, have had no child care, have had no money, and in most all cases none were informed what to do if they could no go. There is no language to protect workers in the current statute. People with mental, cognoscente, brain injury, who experience barriers such as reading, language and cultural barriers have absolutely no protection. Imagine your brain injured and your insurer just expects you to jump on a plane and go be examined. Forget that you need assistance traveling, may get lost, and forget where you are because you have a brain injury. Yes, this really happens, you a just kidding your self if you think that it does not. Workers need you to make this a better piece of language to ensure that they are treated properly. Right now they are not. There is no education classes on this for workers and it is clear that from language in th bill you need to understand the problems that workers experience with the current shortage of protection and how too improve this. We are not admonishing you but encouraging you to make better laws and inform your self about the current problems in workers compensation. I know that all of you have people in your districts and their stories are horrific. Change begins with you and I sincerely hope that you will hear these people and assist in making a better change for workers and their families. Thank you for reviewing this information. I am as always available to work with you ,share information, and continue to serve those whose daily lives revolve around their struggles to understand and survive in this compensation system. Sincerely, Barbara Williams President Alaska Injured Workers Alliance

Barbara Williams
Alaska Injured Workers 3/14/2002
278-3661



ALASKA STATE LEGISLATURE

SENATOR JOHN TORGERSON

- ◆ CHAIR, SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
- ◆ CHAIR, SENATE RESOURCES COMMITTEE
- ◆ CHAIR, JOINT COMMITTEE ON NATURAL GAS PIPELINES

Session:

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District:

35477 Kenai Spur Hwy, Suite 101A, Soldotna, AK 99669
Telephone 907/260-3041 Fax 907/260-3044
Homer: Telephone 907/235-0690 Fax 907/235-4008

Date: March 15, 2002

To: Deb Grundmann
Staff to Senator Ben Stevens

From: Kurt Olson *KO*

Ref: Revisions to HB 274

BEN

Deb

Deb,

Senator Torgerson will accept the following changes to this bill:

Sec.2. AS 23.30.110 amended as follows:

(i) Notwithstanding (c) of this section, upon request by [a party] both parties, the board or the board's designee may schedule an expedited hearing if the board or the board's designee determines that the claim involves an issue of medical treatment and an expedited hearing is necessary to avoid serious permanent physical harm to the employee.

Ms. Moss comments that intimidation of employers by insurance companies happens frequently after claims are reported. If she has any documentation, I would certainly appreciate it if she supplied it to our committee. Workers compensation rates are set by the National Council on Compensation Insurance (NCCI) and approved by the Division of Insurance with modification in the form of an Experience Modification that is based upon the previous three years claims (frequency and severity). A serious claim would have no impact until it worked its way into the experience history. A high frequency of claims might get a policy "non-renewed" and the next renewal date.

An acceptable alternative would be to change the title of the bill and delete in its entirety Section 2.

REPRESENTING THE KENAI PENINSULA

*Anchor Point Bear Creek Clam Gulch Cooper Landing Crown Point Fritz Creek Happy Valley Halibut Cove Homer Hope Kachemak City Kachemak Selo
Kasilof Lowell Point Moose Pass Nanwalek Nikolnevsk Ninilchik Port Graham Soldotna Seward Seldovia Soldotna Stariski Sterling Voznesenka*

Alaska State Legislature

Interim:
119 N. Cushman, Suite 211
Fairbanks, AK 99701
(907) 456-5081 - Phone
(907) 456-8245 - Fax



Session:
State Capitol, Room 102
Juneau, AK 99801
(907) 465-3719 - Phone
(907) 465-3258 - Fax

Representative John Coghill

FOR IMMEDIATE RELEASE: Feb. 13, 2002

CONTACT: Rep. John Coghill, Jr.: (907) 465-3719

Coghill Seeks Speedy Workers Comp Hearings **HB 274 Would Expedite Process to Protect Claimants' Health**

(JUNEAU) – Workers hurt on the job could receive faster consideration of their disputed worker's compensation claims under a bill the House of Representatives passed unanimously today.

Sponsored by Rep. John Coghill Jr. (R-North Pole), House Bill 274 is aimed at providing quick medical and financial assistance to workers who might otherwise languish in pain while waiting to have a disputed insurance claim processed on the usual schedule, he said.

"There's no good reason why a working man or woman injured on the job should be made to suffer twice from the same accident," said Coghill. "The way it stands now, they could be hurt once by the actual injury, and a second time as they are forced to wait an average of 138 days for a hearing on a contested workers' comp claim."

Under current law, an insurance company that rejects a worker's compensation claim can delay a final decision by up to 120 days, while going through the process of obtaining medical examinations or gathering other evidence. But delaying treatment of even relatively simple injuries can mean months of pain or the development of serious medical complications in the claimant, not to mention the financial consequences of having no income for up to four months, Coghill said.

HB 274 gives the state Workers Compensation Board the authority and discretion to hold expedited hearings in such cases. The bill also adds an extra layer of protection for state laborers, by requiring that any physician performing an individual medical examination in connection with a worker's compensation claim must be licensed to practice in the state of Alaska.

"Worker's compensation insurance represents a promise to working Alaskans' that they can get prompt medical attention for their on-the-job injuries, and that they can still provide for their families while they're healing up," Coghill said. "HB 274 helps make this program work more efficiently and more humanely, and I look forward to seeing it win approval in the Senate and get signed into law."

HB 274 moves next to the Senate for consideration.

###

Broadcasters note: Comments are available on the Majority Actuality Line 1-800-478-6540, or on the Majority webpage at www.akrepublicans.org

HB

276

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CS HB 276 (L&C)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title An Act relating to temporary permits and BRU Occupational Licensing (117)
licenses by endorsement issued by the Board of Nursing Component Occupational Licensing
Sponsor Representative Wilson
Requester House Health & Social Services Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

New funds are not required to implement the charges of this bill.

Prepared by: Jennifer Strickler, Administrative Manager Phone 907-465-2144
Division Occupational Licensing Date/Time 2/26/02 1:00 PM
Approved by: Deborah B. Sedwick, Commissioner Date 2/26/2002
Agency Department of Community & Economic Development



Alaska State Legislature

*Representative Peggy Wilson
Putting Alaska's Families First*

SPONSOR STATEMENT - HB 276

HB 276 is essentially a "clean up bill" which brings nursing statutes up to date with current nursing practice in three areas: (1) gives licensed nurses the authority to delegate nursing duties to other personnel and gives the Board of Nursing authority to promulgate regulations outlining safe delegation practices to ensure safety of the consumer; (2) the bill increases the length of time available for a temporary nursing license from 4 to 6 months to allow for the extra time it may take to get back results of criminal justice background checks required in new regulation; (3) changes the wording placement regarding licensure by endorsement that brings the wording in the statute into compliance with what is already being done in the Division.

Delegation by licensed nurses of specific nursing tasks to unlicensed assistive personnel (UAPs) such as aides and technicians has always been a part of nursing practice. The health care delivery system that includes public health, Indian Health, hospitals, clinics and community nursing facilities will continue to use UAPs. These changes allow specific statutory authority for nurses to delegate essential care to the delivery of safe and effective health care to the citizens of Alaska. I urge you to support HB 276.

12/21/01

Subject: House Passes Rep. Wilson's Nursing Bill

Date: Tue, 05 Mar 2002 11:12:58 -0900

From: Dan Saddler <Dan_Saddler@legis.state.ak.us>

Organization: House Majority

Summary

Alaska State Legislature
House of Representatives
Representative Peggy Wilson

FOR IMMEDIATE RELEASE: March 5, 2002
CONTACT: Rep. Peggy Wilson (907) 465-3824

House Passes Rep. Wilson's Nursing Bill

HB 276 Revises, Updates Statutes to Match Practices

(JUNEAU) – The House passed legislation Monday to bring state law regulating professional nursing practices into line with common standards regarding delegation of authority for certain nursing duties to unlicensed personnel.

“The changes in HB 276 will allow specific statutory authority for nurses to delegate the delivery of safe and effective health care to the citizens of Alaska,” said Rep. Peggy Wilson (R-Wrangell), who is a registered nurse with almost 30 years’ experience in the health care industry.

HB 276 brings nursing statutes up to date with current nursing practice in three areas. First, it would give licensed or practical nurses the authority to delegate nursing duties to unlicensed aides or technicians, and give the Board of Nursing authority to promulgate regulations outlining safe delegation practices to ensure safety of the patients.

“Delegation by licensed nurses of specific nursing tasks to unlicensed assistive personnel (UAPs) has always been a part of nursing practice,” Wilson said. “The health care deliver system that includes public health, Indian Health, hospitals, clinics and community nursing facilities will continue to use UAPs. This bill will make sure it is done safely and according to clear standards.”

Second, HB 276 would extend the term of a temporary nursing license from four months to six months, to allow sufficient time for the criminal background checks required under new regulations before a nurse licensed in one state may earn a license by endorsement in Alaska.

Finally, the bill would make technical changes in the state law defining how Alaska will issue nursing licenses by endorsement to nurses who have been practicing in other states for the last five years.

HB 276 passed the House unanimously, and moves next to the Senate for consideration.

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Alaska State Hospital & Nursing Home Association

We're helping people care for people!

February 15, 2002

Representative Peggy Wilson
Alaska State Legislature
State Capitol, Room 409
Juneau AK 99801-1182

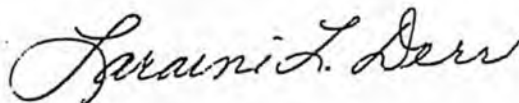
Dear Rep Wilson:

The House Labor and Commerce Committee will be hearing HB 276 on February 20, 2002. As the president of the Alaska State Hospital and Nursing Home Association (ASHNHA), I am writing a letter of support for the CS for House Bill No. 276, "An Act relating to temporary permits and licenses by endorsement issued by the Board of Nursing; and relating to the delegation of nursing duties."

This bill will put into law what has always been a part of nursing practice. The bill gives licensed nurses the authority to delegate nursing duties to other personnel and give the Board of Nursing authority to set out regulations to outline safe delegation of their duties. Because there is such a severe shortage in the nursing profession, extending the temporary nursing license from 4 to 6 months will allow extra time. Any help in this area will be greatly appreciated.

ASHNHA is an organization of 34 healthcare providers around the state of Alaska. We believe that passage of this legislation will allow for better health care delivery to our citizens.

Sincerely yours,



Laraine L. Derr
President/CEO



Elizabeth Engle, RN BSN
ASNA President

To: Representative Peggy Wilson

Thank you for introducing HB 276. Nursing is a complex and often poorly understood profession, and in our efforts to meet the health needs of Alaska, we often encounter difficult and frustrating situations. This bill will help to clarify some of those issues, and give some authority in decision making to those who understand the ramifications of those decisions the best.

The Alaska School Nurse Association supports this bill.

Elizabeth Engle, RN, BSN
President, ASNA

A handwritten signature in cursive script, appearing to read "Elizabeth Engle", is written over a large, dark, textured area that looks like a stamp or a very heavy shadow.



t/ 907-274-0827
f/ 907-272-0292

2207 East Tudor Rd, Suite 34
Anchorage, AK 99507-1069
www.aknurse.org
aknurse@aknurse.org

February 14, 2002

Honorable Peggy Wilson
State Capitol, Room 409
Juneau, Alaska 99801-1121

Dear Representative Wilson:

We are writing this letter in support of the CS for HB 276, "An Act relating to temporary permits and licenses by endorsement issued by the Board of Nursing; and relating to the delegation of nursing duties." This bill brings the nursing statutes up to date with current nursing practice in the areas of delegation of nursing duties and the issuance of temporary licenses and licenses by endorsement.

Over the last ten years there has been an increase in the number and type of ancillary unlicensed health care workers that RNs and LPNs are required to delegate nursing duties to and have oversight of the work they perform. The Attorney General's office recently ruled that the existing statutes do not give the Board of Nursing the authority to promulgate regulations covering delegation of nursing duties to persons other than nursing assistants.

It is imperative that RNs and LPNs have regulations from the Board of Nursing covering delegation of nursing tasks. Nurses rarely hire or train the unlicensed personnel they are required to work with, yet their employers require nurses to make sure these persons perform the tasks delegated to them in a safe and accurate manner. Because these individuals are unlicensed, there is no regulatory body overseeing their training and competency. Nurses need the backing of the regulations promulgated by the Board of Nursing so that they can delegate in a manner that maintains the health and safety of their patients.

The sections of CS for HB 276 which deal with temporary nursing licenses would extend the length of license from 4 to 6 months which would allow the Board of Nursing to complete necessary background checks. The section of the Bill dealing with license by endorsement would bring the statute into compliance with current practice of the Board concerning applicants who have not worked as a nurse in the past five years.

The Alaska Nurses Association is in full support of CS for HB 276.

Sincerely,

Patricia Senner MS, RN, ANP

FEB 19 2002



HB

281

REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 19

Sponsor Statement

CS HB 281 (JUD)

“An Act relating to civil liability for providing alcoholic beverages to a person under 21 years of age; and providing for an effective date.”

Under CS HB 281 (JUD), an adult who knowingly furnishes alcohol to a person under the age of 21 can be held civilly liable for the resulting damages.

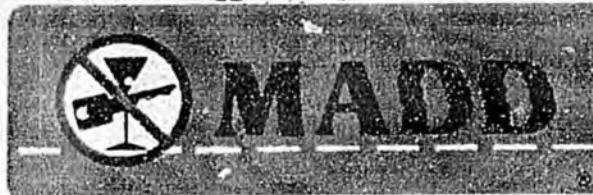
In Alaska, as well as across the nation, underage drinking is a significant problem. Minor consumption is a factor in nearly half of all teen automobile crashes. Alaskan teens are 4 times more likely to cause fatal crashes when driving under the influence. It also contributes to suicides, homicides and fatal injuries, and is a factor in sexual assaults. Alcohol is readily available to minors because of irresponsible adults that knowingly serve, sell, and supply alcohol to minors.

Recent tragedies have highlighted the problem of underage drinking and the consequences of adults providing alcohol to minors. Civil liability laws alone will not eliminate underage access to alcohol. However, they do take a step in the right direction. Adults who provide alcohol to minors should be held accountable in civil court as well as criminal court.

Whether it is a parent, neighbor, or older sibling, adults must be held accountable when they provide alcohol to minors. Liability laws, such as CS HB 281 (JUD), will hopefully assist in deterring adults from furnishing alcohol to minors.

Last Updated: March 6, 2002

Email: Representative_Kevin_Meyer@legis.state.ak.us • Toll Free: (866) 467-4945
Session: State Capitol, Juneau, Alaska 99801-1182 • Phone: (907) 465-4945 Fax: (907) 465-3476
Interim: 716 W. 4th Ave., #320, Anchorage, Alaska 99501-2133 • Phone: (907) 269-0199 Fax (907) 269-0197



Mothers Against Drunk Driving

Anchorage Chapter

3600 Arctic Boulevard Box 3 • Anchorage, AK 99503 • (907) 562-6890/Fax (907) 562-6896

• Email: mgreeson@maddalaska.com

January 24, 2002

FEB 06 2002

Representative Kevin Meyer
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Meyer,

On behalf of the membership, board of directors and staff of the Anchorage Chapter of MADD, I am writing in support of HB 281, "An Act relating to civil liability for providing alcoholic beverages to a person under 21 years of age."

Adults are frequently involved in purchasing or providing alcohol to underage persons and must be held to a high standard. Individuals under the age of 21 are in developmental stages of their lives and learning to make appropriate choices. When faced with the temptation and opportunity to participate in what they perceive as adult behaviors, their choices may be inappropriate. Adults must take responsibility for maintaining healthy standards and examples for young people learning good decision-making skills.

Adults who knowingly and intentionally entice young people to pursue dangerous behaviors must be held accountable. Civil liability will hold adults to a legal and ethical standard regarding the growth and safety of our youth.

Sincerely,

Marti Greeson
Executive Director

Drunk Driving is Breaking Alaska's





Mothers Against Drunk Driving • Juneau Chapter
211 Fourth St. Suite 102 • Juneau, AK 99801

January 24, 2002

House Bill Number 281,
Sponsor: Representative Meyer

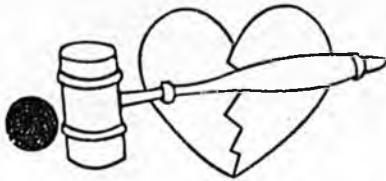
After discussion and agreement, the Alaska Chapters of Mothers Against Drunk Driving (MADD) endorses House Bill 281 which will impact those without a proper license who sell to minors. By making this action a civil crime victims from underage drinking may take action and receive due compensation from the illegal sale of alcohol.

MADD's mission includes the prevention of underage drinking and this bill will assist in lowering the rate of sales to minors. Underage drinking is a "gateway drug"(leading to other addictive substances) besides being the most popular one in Alaska.

Respectfully,

Cindy Cashen
MADD Juneau Chapter
MADD Anchorage Chapter
MADD Homer Chapter

VICTIMS



1057 W. Fireweed Lane, Suite 101 • Anchorage, AK 99503
For Justice, Inc. (907) 278-0977 • Fax: (907) 258-0740 • e-mail: vff@alaskalife.net

FEB 06 2002

January 30, 2002

Representative Kevin Meyer
Session: State Capital
Juneau, Alaska 99801-1182

Dear Representative Meyer:

I am generating this letter in support of HB 281. Victims for Justice often deals with victims and co-victims who have suffered as a result of youth under the influence of alcohol. Rarely is there a consequence for the person or persons who provide youth with alcohol. Because of the incident last summer involving Officer Justin Wollam and four youth (three of whom are now dead) many people (co-victims) are still suffering and will continue to suffer. Maybe after these people who provide our youth with alcohol are held to a higher standard of accountability the general public will think twice before contributing to a minor.

Sincerely,

A handwritten signature in cursive script that reads "Donna S. Garner".

Donna Garner
Executive Director



THE NATIONAL CENTER ON
ADDICTION AND SUBSTANCE ABUSE
AT COLUMBIA UNIVERSITY

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FYI

CASA REPORT ON UNDERAGE DRINKING:

Embargoed until 10 a.m. ET February 26, 2002

Contact:

Ellen Ross 212/841-5260;

201-446-6895 - cell Eross@casacolumbia.org

Jeff Pattit 212/841-5262; jpattit@casacolumbia.org

WASHINGTON, D.C. - Underage drinkers account for 25 percent of all the alcohol consumed in the U.S., according to *Teen Tipplers: America's Underage Drinking Epidemic*, a new report released today by The National Center on Addiction and Substance Abuse at Columbia University (CASA*). The 145-page report, the result of two years of research and analysis, found that more than five million high schoolers (31 percent) say they binge drink at least once a month. The gender gap in alcohol consumption that for generations separated girls and boys has disappeared among younger teens: male and female ninth graders are just as likely to drink (40 percent vs. 41 percent) and to binge drink (22 percent vs. 20 percent).

"Underage drinking has reached epidemic proportions in America," says Joseph A. Califano Jr., CASA president and former U.S. Secretary of Health, Education and Welfare. "Alcohol damages the young brain, interferes with mental and social development and interrupts academic progress. Alcohol is the fatal attraction for many teens, a major factor in the three leading causes of teen death - accidents, homicide and suicide."

The report includes a landmark survey of 900 adults which reveals that Americans overwhelmingly support cracking down on underage drinking:

- 76 percent believe parents should be held legally responsible for teen drinking.
- 86 percent call for restrictions on home delivery of alcohol.
- 74 percent support restrictions on alcohol advertising.

- 54 percent support increasing taxes on alcohol.

"Alcohol is far and away the top drug of abuse for American kids" says Susan Foster, CASA vice-president and director of Policy Research and Analysis. "The college binge drinking problem starts with children and teens, and that's where our prevention and education efforts must be focused."

Key Findings About Underage Drinking

Underage drinkers are a critical segment of the alcohol beverage market. Since most heavy and problem drinkers begin drinking before they reach age 21, underage drinking is key to the profitability of the alcohol industry.

- 87 percent of adults who drink had their first drink of alcohol before age 21.
- Individuals who begin drinking before the age of 15 are four times more likely to become alcohol dependent than those who begin drinking at age 21.
- The prevalence of lifetime alcohol abuse is greatest for those who begin drinking at age 14. Underage drinkers and adult heavy drinkers combined consume 61 percent of the alcohol sold in the U.S.

Teens have easy access to alcohol. Parents are too often unwitting co-conspirators who see underage drinking and occasional bingeing as a rite of passage, rather than a deadly round of Russian roulette.

- One third of sixth and ninth graders obtain alcohol from their own homes.
- Children cite other people's homes as the most common setting for drinking.

The pervasive influence of the entertainment industry has glamorized and sexualized alcohol and rarely shows the ill effects of abuse.

- Out of 81 G-rated animated films, nearly 50 percent showed characters using alcohol, often without consequence (34 % equated alcohol with wealth and affluence; 19 percent with sexual activity).
- Alcohol advertising often uses images that appeal to kids (e.g., Budweiser's talking lizards, Budweiser's Spuds MacKenzie dog).
- 41 percent of teens have tried a new breed of sweet-tasting, colorfully packaged alcoholic beverages

(e.g., Tequila, Smirnoff Ice, Skyy Blue).

- GE subsidiary NBC has begun airing liquor advertisements, ending a 50-year voluntary ban by the networks and the liquor industry.

A CASA Checklist for Parents:

- Set rules and expectations and enforce consequences.
- Eat dinner together.
- Monitor TV, internet use and CD purchases.
- Know your children's friends and where they go.
- Send clear messages about alcohol use.
- Discuss negative consequences of drinking.
- Give your children perspective on media messages.
- Don't show your child that it takes a drink to relax.
- Don't accept underage drinking as a rite of passage.
- When your child needs help, get treatment - fast!

Recommendations for Policy Makers, Educators and Prevention Experts:

- Hold parents legally responsible for their children's alcohol use.
- Step up enforcement of underage drinking laws for children and teens who drink and the individuals and establishments that provide alcohol to them.
- End all alcohol ads, including beer, on television.
- Require prominent warning labels on all alcohol advertising.
- Broaden the White House Office of National Drug Control Policy mandate to include alcohol in its media campaigns and other activities.
- Fund additional treatment programs for adolescents.
- Increase research to improve treatment effectiveness.
- Increase alcohol taxes and dedicate proceeds to prevention and treatment.
- Create an independent foundation financed by the alcohol industry to campaign against underage drinking.

"This report is a clarion call for a national mobilization to curb underage drinking," says Califano. "It sets the stage for parents, law enforcement, legislators, the entertainment industry and the alcohol industry to save millions of teens from destroying their lives through alcohol abuse."

The complete report can be downloaded and viewed [HERE](#) in PDF. Read also the [Statement of Joseph A. Califano, Jr.](#)

The National Center on Addiction and Substance Abuse (CASA) at Columbia University is the only national organization that brings together under one roof all the professional disciplines needed to study and combat all types of substance abuse as they affect all aspects of society. CASA's missions are to: inform Americans of the economic and social costs of substance abuse and its impact on their lives; assess what works in prevention, treatment and law enforcement; encourage every individual and institution to take responsibility to combat substance abuse and addiction; provide those on the front lines with tools they need to succeed; and remove the stigma of substance abuse and replace shame and despair with hope.

With a staff of 74 professionals, CASA has demonstration projects in 60 sites in 32 cities and 21 states focused on children, families and schools, and has been testing the effectiveness of drug and alcohol treatment, monitoring 15,000 individuals in more than 200 programs and five drug courts in 26 states.

Spokespersons available for interviews.

Sections of Newsroom

- News Releases -
Op-Ed
Op-Eds and Statements

Other Articles From News Releases

CASA Releases Report, *Behind Bars*
CASA President and Former HEW
Secretary, Califano, to Visit Washington
Heights on March 11
CASA* Releases Report, *Under the Rug:*
Substance Abuse and the Mature Woman
Califano Addresses Heritage Foundation
CASA Testifies Before Michigan House of
Representatives
CASA Releases 1998 *Back to School Teen*
Survey
CASA Launches Groundbreaking National
Program
The Second Concert of Hope
CASA Drug Prevention Program Wins
Department of Education Grant
CASA Releases 1997 *Back to School*
Survey
CASA Releases Adolescent Commission
Report
Alyse Booth Elected Vice President for
Communications at CASA
CASA Releases Survey of California Voters
on Proposition 215
Religion Plays Key Role in Preventing Teen
Drug, Alcohol and Tobacco Use
CASA Releases the 1996 Teen Survey
CASA Releases Report, *Substance Abuse*
and The American Woman

Alcohol & Anchorage

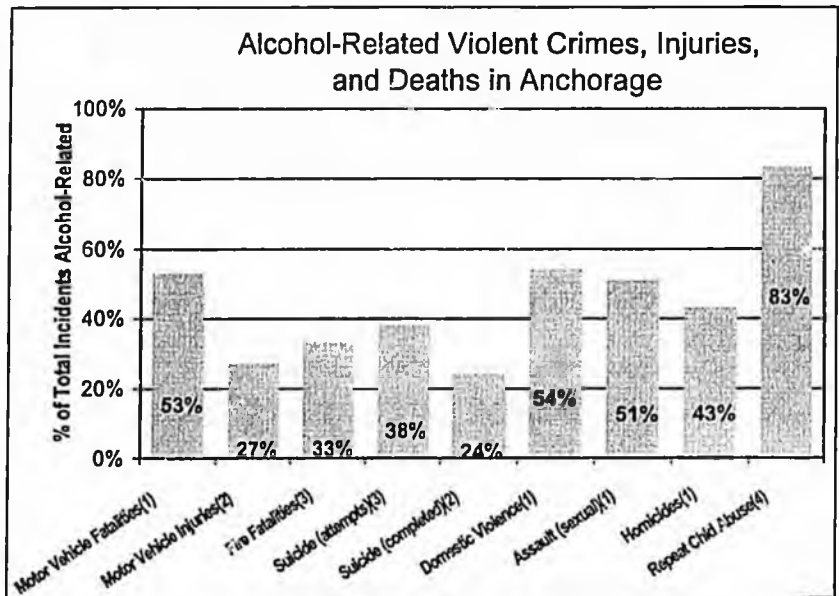
Community Problems Related to Alcohol

Why Should We Care about Alcohol?

The second hand effects of alcohol

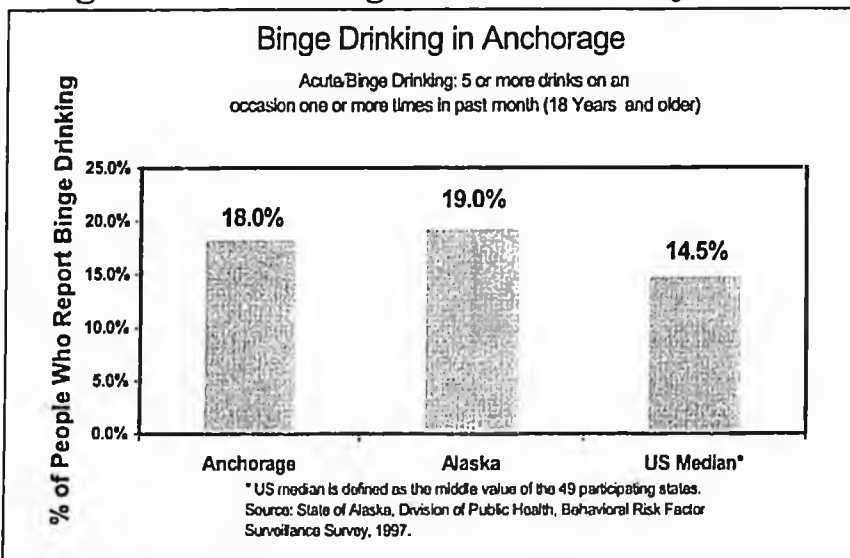
Alcohol is a common thread in the most serious problems facing Anchorage residents, including violence at home, injuries at work and injuries outdoors. Public funds from property taxes pay for government services, about 1/3 of it responding to alcohol-related emergency needs for fire, police, health and law. As city budgets are squeezed, funds for popular programs like libraries, recreation centers, pools, snowplowing, ski trails and classroom size are sacrificed to assure resources for alcohol related public protections.

The second hand effects of alcohol threaten public safety & city enrichment.



(1)-Anchorage Police Dept. Report, Crime Analysis, 1999; (2)-SOA, DPH, Alaska Trauma Registry, 1994-1998; (3)-Alaska Fire Marshall Office, 1999; (4)-SOA, DFYS, Special audit of repeat child abuse cases, 1997

High Risk Drinking and Community Problems

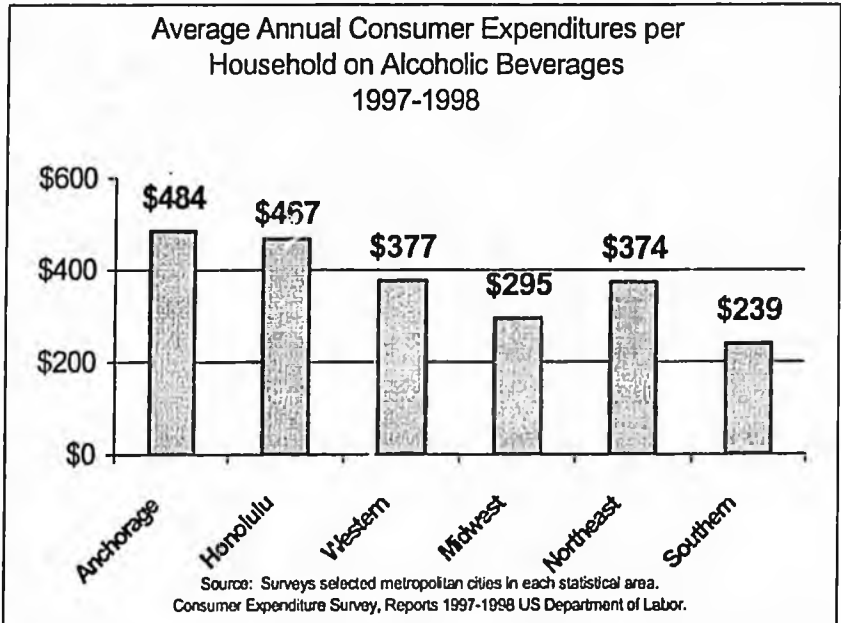


Shrinking the pool of high risk drinkers improves public safety.

We must shrink the pool of high risk drinkers. High risk binge drinking is part of a larger picture. Serious injuries from car crashes and family violence are associated with binge drinking. (1) Bingeing is when someone consumes 5 or more drinks on 1 occasion. (2) In an Anchorage, 10 year study of domestic violence, alcohol was identified in 48% of the cases and the injuries were severe when alcohol was a factor. (3)

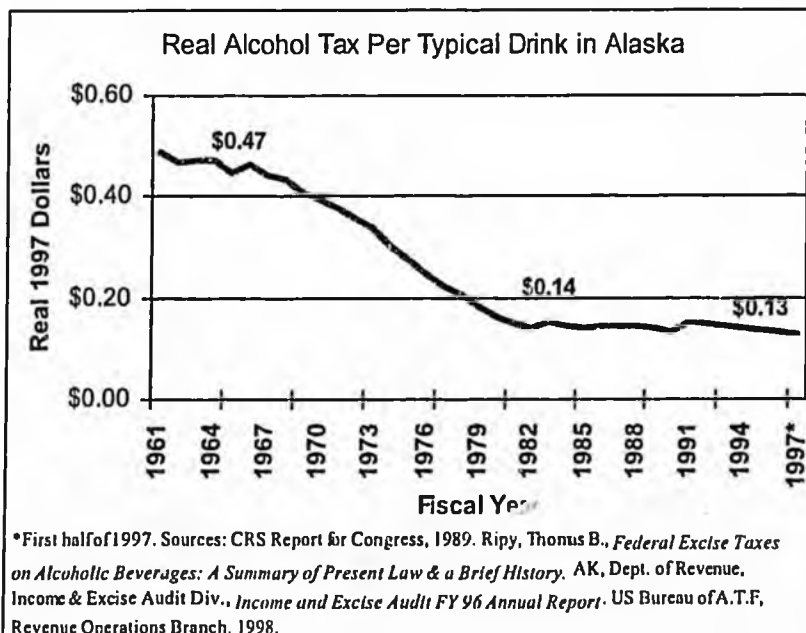
Household consumption influences underage drinking

Anchorage residents consume more alcohol than the US average in terms of per household expenditure. About 1/2 of all Americans report that one or more of their close relatives have a drinking problem. (4) Alcohol dependence is hereditary and associated with early onset, <15 yrs., of drinking. The earlier a person begins drinking, the more likely they are to be injured while under the influence. (5) According to the Youth Risk Behavior Survey (YRBS), 1995, 51% of high school youth self-report as current users of alcohol and 1/3 are drinking to get drunk. The Alaska Department of Motor Vehicles (DMV) assessment of minor drivers,



(April-July, 2000) reported an average blood alcohol content (BAC) of .157 percent, representing 1.5 times the adult legal limit to drink and drive, (.10 BAC). Alaska law requires zero-tolerance (.00 alcohol) for minor drivers yet Alaskan teens are 4 times more likely to cause fatal crashes when driving under the influence. When minor consuming goes unchecked, it often becomes drinking and driving as an adult. (DMV, 2000)

Price influences community problems



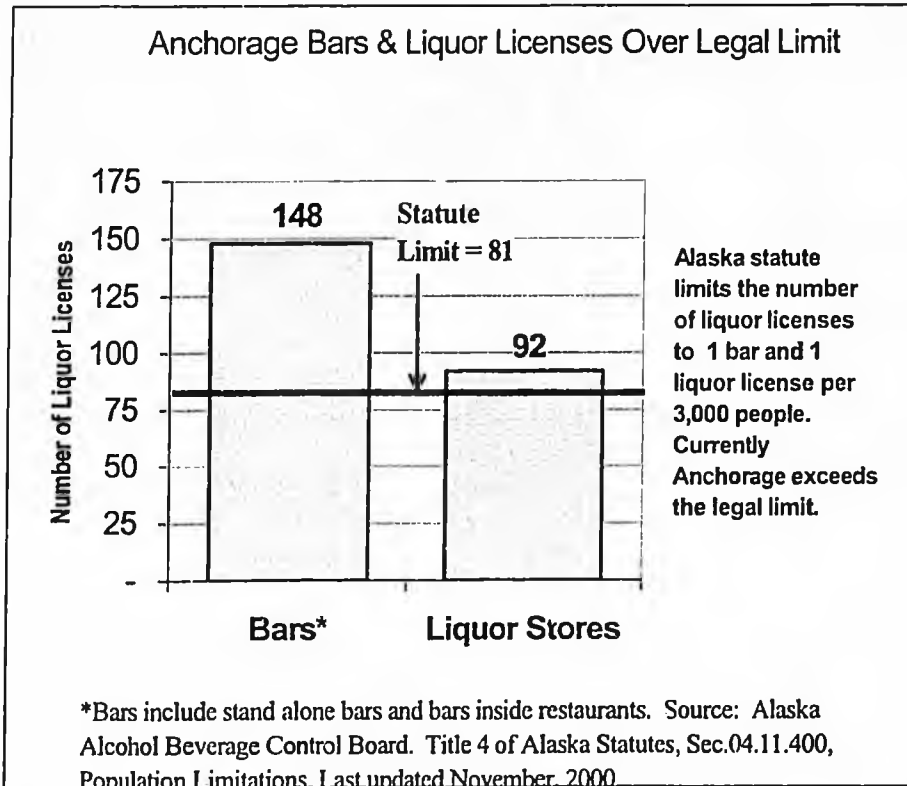
The real price of alcohol in Alaska has eroded 50-74% since 1968. (6) The legislature has not increased the excise tax in 18 years and the tax has never been adjusted for inflation. Alaskans who drink pay about 3 cents of state tax on a bottle of beer. As a result, taxes pay only 5% of the state costs for alcohol related services. In a local survey, 2/01 by Moore, 68% of people surveyed supported increased alcohol taxes. It has been reported that states with higher alcohol taxes have lower associated community problems. (8)

Repeat juvenile drinking violations precede adult criminal behavior.

Alcohol does not pay its fair share of the cost for alcohol related problems.

Number of liquor licenses influences public safety

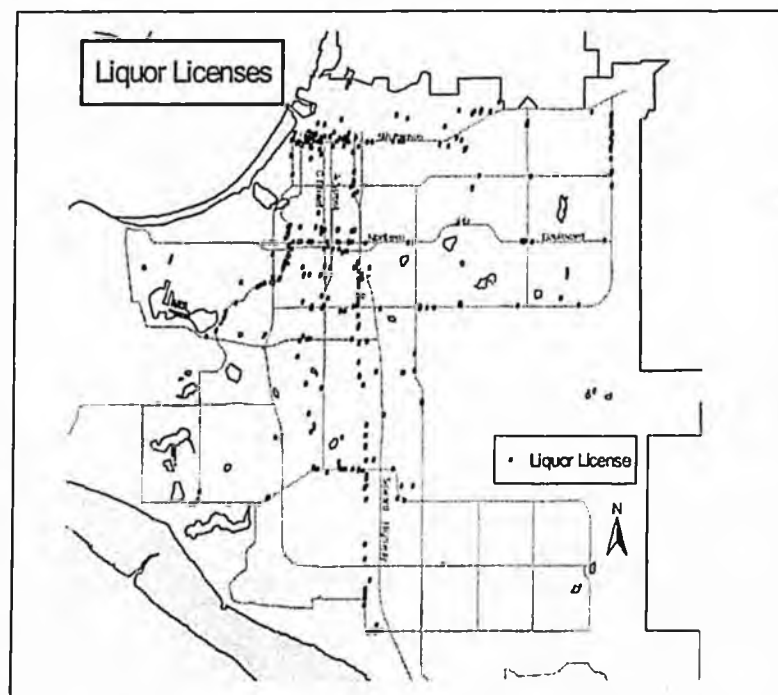
Controlling the availability of alcohol promotes public safety. Alaska law controls the number and



type of liquor licenses, restricts the hours of sale, sets licensing fees and controls the sale of alcohol through transfer and revocation of liquor licenses. State law limits the number of liquor license by population. Anchorage exceeds the legal limit by about 67 bars and 11 liquor stores licenses. These excess licenses have "grandfather rights" and are only eliminated when they are revoked for violations (selling to minors/intoxicated people) or voluntarily returned to the state of Alaska by the owner.

Location of bars/liquor stores influences public safety

Anchorage land use laws control how, when and where alcohol is distributed. A Conditional Use Permit (CUP) is required to sell alcohol. The process considers the number of liquor outlets (density) in one area. Controlling for density protects against alcohol-related problems. (9) The Municipal Assembly has the power to approve, deny or revoke a CUP depending on whether the location for liquor sales is *compatible with surrounding uses; including proximity to childcare centers, recreation centers, schools, churches.* Other land use controls include regulating the hours of sale, prohibiting happy hours and limiting multiple drink sales to the same individual.



The number and location of alcohol outlets effect neighborhood safety.

Recommendations for Alcohol Controls that Enhance Anchorage Health and Welfare

To provide public safety for community health, prevention strategies regarding alcohol control must be comprehensive and population-wide so that protections apply to everyone in the community and do not single out any one individual. Successful strategies include, but are not limited to:

- *Pricing on alcohol (excise taxes, inflation-proofing, taxes based on percent of alcohol content)*
- *Strategies to reduce sales of alcohol to minors and alcohol-impaired people*
- *Reduce the % of blood alcohol to legally drive a motor vehicle from .10 to .08 BAC.*

Model Laws/Ordinances

To reduce the supply of alcohol to youth under age 21 years

- Limit on alcohol advertising and promotion that targets people under 21 years
- Restrict alcohol sales on public property (parks)
- Post warning signs at alcohol establishments: "Supplying alcohol to people under age 21 is a crime"
- License individuals who serve or sell alcohol

Source: University of Minnesota, Alcohol Epidemiology Program, 2000

Alcohol Control Policy Timeline

1900: Alaska liquor license is created and required to sell alcohol, \$1,000 permit fee established.

1979: Alaska Local Option law; communities can prohibit the sale and importation of alcohol, restrict the types of licenses available, and restrict alcohol sales to community-owned liquor stores.

1983: Anchorage restricts hours of sale of alcohol from 20 hours per day to 16.

1983 (AK), 1991 (US): Small increases in alcohol excise taxes for beer, wine and spirits.

1984: Anchorage Municipal ordinance prohibits happy hours and limits multiple drink sales to the same individual.

1985: Alaska state law reduces the number of liquor licenses by population (from 1/1500 pop. to 1/3000 pop. for bar/liquor store licenses.

1985-87: (US) The Minimum Legal Drinking Age (MLDA) is raised nationwide from 18 to 21 years of age.

1986: Alaska state law is amended to allow communities to prohibit possession by the local option election.

References

1. Alcohol Health & Research World, Vol. 17, No. 1, 1993
2. State of Alaska, DHSS, Division of Public Health, Behavioral Risk Factor Survey, Anchorage Region data, 1998
3. Municipality of Anchorage, DHSS, Analysis of Police Action & Characteristics of Reported Domestic Violence in Anchorage, Alaska, 10 year study, 1989-98
4. Alcoholism: Getting the Facts, NIH Publication, No. 96-4153, 12pp, 1996
5. Journal of American Medical Association, Vol. 284, No 12, 9/27/2000, "Age of Drinking Onset & Unintentional Injury involving drinking"
6. Alcohol Epidemiology Program, University of Minnesota, 2000
7. 1999 Annual report, State of Alaska, Advisory Board on Alcoholism & Drug Abuse, Alaska Dept. of Revenue, Fall, 2000
8. US Dept. of Health & Human Services, NIH NIAAA, 1997, 9th Special Report to the US Congress on Alcohol and Drug Abuse
9. University of Southern California Chronicle, 1995, "More Bars and Liquor Stores Equals More Violent Crime, Research Shows, Vol 14, No 29, April 24, 1995

MOA/DHHS Community Health Promotion
Joan Diamond, BSN CHES, Injury prevention specialist

Phone: 907-343-6583
Fax: 907-249-7376
Email: diamondjw@ci.anchorage.ak.us

MOA/DHHS
Community Health Promotion



FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 281
(H) Publish Date: 2/13/02

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
Title Civil Liability for Providing Alcohol BRU _____
Sponsor Representative Meyer Component _____
Requester _____ Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Amy Erickson, Committee Aide Phone 465-4954
Division H. L&C Date/Time 2/11/02 12:00 AM
Approved by: Representative Murkowski Date 2/12/02
Agency _____

HB

291



REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 19

SPONSOR STATEMENT

CS HB 291(L&C)

“An Act relating to residential contractor endorsements.”

People who want to apply for a residential contractor license must do so within six months after successfully passing the residential contractor exam. CS HB 291(L&C) amends existing law by lengthening the timeline to apply for a residential contractor endorsement from six months to 12 months.

Currently, AS 08.18.025 does not allow flexibility for extenuating circumstances. If a person applying for a residential contractor endorsement misses the six-month deadline, the only recourse is to take the residential contractor exam again. The exam, four hours in length, is held four times a year. A fee of \$75.00 is required each time the test is taken.

People who apply for residential contractor endorsement must first have a construction contractor license to which their residential contractor endorsement will be assigned. The Division of Occupational licensing has explained that a common cause for people missing the six-month deadline is because the process of starting a new construction business, whether it is a sole proprietorship or a corporation, can take longer than six months. Other examples include people with health or family emergencies that cause them to miss the application deadline.

By extending the timeline for which a person applies for a residential contractor license from six months to 12 months, the law will allow a longer window of opportunity for people who are trying to get their businesses and jobs in order.

2/4/02

Subject: res endorsement

Date: Thu, 24 Jan 2002 18:50:19 +0000

From: "Andrew Deves" <bluedragonfire3000@hotmail.com>

To: Representative_Kevin_Meyer@legis.state.ak.us

Representative Kevin Meyer January 24, 2002

House District 19

Dear Representative Meyer:

I am writing this letter in support on your efforts to amend AS 08.025 which deals with residential endorsements for home builders.

I had contacted your office in early May 2001 to intercede on my behalf as the 6 month limitation period for filing had almost expired. Prior to that time I had been out of State with my wife who had been diagnosed with cancer in February 2001. We spent a good part of the winter attending at the Mayo Clinic in Arizona and at the M.D. Anderson Clinic in Houston. I was not very focused on my business activities in Alaska during this period and time was running out to file.

I believe that your Bill to allow one full year to file will bring needed flexibility into the program and improve that aspect of the law.

Again, I am so thankful for you help in this matter.

Sincerely,

Don Devore

7408 Florence Circle

Anchorage, Alaska 99507



**ALASKA STATE
HOMEBUILDERS ASSOCIATION**

January 23, 2002

Representative Kevin Meyer
House district 19
FAX 907-465-3476

Dear Representative Meyer;

The Alaska State Home Builders Association members have been reviewing HB291, "An act relating to residential contractor endorsements". The existing law states that you must apply for a residential contractor license within six months after successfully passing the residential contractor exam. HB291 would lengthen the timeline from six months to two years.

We would propose to lengthen the timeline to one year. This provides flexibility for applicants that need extra time before actually applying for their residential endorsement. We appreciate your consideration of our proposal and look forward to the final outcome.

Sincerely,

Jimmy L. Ward *Alan Wilson*

Jim Ward
President
Alaska State Home Builders

Alan Wilson
Legislative Co-chair

Robin Ward

Robin Ward
Legislative Co-chair



8301 SCHOON ST • SUITE 200 • ANCHORAGE, ALASKA • 99518
(907) 522-3931 • FAX (907) 522-3757

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 291(L&C)
(H) Publish Date: 2/6/02

Revision Date/Time (Note if correction): 02/01/2002 Dept. Affected: DCED
Title An Act relating to the requirements for BRU: Occupational Licensing (117)
obtaining a residential contractor endorsement Component Occupational Licensing
Sponsor Representative Meyer
Requester House Labor & Commerce Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
HB 291 will require contractor residential endorsement applicants to apply for the endorsement within two years of taking the residential endorsement examination. New funds are not required to implement this change.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
Division Occupational Licensing Date/Time 2/1/02 10:53 AM
Approved by: Deborah B. Sedwick, Commissioner Date 2/1/2002
Agency Department of Community and Economic Development

CS FOR HOUSE BILL NO. 291(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/6/02
Referred: Rules

Sponsor(s): REPRESENTATIVES MEYER, Croft, Dyson

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to the requirements for obtaining a residential contractor**
2 **endorsement."**

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

4 *** Section 1.** AS 08.18.025(b) is amended to read:

5 (b) The department shall issue a residential contractor endorsement to a person
6 who

7 (1) has a certificate of registration as a general contractor;

8 (2) passes a residential contractor examination, which shall be offered
9 by the department at least once each year in each judicial district; the examination,
10 which may be written or practical, may test competence in relation to arctic structural
11 and thermal construction techniques and other matters as determined by the
12 department in consultation with representatives of the construction industry;

13 (3) applies for an endorsement within 12 [SIX] months after passing
14 the examination required under (2) of this subsection;

1 (4) within the two years preceding the date of application for the
2 endorsement, has satisfactorily completed either the Alaska craftsman home program
3 sponsored by the Department of Community and Economic Development, or its
4 equivalent, or a postsecondary course in arctic engineering, or its equivalent;

5 (5) within the seven years preceding the date of application, has not
6 been under a sentence for an offense related to forgery, theft in the first or second
7 degree, extortion, or conspiracy to defraud creditors or for a felony involving
8 dishonesty; and

9 (6) pays the appropriate fees.

HB

306

Alaska State Legislature

SESSION ADDRESS:
State Capitol
Juneau, Alaska 99801-1182
Phone (907) 465-2693
Toll Free 800-463-2693
Fax 907-465-3835



INTERIM ADDRESS:
35477 Suite 101-B Spur Hwy
Soldotna, Alaska 99669
Phone 907-260-5236
Fax 907-260-3044

Representative Ken Lancaster District 8

Sponsor Statement For

House Bill 306

"An Act authorizing the Department of Community and Economic Development to issue permits to certain agencies to purchase, possess, and use certain drugs for euthanizing domestic animals."

Currently, Alaska is one of the few states that does not have a law allowing animal shelters to obtain euthanasia drugs directly from pharmaceutical companies. Only veterinarians are currently authorized to purchase these drugs. Many agencies do not have a veterinarian on their staff or even in their community. In order to provide this service many shelters are forced to arrange for the purchase of euthanasia drugs through a licensed veterinarian. This often proves cumbersome and places an extra burden of monitoring and supervision on the veterinarian. The alternative is to have a local veterinarian, if available, perform the euthanasia. This can strain or exhaust government budgets due to the cost of a veterinarian's visit. Policy guidance has been requested to address how these drugs can be legally obtained and used by laypersons working for these agencies.

House Bill 306 will allow qualified agencies the authority to purchase, possess, and administer certain drugs for the euthanasia of animals. This will allow these agencies to perform the most humane method of euthanasia. All employees that will be administering these drugs will be required to have successfully completed a euthanasia technician certification course.

January 18, 2002

[Home](#)[Loss of a Pet](#)[Rainbow Bridge](#)[Euthanasia/Cremation Service](#)[On-Line Grief Resources](#)[Adoption](#)[Animal Cruelty](#)[Pet Taxi](#)[Education](#)[Willpower](#)[Special Events](#)[Ask Oscar](#)[Lost & Found](#)[Euthanasia](#)[Pet Therapy](#)[Gift Shop](#)[Paws on P.I.](#)

[Click here to download a brief, but large \(1 mb\). talking dog video clip!](#)

Why Must We Euthanize? By Phyllis Wright

Anyone who works in or cares about animal protection must eventually face the fact that millions of dogs and cats must be euthanized each year because there are no homes for them. No one, least of all The Humane Society of Northwestern Pennsylvania, is happy about this. Nevertheless, we realize it is a necessary kindness to euthanize unwanted animals.

But some people have great difficulty accepting this. They see the kindness in euthanizing an animal who is in great pain, or terminally ill. But why must young healthy dogs and cats be killed simply because no one will take them home? Why can't they be kept at the shelter indefinitely, to live out their lives in warmth and comfort with plenty of food and exercise and veterinary care?

Economically, this is rarely, if ever possible. The cost of feed and caring for millions of unwanted dogs and cats would be tremendous. Yet, that isn't the most important reason. Animals like humans, need more than food, water and shelter. They need affection and companionship. Without it they suffer.

The late Phyllis Wright, former Vice President for Companion Animals for the Humane Society of the United States in Washington, D.C. wrote the following essay in 1978. In it she discusses her own feelings on euthanasia, developed over many years of dealing with the problems of unwanted animals. It is as timely today as when it was first published.

We all know people who never want an animal euthanized, who insist it's best to keep the animal alive and breathing regardless of how badly the animal lives, how inadequate her care, how impressive her loneliness. That is the worst thing we can do.

Our objective is to prevent and release animals from suffering. We know that death, humanely administered, is not an evil, but a blessing to animals who are of no comfort to themselves or the world because they are unwanted and suffering in isolation. And we are positive that it is no comfort to dogs or cats to be kept alive indefinitely in shelter cages, even if they are well fed. Companionship is one of the basic needs of dogs, cats, horses or any animal we have domesticated.

I ran a boarding kennel in Washington, D.C. from 1954 - 1960, and I like most people, learned things the hard way. I had a two-and-a-half acres of fenced-in yard. I had decided those dogs needed exercise and, by darn, they were going to get the exercise. On Sundays, the front gate was padlocked and that was their day for exercise. "OK, come on Snoopy, let's go; OK, come on Tag, let's go out." Three minutes later here's everybody sitting at the fence, because Phyllis was working inside. That's where they wanted to be; they wanted to be where Phyllis was. They didn't care about the apple orchard, the grape yard, anything. That didn't seem to mean a thing to them. They didn't run around and skitter about; they sat at the gate. Now, if I walked out there and threw sticks and balls or played with them, oh, that was fun! But companionship was what they wanted more than freedom. I am totally convinced that companionship is the most important thing. Without companionship, what does a dog or cat have?

I remember one shelter in Dallas, Texas. A nice lady left a million-and-a-half dollars in 1927 to establish a perpetual home for stray and lost dogs. The bank in Dallas sat on the money from 1927 - 1947. But the money was left for stray and homeless

animals, not for stray and homeless bankers. So in 1947 some pressure was brought and they decided they had to do something or be in hot water. So what they did was build small cages and put 25 dogs in them. And they hired a caretaker who came in every day, put the dogs outside for an hour, cleaned up inside, put the dogs back inside, gave them food and water, and went home. I had the unfortunate experience to visit this shelter a couple of years ago, with TV cameras, newspaper reporters, and a few radio reporters.

The dogs were so insane that when you walked into the room, they started going in circles, hitting all four sides of the cage. You couldn't get your hands on those dogs. They didn't have any companionship, not even an occasional pat on the head. Obviously, these aren't the same dogs they had in 1947, although there were a few dogs that were 13 or 14 years old. Now, I have seen a lot of cruelty personally, and I have euthanized a lot of animals personally. But I have never been as sick as I was when I came out of that building. To think that animals live like that for 12 or 13 years.

They now take the dogs out for four hours a day, certainly better than one. They hired a lady to give the animals some individual attention. It is still not right. And we are fighting it.

It isn't just the bankers and the trustees who get involved in keeping pets alive at all costs, under the misguided idea they are being kind. Unfortunately, there are many private shelters that brag that they "never put an animal to sleep," not realizing the cruelty that is the inevitable result of loneliness, permanent caging, and old age.

So when we talk about animals' needs, let's remember that companionship is one of the most important factors in an animals' life. Where does your dog or cat like to be? They like to be where you are. They like to be, if they can get there, on your bed. If they can't quite make that scene, they like being under the bed. They like being as close to you as they can.

I know it's difficult to put animals to sleep. I've personally put 70,000 dogs and cats to sleep; and I am aware of the trauma. But I tell you one thing: I don't worry about one of those animals who was put to sleep. And I worry a great deal about the dogs and cats who have to spend their lives shut, in small cages or runs, or left chained to the back porch all day-in and day-out, without affection or companionship. Being dead is not a cruelty to animals. Being half alive is.

We have the responsibility to release these animals from suffering. We have the responsibility to make sure this release is as painless and comfortable as possible, even when it means studying the morbid topic of euthanasia methods. We also have the responsibility to work toward a time when all pets will have responsible, caring owners and euthanasia is no longer needed.

Education is one of the most effective tools we have to prevent cruelty to animals. I don't think there is a better tool to accomplish this. In the past ten years, there has been a growing awareness of the problem of unwanted animals. I think the Humane Society of the United States can take a lot of credit for bringing this out to the public. We have never hidden the facts. We have never swept the fact under the carpet that animals have to be killed.

In fact some of the criticism in the outside world is that "I don't want to know that." Well, if you don't know it, you can't do anything about it. And if you are not aware that the problem exists, you can't solve it. The first thing that you must do in your community is make your community aware of this problem, because when we have only responsible pet owners, who are educated about what it means to own a pet, our shelters will no longer be needed to receive, hold, and euthanize unwanted and homeless animals. That my friends, is an end goal for each one of us.

Humane Society Euthanasia

SECTION ONE

SUPPORT

Subject: House Bill 306

Date: Sat, 19 Jan 2002 10:22:44 -0900

From: Barbara Harris <bharris@co.fairbanks.ak.us>

To: Representative_Ken_Lancaster@legis.state.ak.us

Dear Sir,

I am writing in regards to the above mention bill which would allow animal shelters to purchase, use and posses euthanasia drugs. I currently work for the Fairbanks North Star Borough Animal Shelter. I have performed many euthanasias. While this is certainly not the most favorite aspect of our jobs, it is the most important.

Recently, because of one specific local veterinariar's objection to our animal tenders performing this procedure for the public (for free), it was brought to the attention of DEA that we were marginally outside of the law. We (animal tenders) were immediately ordered to cease performing this procedure and all our drugs were confiscated. We had been performing this procedure for decades. This happened literally overnight.

The hardship came when we had to turn away persons who had agonized over this very emotional decision, worked up their courage, and brought their pet to the shelter only to be told "we are so very sorry, but...." It was heartbreaking for us to have to turn these people away. Many of them were unable to afford a veterinarian fee, which can run as high as \$85.00. The only alternative we had to offer them was to leave their pet with us and our veterinarian, who was only contracted to perform spays and neuters, would euthanize their pet the next morning. This necessitated an overnight stay. Imagine if you will an aged, arthritic, partially blind dog spending her last hours on earth in a place that reeks of fear. For some, this was their only option.

The stress this created for us is indescribable. Our primary mission is to relieve suffering and suddenly, through no fault of our own, we were inflicting it.

We regularly receive animals that are very, very old, abandoned, severely injured, malnourished or dangerous and consequently must humanely and immediately be euthanized. Because this is Alaska, we also receive animals from the bush. The owners made the humane but time consuming and costly decision to bring the animal to us rather than "take care of it themselves." We have received more compliments and kudos about our professional and sympathetic approach to this aspect of our job than all our other duties combined.

Your bill would ensure that we can just continue doing our jobs. Thank you very much for sponsoring it.

Barb Harris
Admissions/Dispatch Clerk
FNSB Animal Control
2408 Davis Road
PO Box 71267
Fairbanks, AK 99707-1267
907/459-1120
bharris@co.fairbanks.ak.us



Fairbanks North Star Borough

Office of the Mayor

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

January 24, 2002

RECEIVED

JAN 29 2002

Via Facsimile 907-465-3835

The Honorable Ken Lancaster
Alaska State Capitol
Juneau, AK 99801-1182

Dear Representative Lancaster:

I would like to lend support to passage of HB 306, authorizing certain agencies to purchase, possess and use euthanasia drugs for domestic animals.

Borough citizens gave animal control powers to the Fairbanks North Star Borough government in 1965. Since that time we have been responsible for providing humane euthanasia of animals, amongst other animal control services. As we have kept up with new technology and the best veterinary science available, we incorporated the use of sodium pentobarbital into our euthanasia procedure over 15 years ago. Sodium pentobarbital is still recognized as the industry standard for providing the most humane death to a domestic animal.

A progressive and caring animal control program must have access to these drugs. Trained employees must be able to administer these drugs when needed, which during emergency responses means around the clock, and in Fairbanks means over 2,000 times per year. It is not practical to rely on veterinarians to provide this service at the expense of local government. In some cities or villages in Alaska where animal control provides services there is not even a veterinarian living in the community.

This bill provides a logical solution to numerous difficulties faced by animal control agencies trying to maintain high standards of animal care with regard to euthanasia. It will also save local governments a great deal of money in drug mark-up fees and veterinary services that trained euthanasia technicians can perform. I support passage of this bill.

Sincerely,

Rhonda Boyles, Mayor

cc: Interior Delegation
Linda Anderson



Kenai Animal Control

To: Ken Lancaster
From: Kenai Animal Control
CC:
Date: 01/28/2002
Re: House Bill No. 306

Representative Lancaster,

House Bill No. 306 clarifies a municipal Animal Control Agency's ability to obtain animal euthanasia drugs.

Lethal injection is the preferred method of euthanizing companion animals. The drugs used for this task are controlled substances but training on the storage, record keeping requirements, and usage is readily available. In our experience Animal Control personnel can easily be trained to perform this task.

Euthanasia is an unpleasant reality in Animal Control work but most citizens recognize that reality. Most other states have addressed this issue and concurred that these drugs are a necessary tool for this job, and provided the legal framework to clarify this.

Federal record keeping and oversight is well established so little administrative expense would have to be incurred at the state level.

House Bill No. 306 would not be a "blank ticket" to obtain any controlled substances, only those drugs specifically for animal euthanasia performed at municipal animal shelters.

We urge you to support House Bill 306.

Thank You

Brett Reid, Animal Control Officer

Bill Godek, Chief Animal Control Officer

City of Soldotna

177 North Birch • Soldotna, Alaska 99669 • Phone: (907) 262-9107

Soldotna



January 25, 2002

Representative Ken Lancaster
State Capitol
MS 3101, Room 421
Juneau, AK 99801-1182

*forwarded to
465-3835
1/25/02 K.L.*

Subject: **House Bill 306**

Dear Representative Lancaster:

The City of Soldotna would like to lend its support to passage of House Bill 306 which authorizes certain agencies to purchase, possess and use euthanasia drugs for domestic animals.

Alaska is one of the few states in existence that do not allow animal control agencies to obtain euthanasia supplies directly from pharmaceutical companies. At this time only licensed veterinarians are authorized to make the purchase of these supplies. In order to offer euthanasia services, many agencies are forced to purchase the drugs through a veterinarian. This process is often cumbersome and sometimes not even available.

In order for our local animal shelters to provide euthanasia services cost effectively HB 306 needs to be passed. The City of Soldotna's Animal Control Officer is professionally trained in this field and could provide services to our community much easier if HB 306 is passed.

Many agencies in our state face the same situation as we do and with your support and the support of other municipalities in the state we are hoping to get HB 306 passed through the legislature.

Thank you for your assistance and if you have any further questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Joel Wilkins".

Joel Wilkins
Acting City Manager
JL/kl



City and Borough of Sitka

POLICE DEPARTMENT

304 Lake Street, Room 102 • Sitka, Alaska 99835

Bill McLendon
Chief of Police

Business 747-3245
Fax 747-1075

January 30, 2002

**The Honorable Ken Lancaster
Alaska State Capitol
Juneau, AK. 998-1182**

Dear Representative Lancaster:

I would lend support to passage of HB 306, authorizing certain agencies to purchase and use euthanasia drugs for domestic animals.

I am the Animal Control Officer for the City and Borough of Sitka, the Director of the Sitka Animal Shelter, and the Euthanasia Technician (certified in 1998,) for the community. The City and Borough of Sitka has extended my training to enable me to keep up to date on the new technology and best animals behaviorist information available.

As you may know, Sitka is a small town on an island in Southeast Alaska. Until a few years ago we had only one Veterinarian. Obtaining the drugs to be used for euthanasia was difficult, and often I was unable to get the drugs from the Veterinarian. Our Veterinarian is also a fisherman, and diver in commercial sea cucumber fisheries, and is not always available.

We now have an additional Veterinarian in Sitka. The new doctor is not interested in the animals at the Sitka Animal Shelter, and is not an avid shelter advocate. When our old time Veterinarian is no longer with us, I cannot be certain of what our future will hold.

This bill provides a logical solution to numerous difficulties faced by animal control agencies trying to maintain high standards of animal care with regard to euthanasia. It will also save local governments a great deal of money in drug mark up fees, and/or veterinary services those trained euthanasia technicians can perform humanely.

I have been working with the City of Soldotna's Animal Control Officer for years to promote the passage of this bill, and support it enthusiastically.

Sincerely,

**Nancy Buckmaster
Sitka Animal Control Officer
Director, Sitka Animal Shelter
Animal Shelter Euthanasia Technician**



City and Borough of Sitka

POLICE DEPARTMENT

304 Lake Street, Room 102 • Sitka, Alaska 99835

Bill McLendon
Chief of Police

Business 747-3245
Fax 747-1075

January 30, 2002

Via Facsimile 907-465-3835

The Honorable Ken Lancaster
Alaska State Capitol
Juneau, AK. 99801-1182

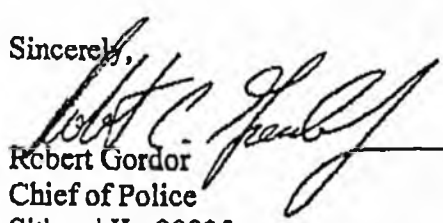
Dear Representative Lancaster;

I would like to lend support to passage of HB 306, authorizing certain agencies to purchase, and use euthanasia drugs for domestic animals. Since 1989 the City and Borough of Sitka has been providing humane euthanasia of domestic animals. Our Animal Control Officer is currently a certified Euthanasia Technician and has performed euthanasia for the community for the past five years as a technician. We have kept up with new technology and the best veterinary science available. We have incorporated the use of sodium pentobarbital into our euthanasia procedures. Sodium pentobarbital is still recognized as the industry standard for providing the most humane death to domestic animals.

A progressive and caring animal control program needs to have access to these drugs. Trained employees must be able to administer these drugs when needed. Since our Animal Control Officer performs euthanasia alone, this is the most humane choice for us. It is not practical to rely on a veterinarian to provide this service for us, and in some cases, obtaining these drugs is very difficult.

HB 306 provides a logical solution to numerous difficulties faced by Animal Control Agencies in Alaska who are trying to maintain high standards of animal care with regard to euthanasia. This is especially true for those isolated communities. I support passage of HB 306.

Sincerely,


Robert Gordor
Chief of Police
Sitka, AK. 99835

**THE ALASKA SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS, INC.**

SCPA State Headquarters and Spay Clinic • 549 W. International Airport Road, Suite B-2 • Anchorage, Alaska 99518
1-888-409-7729 Phone: 562-2999 Fax: 561-5549 www.alaskaspc.org

Subject: House Bill 306
Date: January 28, 2002
From: Diane Zarfoss/ AK SPCA
To: Representative Ken Lancaster

Dear Representative Lancaster,

The Alaska SPCA would like to express support of House Bill 306. It only makes sense to give governed agencies, with trained and certified people, the capability to perform on sight compassionate and humane euthanasia procedures. So many times these animals have to sit in an unfamiliar environment stressing, until they can be transported to a Veterinary Hospital just to have to sit and wait again.

The costs to use Vet Hospitals is very expensive for the animal agency, not to mention the taxpayers.

This bill would ensure every animal of getting proper and humane treatment for a euthanasia decision.

If the AK SPCA can be of any further help with this bill, please feel free to contact us.

Thank you very much for considering the rights of our great states animals.

Sincerely
Diane Zarfoss
AK SPCA

Main Identity

From: Kevin Koechlein <Kevin.Koechlein@gw.co.mat-su.ak.us>
To: <jd00272.MISPOST.GW1DOM@gw.co.mat-su.ak.us>
Sent: Monday, January 28, 2002 1:39 PM
Subject: HB 306

I am sending over a copy of HB 306 sponsored by Rep. Lancaster of Soldotna that would allow our shelter and others to be licensed to perform euthansia of animals. Currently we have to contract with a veterinarian at a cost of \$34,000 and up per year for this service. Being able to perform the service ourselves would save a large portion of that cost and be more efficient for our operation.

This would be a good bill for the borough to get behind and try and get our legislators to assist.

For Ken LANCASTER



Kenai Animal Control

To: Marianne Clark, Soldotna Animal Control

From: Brett Reid, Kenai Animal Control

CC:

Date: 02/14/2002

Re: Euthanasia Chambers

In 1982 Kenai Animal Control performed euthanasia with a nitrogen gas chamber. Nitrogen is odorless and colorless and using it in an enclosed space was quite dangerous to personnel. About 25% of the animals we euthanised this way had adverse reactions to the process, particularly cats. Nitrogen hypoxia is a very fast process, so fast it seems violent at times.

We later switched to carbon monoxide and addressed some of the personnel safety issues by leaving some trace color in the gas. Although this is the least expensive type of euthanasia available we still saw adverse reactions in about 10% of the dogs.

While gunshot euthanasia can be humane to the animal it is quite gruesome to the people involved, and when gunshot euthanasia goes wrong it is very very bad.

Lethal injection is by far the safest, most humane method available. Although adverse reactions are always a possibility, they now are less than a fraction of a percent.

I checked with the American Humane Association and the National Animal Control Association and euthanasia training is currently scheduled twenty times in the coming year, and the Alaska Animal Control Association has conducted training of this type before and will do so again as the need arises. Instruction of this type is provided by Veterinarians, Veterinary Technicians, and Euthanasia Technicians.

RECEIVED
MAR 1 - 2002

Box 642
Sterling, AK 99672
Feb.23, 2002

Rep. Lancaster,

I was recently made aware that there has been a request from Marianne Clark at Soldotna Animal Control to allow her to order euthanasia drugs without a veterinarians license. I STRONGLY urge you to support her efforts.

It is absolutely ridiculous that there is no LOCAL veterinarian that will do this already! (The word GREED comes quickly to mind!) As a taxpayer I don't feel I need to pay high fees to a local clinic when such services can be provided by well-qualified Animal Control employees. The actions of the local vets doesn't exactly SURPRISE me. I sure didn't see even one of them volunteer to help with the Carolyn Boughton situation in Sterling. I was out there pulling frozen starved bodies out of the ice along with a fantastic and dedicated group from ANCHORAGE. How nice that we (the AK SPCA for which I proudly volunteer) came to the Kenai and cleaned up a real mess for the animals and the people of the Kenai Peninsula, uh? By the way, we are supported by donations only and had to take out a \$20,000 loan to provide these services to the Kenai. Also, how nice that the AK SPCA Mobile Clinic comes down 6 months a year to my home in Sterling and helps lower the number of animals that unfortunately MUST be euthanised in the first place. The taxpayers are well-served and the local veterinarians are not willing to do a thing to help. They do however, gripe bitterly!!

Animals euthanised at the Soldotna Animal Control can be taken for a walk with an employee with which they are familiar, slipped a mild tranquilizer, and are at least allowed to die in surroundings that they have become used to as opposed to being driven to a local clinic to die with a stranger.

I would urge such regulations allowing the purchase of these euthanasia drugs to ONLY the Soldotna and Kenai Animal Control. There is NO question about the professionalism of either Marianna Clark or Bill Godeck. The LAST thing I'd approve of is legislation allowing other groups (a money-raising group calling themselves "SPCA of the Kenai Peninsula" headed by a woman by the name of Michelle DeMilta comes immediately to mind!) to get access to such deadly and dangerous drugs. The results could be a total disaster should these medications fall into less-than-professional hands!

I feel so strongly about his issue that I have discussed with Dr. Lisa Espy

from the Alaska SPCA in Anchorage the possibly of providing these medications should the legislation fail to be approved. Its time that Anchorage be relieved of the responsibilities that rightfully need to be handled right here on the Kenai! As our population grows our animal control issues will grow right along with it....we need to start taking responsibility for ourselves and our own increasing problems.

Thank you for your time.

Nancy K. Wall

Nancy K. Wall

AK SPCA local volunteer

SECTION TWO

OPPOSES