

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 80/2

10912 HOUSE LABOR & COMMERCE

are necessary, that possible adverse effects are identified and reported to the patient's primary care provider, that the beneficiary is aware of proper storage requirements, dosing schedules, side effects, and so on. Pharmacists would be paid to monitor patients closely to detect problems with new drugs or for suspected problems. Not only would this improve care and vastly reduce the nearly \$200 billion dollar cost of adverse drug events, it would also eliminate the cost of unneeded medications that patients may still be receiving! The savings to Americans would be enormous. We believe that the legislation should not move forward without a provision for this drug monitoring review with logistics determined by the Secretary.

Another important component is improving patient understanding of their important role in safe medication use and error prevention. About 25% of medication errors reported to our program and FDA's MedWatch program stem from confusion between proprietary and nonproprietary names. An educated patient or caregiver can be a crucial last check on the safety of any medication. For example, if patients are aware of the name and purpose of their medication, they are better able to recognize if a pharmacist misread the prescription and dispenses a different medication for an unexpected purpose. Legislation should require that the medication's purpose and full instructions be written on each new prescription so that pharmacists can educate patients properly and prevent errors if the purpose and prescribed drug do not match. Listed indications for the drug will also help patients and pharmacists ensure that their interpretation of the prescription is consistent with the prescriber's intent.

Regrettably, the requirement for patient counseling in OBRA 90 legislation is vastly underutilized. Few patients take advantage of the pharmacist's offer to counsel. Instead, they rush the pharmacist to fill a prescription and may not read accompanying drug information material that could prevent adverse events. The new legislation must address the issue by insisting that patients and caregivers have full explanations of new medications while in the doctor's office or pharmacy.

Further, legislation should facilitate health care practitioners' access to crucial information about the patient. Harvard researchers (Leape LL et al. Systems analysis of adverse drug events. JAMA 1995; 274:35-43) showed that over 40% of adverse drug events can be tied to insufficient information about the patient or drug at the time of prescribing, dispensing and administration of medications. The most recent IOM report notes that clinicians operate in silos without the benefit of complete information about the patient's conditions, medical history, treatment received in other settings, or medications prescribed by other clinicians. The report encourages cooperation among clinicians to exchange appropriate information and coordinate care.

Indeed, the same researchers (Leape LL et al. Pharmacist participation on physician rounds and adverse drug events in the intensive care unit. JAMA 1999;282:267-270) showed that pharmacists could prevent 66% of adverse drug events if given access to clinical information to screen and adjust doses and suggest other interventions when clinical indicated.

For example, if a physician fails to adjust the dose of a potentially toxic medication that is excreted through the kidneys in a patient with poor renal function, costly hospitalization, dialysis, transplant, or death may result. While renal function and other important clinical information may be residing in hospital or physician office records, it is often inaccessible to community pharmacists. But with better access to clinical information such as laboratory data, chronic diseases, organ function, allergies, and weight, the pharmacist can screen drug orders appropriately and prevent untold numbers of errors, injuries, and associated costs. The use of web sites or "smart cards" where patients could voluntarily maintain confidential clinical information accessible to their health care practitioners could significantly improve access to

information.

Improved use of technology

Health care remains relatively untouched by information technology that has transformed so many other aspects of society. Patient information, including medication prescriptions, is still dispersed on paper, poorly organized, often illegible, and difficult to retrieve. Yet, research shows (Bates DW et al. Effect of computerized physician order entry and a team intervention on prevention of serious medication errors. *JAMA* 1998;280:1311-16) that over half of all medication errors can be prevented through computerization physician order entry (CPOE). An ISMP survey (*ISMP Medication Safety Alert!* February 10, 1999 - www.ismp.org) of our nation's computer systems shows that fewer than 13% of US hospitals even have the capability for CPOE. Even fewer ambulatory care physicians are using electronic prescribing technology (estimated to be under 5%). Nevertheless, our survey shows that most in-use prescribing software today does not alert users to errors in an accurate and efficient manner. System vendors and organizations must jointly accept responsibility for designing and implementing systems that offer clinical support to providers and warn about potentially unsafe prescriptions.

Most of the technology software problems stem from the lack of interface and compatibility standards to allow stand alone systems to be fully integrated with each other to ensure that appropriate patient and drug information is available to providers. For example, standards are needed to ensure that any physician can send a prescription to any pharmacy electronically. This eliminates the risk of misinterpreting a handwritten prescription while increasing the detection of potential adverse drug events. We also need to address regulatory and legal barriers that prevent use of electronic prescribing. For example, in many states, verified electronic signatures are not acceptable, thus prescribers must physically sign each prescription. Further, incentives should be provided to reward health care practitioners and organizations that adopt technology known to reduce medication errors, such as electronic prescribing and bar code technology.

Bar coding technology can greatly enhance the accuracy of drug dispensing and administration. Although the use of such technology is expanding in ambulatory care pharmacies, mainly through robotics, the pharmaceutical industry must join in this effort by assuring that all drug packages have a standardized, readable bar code or other machine-readable code.

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Be an informed consumer

Unfortunately, medication errors happen. They happen in hospitals, in pharmacies, or even at home. And sometimes people get hurt because of these errors.

The more information you have, the better able you are to prevent errors and to take care of yourself. You have to ask your pharmacists, doctors and nurses about your medications, and you have to expect answers.

Also, if you have any chronic illnesses, pick up one of the consumer guides about medications at a bookstore or from the library. Find out all that you can about your illnesses and the medications you are taking. What you learn will help protect you later.

Your doctors, nurses and pharmacists work hard to keep you healthy, but you are also responsible. Learn what questions to ask. Expect answers--it's your life and your health!

SEARCH
Room 305
435-0908 (fax)

Key Questions

Your pharmacist can be your partner to prevent medication errors. Find one who offers services like monitoring your therapy and keeping a complete list in the pharmacy computer of all your medications and chronic medical conditions. Include over-the-counter medications, vitamins, nutritional supplements and herbal products even if you bought them somewhere else. It's worth the cost. With this information in one place, your pharmacist can help to protect you against harmful drug interactions, duplicate medications and other potential problems.

Before you leave the pharmacy, your pharmacist should give you printed information about the medication and make sure that you understand the answers to these questions:

1. What are the brand and generic names of the medications?
2. What does it look like?
3. Why am I taking it?
4. How much should I take, and how often?
5. When is the best time to take it?
6. How long will I need to take it?
7. What side effects should I expect, and what should I do if they happen?
8. What should I do if I miss a dose?
9. Does this interact with my other medications or any foods?
10. Does this replace anything else I was taking?
11. Where and how do I store it?

When you buy over-the-counter

Canadian Drug Pharmacy slip 915 with 800 423 2300

Washington Daily News

NATION

Tuesday, January 14, 1980

States setting up nonprofit prescription operation

PHILADELPHIA—Plan intended for millions of state employees, Medicaid recipients.

By JERRY PARSONS
The New York Times

In the strongest challenge yet in the battle between states and manufacturers and distributors of prescription drugs, nine states and the District of Columbia are organizing a joint, nonprofit operation to manage their prescription plans, officials in charge of the effort said.

The states intend to hold down spending on medicines for millions of state employees and Medicaid beneficiaries by creating an organization designed to be immune to drug makers' promotions of many of their more expensive products.

The new organization is being formed at a time when two-thirds of the states are reducing Medicaid coverage, restricting eligibility or ending benefits altogether for at least 1 million people. A study by the Kaiser Family Foundation said that state Medicaid directors expect further

cuts in benefits and eligibility. Dozens of states are facing their largest deficits in years. That cash bleed is shared by the current fiscal year is estimated at \$20 billion, with seven state deficits reaching \$1 billion.

Health care spending is a major part of the financial problems the states face, and drugs are the fastest growing component.

New York, for example, spent \$1.4 billion on prescription drugs for more than 4 million Medicaid recipients in 1979, 7.5 percent of all its Medicaid

spending and an increase of 75 percent from 1978.

"New York has the most to gain" from the new organization, said Peter E. Skutumpah, chairman of the National Legislative Association on Prescription Drug Policy, the group that is organizing the new health plan. Skutumpah said New York "is doing the least of all the states" in its growth to hold down drug spending.

The new drug benefit manager will try to help New York, Maine, Massachusetts, Connecticut, Rhode Island, Vermont, New Hampshire,

Pennsylvania and Hawaii narrow the drug benefits they can provide on their current budget constraints.

Drug benefits for the state employees and Medicaid recipients in most of these states are currently managed by private companies called pharmacy benefit managers. These drug price managers collect sizable rebates from drug makers in return for promoting certain drugs. They then create lists of drugs for different ailments and often set prices that encourage drug plan members to opt for the drugs that have been promoted.



ISMP MEDICATION SAFETY ALERT!



Request a Brown-Bag Check-up

If you have a chronic condition, you may routinely take many different kinds of medications. Often, the dose or times of the medication may need to be adjusted as your health changes. Sometimes, you may also have medications ordered by different doctors, particularly if you visit a number of specialists. These situations can lead to a great deal of confusion when taking medications. As a safety measure, ask to schedule a "brown-bag check-up" with your primary doctor or local pharmacist. A brown-bag check-up is when you gather all of your current medications and over-the-counter products into a "brown-bag" and show them to your doctor or pharmacist so he/she can look for any potential problems.

Schedule your brown-bag appointment in advance so the doctor or pharmacist has allotted enough time for the visit. Remember to take any prescription medications, over-the-counter medications, herbal products or "natural products" you are using.

During the "check-up", the doctor or pharmacist will review all of the medications and products you are currently taking, to see if they are the same as those listed on your medical record or pharmacy profile. They can double check these medications for the correct dosage strength, frequency, or identify if you are using outdated or discontinued medications. These practitioners can also screen the medications and products for potential duplication of therapy or side effects. This is why it is important to include non-prescription products in the bag.

A brown-bag check-up is not only helpful to patients, but is useful for physicians and pharmacists too. This review will help healthcare practitioners know whether you understand how to take the medication, or if you are aware of any special precautions that you may need to know about. This is also a good time for the doctor to discuss with you any special laboratory testing that may be needed with certain drugs. You should be prepared to ask any questions you may have about your medications. Don't be afraid to write them down, so that you do not forget to ask.

Having a single doctor "in charge" or aware of all of the medications and products that you take, is a safe rule. If this is impossible, keep your list


of medications and over-the counter products up-to-date, and share this information with every doctor or healthcare provider you visit. Remember to fill all your prescriptions at the same pharmacy or inform your pharmacist of any over-the counter, herbal or mail order prescriptions you are taking so that there is complete oversight of your medications.

Consider making an appointment today for a "brown-bag check-up", or attend this type of sponsored event when offered through your pharmacy, church or senior center.


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Brand
only


Both Brand &
Generic

Family PHARMACY  907-694-7007
11432 Business Blvd.
Eagle River, AK 99577
CAUTION: Follow the possible transfer of this drug to any person other than patient for whom prescribed.
RX#229068 DR.DR
JOHN, DOE 2/12/03
TAKE ONE CAPSULE ONCE DAILY


PREVACID 30MG DR CAP 30
NO REFILLS PC RX EXP: 2/12/04

Family PHARMACY  907-694-7007
11432 Business Blvd.
Eagle River, AK 99577
CAUTION: Follow the possible transfer of this drug to any person other than patient for whom prescribed.
RX#229072 DR.DR
JOE, JOHN 2/12/03
TAKE ONE CAPSULE ONCE DAILY

CELEBREX 200MG CAPSULE 60
NO REFILLS PC RX EXP: 2/12/04

Family PHARMACY  907-694-7007
11432 Business Blvd.
Eagle River, AK 99577
CAUTION: Follow the possible transfer of this drug to any person other than patient for whom prescribed.
RX#229067 DR.DR
JOHN, DOE 2/12/03
TAKE ONE CAPSULE ONCE DAILY

FLUOXETINE 20MG CAP 100
W/F: PROZAC 20MG CAP
NO REFILLS PC RX EXP: 2/12/04

Family PHARMACY  907-694-7007
11432 Business Blvd.
Eagle River, AK 99577
CAUTION: Follow the possible transfer of this drug to any person other than patient for whom prescribed.
RX#229071 DR.DR
DOE, JOHN 2/12/03
INHALE AS DIRECTED

ALBUTEROL INH 17
W/F: PROVENTIL 90MCG AER
NO REFILLS PC RX EXP: 2/12/04

FAMILY PHARMACY
11432 BUSINESS BLVD
EAGLE RIVER, AK 99577
907-694-7007

***** PATIENT INFORMATION LEAFLET *****

DATE: February 12, 2003
PATIENT: JOHN DOE

RX # 229072
DR. DR

DR. PHONE# 907-000-0000

DRUG NAME: CELEBREX 200MG CAPSULE 200MG C SEARLE LAB AWP 02/02/2003
GENERIC NAME: CELECOXIB (ce-le-KOX-ib)

COMMON USES: This medicine is a nonsteroidal anti-inflammatory drug (NSAID) known as a COX-2 inhibitor used to relieve the symptoms of osteoarthritis and rheumatoid arthritis in adults. It is also used to treat acute pain or menstrual pain and discomfort. It may also be used to treat other conditions as determined by your doctor. This drug works by blocking the enzyme in your body that makes prostaglandins. Decreasing prostaglandins helps to reduce pain and swelling.

HOW TO USE THIS MEDICINE: Follow the directions for using this medicine provided by your doctor. This medicine may come with a patient information leaflet. Ask your doctor, nurse, or pharmacist any questions you may have about this medicine. Take this medicine with food. STORE THIS MEDICINE at room temperature between 59 and 86 degrees F (15 and 30 degrees C) in a tightly-closed container, away from heat and light. IF YOU MISS A DOSE OF THIS MEDICINE, take it as soon as possible. If it is almost time for your next dose, skip the missed dose and go back to your regular dosing schedule. Do NOT take 2 doses at once.

CAUTIONS: DO NOT TAKE THIS MEDICINE IF YOU HAVE HAD A SEVERE ALLERGIC REACTION to aspirin or any medicine containing aspirin or to a nonsteroidal anti-inflammatory drug (such as Feldene, Motrin, Naprosyn, Clinoril). DO NOT TAKE THIS MEDICINE IF YOU HAVE HAD A SEVERE ALLERGIC REACTION to a sulfonamide antibiotic (Septra DS, Bactrim DS, Gantrisin). A severe reaction includes a severe rash, hives, breathing difficulties, or dizziness. If you have a question about whether you are allergic to this medicine, contact your doctor or pharmacist. IF YOU EXPERIENCE difficulty breathing; tightness of chest; swelling of eyelids, face, or lips; or if you develop a rash or hives, tell your doctor immediately. Do not take any more doses of this medicine unless your doctor tells you to do so. DO NOT EXCEED THE RECOMMENDED DOSE or take this medicine for longer than prescribed without checking with your doctor. KEEP ALL DOCTOR AND LABORATORY APPOINTMENTS while you are using this medicine. THIS MEDICINE MAY CAUSE stomach bleeding. If you drink alcohol on a daily basis, do not take this medicine without first discussing it with your doctor. Alcohol use combined with this medicine may increase your risk for stomach bleeding. BEFORE YOU BEGIN TAKING ANY NEW MEDICINE, either prescription or over-the-counter, check with your doctor or pharmacist. This includes any medicines that contain aspirin, ibuprofen, naproxen, or ketoprofen. Aspirin as prescribed by your doctor for reasons such as heart attack or stroke prevention (i.e., non-arthritis doses) should be continued. CAUTION IS ADVISED when this medicine is used in the elderly, as they may be more sensitive to the side effects of this medicine. FOR WOMEN: IF YOU PLAN ON BECOMING PREGNANT, discuss with your doctor the benefits and risks of using this medicine during pregnancy. IT IS UNKNOWN IF THIS MEDICINE IS EXCRETED in breast milk. DO NOT BREAST-FEED while taking this medicine.

POSSIBLE SIDE EFFECTS: SIDE EFFECTS that may occur while taking this medicine

ACCOMPANY EACH PRESCRIPTION

EAGLE RIVER, MA 03011
907-694-7007

***** PATIENT INFORMATION LEAFLET *****

DATE: February 12, 2003
PATIENT: DOE JOHN

RX # 229068
DR. DR

DR. PHONE# 907-000-0000

DRUG NAME: PREVACID 30MG DR CAP 30MG DR C TAP AWP 01/17/2002
GENERIC NAME: LANSOPRAZOLE (lan-SOE-pra-zole)

COMMON USES: This medicine is a proton pump inhibitor used to treat ulcers, gastroesophageal reflux (GERD), erosive esophagitis, or Zollinger-Ellison syndrome. It may also be used to treat other conditions as determined by your doctor.

HOW TO USE THIS MEDICINE: Follow the directions for using this medicine provided by your doctor. TAKE THIS MEDICINE in the morning unless your doctor directs otherwise. TAKE THIS MEDICINE before eating. SWALLOW WHOLE. Do not break, crush, or chew before swallowing. IF YOU HAVE TROUBLE SWALLOWING THE CAPSULE, check with your pharmacist to see if capsule may be opened. STORE THIS MEDICINE at room temperature between 59 and 86 degrees F (15 to 30 degrees C) away from light and moisture. IF YOU MISS A DOSE OF THIS MEDICINE, take it as soon as possible. If it is almost time for your next dose, skip the missed dose and go back to your regular dosing schedule. Do not take 2 doses at once.

CAUTIONS: BEFORE YOU BEGIN TAKING ANY NEW MEDICINE, either prescription or over-the-counter, check with your doctor or pharmacist. IF YOU PLAN ON BECOMING PREGNANT, discuss with your doctor the benefits and risks of using this medicine during pregnancy. IT IS UNKNOWN IF THIS DRUG IS EXCRETED in breast milk. DO NOT BREAST-FEED while taking this medicine.

POSSIBLE SIDE EFFECTS: SIDE EFFECTS, that may go away during treatment include headache, diarrhea, gas, or constipation. If they continue or are bothersome, check with your doctor. CONTACT YOUR DOCTOR IMMEDIATELY if you experience stomach/abdominal pain, rash, back pain, unusual tiredness, dizziness, vomiting, chest pain, dark urine, yellowing eyes or skin, persistent fever or sore throat, easy bruising or bleeding. IF YOU EXPERIENCE difficulty breathing; tightness of chest; swelling of eyelids, face, or lips; or if you develop a rash or hives, tell your doctor immediately. Do not take any more doses of this medicine unless your doctor tells you to do so. If you notice other effects not listed above, contact your doctor, nurse, or pharmacist.

FAMILY PHARMACY
11432 BUSINESS BLVD
EAGLE RIVER, AK 99577
907-694-7007

***** PATIENT INFORMATION LEAFLET *****

DATE: February 12, 2003

PATIENT: DOE JOHN

RX # 229067

DR. DR

DR. PHONE# 907-000-0000

DRUG NAME: FLUOXETINE 20MG CAP 20MG C PAR AWP 03/22/2002

GENERIC NAME: FLUOXETINE (floo-OX-uh-teen)

COMMON USES: This medicine is a selective serotonin reuptake inhibitor (SSRI) used to treat depression, obsessive-compulsive disorder (OCD), or bulimia. This medicine may also be used to treat PMS (premenstrual syndrome). It may also be used to treat other conditions as determined by your doctor.

HOW TO USE THIS MEDICINE: Follow the directions for using this medicine provided by your doctor. TAKE THIS MEDICINE WITH FOOD if it upsets your stomach. STORE THIS MEDICINE at room temperature, away from heat and light. CONTINUE TO TAKE THIS MEDICINE even if you feel better. Do not miss any doses. IF YOU MISS A DOSE OF THIS MEDICINE, skip the missed dose and go back to your regular dosing schedule. Do not take 2 doses at once.

CAUTIONS: UP TO 4 WEEKS MAY PASS before this medicine reaches its full effect. Do not stop taking this medicine without checking with your doctor. DO NOT DRIVE, OPERATE MACHINERY, OR DO ANYTHING ELSE THAT COULD BE DANGEROUS until you know how you react to this medicine. Using this medicine alone, with other medicines, or with alcohol may lessen your ability to drive or to perform other potentially dangerous tasks. THIS MEDICINE WILL ADD TO THE EFFECTS of alcohol and other depressants. Ask your pharmacist if you have questions about which medicines are depressants. BEFORE YOU BEGIN TAKING ANY NEW MEDICINE, either prescription or over-the-counter, check with your doctor or pharmacist. This includes any medicines that contain dextromethorphan. FOR WOMEN: IF YOU PLAN ON BECOMING PREGNANT, discuss with your doctor the benefits and risks of using this medicine during pregnancy. THIS MEDICINE IS EXCRETED IN BREAST MILK. The manufacturer of this medicine states that taking this medicine while breast-feeding is not recommended. CONSULT WITH YOUR DOCTOR ABOUT BREAST-FEEDING.

POSSIBLE SIDE EFFECTS: SIDE EFFECTS, that may go away during treatment, include nervousness, trouble sleeping, headache, drowsiness, fatigue, nausea, vomiting, diarrhea, loss of appetite, dry mouth, sweating, dizziness, lightheadedness, muscle spasms, or changes in sexual function. If they continue or are bothersome, check with your doctor. If you notice other effects not listed above, contact your doctor, nurse, or pharmacist.

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FAMILY PHARMACY
11432 BUSINESS BLVD
EAGLE RIVER, AK 99577
907-694-7007

***** PATIENT INFORMATION LEAFLET *****

DATE: February 12, 2003
PATIENT: JOHN DOE

RX # 229071
DR. DR

DR. PHONE# 907-000-0000

DRUG NAME: ALBUTEROL INH MG I ANDRX PHAR AWP 09/23/2002
GENERIC NAME: ALBUTEROL (al-BYOO-ter-ole)

COMMON USES: This medicine is a bronchodilator used to treat or prevent the symptoms of asthma, emphysema, and other breathing conditions. This medicine is also used to prevent the symptoms of exercise-induced asthma. It may also be used to treat other conditions as determined by your doctor.

HOW TO USE THIS MEDICINE: Follow the directions for using this medicine provided by your doctor. THIS MEDICINE MAY COME with an instruction leaflet. Ask your doctor, nurse, or pharmacist any questions that you may have about this medicine. BEFORE USING THIS MEDICINE, be sure that the canister is properly inserted into the inhaler unit and SHAKE WELL. Exhale slowly and deeply. UNLESS YOUR DOCTOR HAS TOLD YOU OTHERWISE, position the mouthpiece between your lips and try to rest your tongue flat. Your doctor may have told you to hold the inhaler 1 or 2 inches (2 or 3 centimeters) away from your open mouth or may have instructed you to use a special spacing device. AS YOU START TO TAKE A SLOW, DEEP BREATH, PRESS THE CANISTER AND MOUTHPIECE TOGETHER at exactly the same time to administer a dose of this medicine. Continue inhaling slowly and deeply and hold your breath for as long as comfortable, then exhale slowly through pursed lips or through your nose. If more than 1 inhalation is to be used, wait a few minutes and repeat the above process. KEEP THE SPRAY AWAY from your eyes. KEEP TRACK OF THE NUMBER of sprays you use and subtract this number from the number of doses in the container. This will help you know when the container is becoming empty. STORE THIS MEDICINE at room temperature, away from extreme temperatures and direct sunlight. Do not puncture, break, or burn container, even if it appears empty. IF YOU MISS A DOSE OF THIS MEDICINE and you are using it regularly, use it as soon as possible. If it is almost time for your next dose, skip the missed dose and go back to your regular dosing schedule.

CAUTIONS: KEEP ALL DOCTOR AND LABORATORY APPOINTMENTS while you are using this medicine. BEFORE YOU HAVE ANY MEDICAL OR DENTAL TREATMENTS, EMERGENCY CARE, OR SURGERY, tell the doctor or dentist that you are using this medicine. AVOID LARGE AMOUNTS OF caffeine-containing foods and beverages, such as coffee, tea, cocoa, cola drinks, and chocolate. Before switching brands of this medicine, consult your doctor or pharmacist. BEFORE YOU BEGIN TAKING ANY NEW MEDICINE, either prescription or over-the-counter, check with your doctor or pharmacist. FOR WOMEN: IF YOU PLAN ON BECOMING PREGNANT, discuss with your doctor the benefits and risks of using this medicine during pregnancy. IT IS UNKNOWN IF THIS MEDICINE IS EXCRETED in breast milk. DO NOT BREAST-FEED while taking this medicine.

POSSIBLE SIDE EFFECTS: SIDE EFFECTS, that may go away during treatment, include fast heartbeat, nervousness, tremors, headache, difficulty sleeping, or nausea. If they continue or are bothersome, check with your doctor. CHECK WITH YOUR DOCTOR AS SOON AS POSSIBLE if you experience rash, hives, itching, wheezing, or increased difficulty breathing. If you notice other effects not listed above, contact your doctor, nurse, or pharmacist.

Alaska State Legislature

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Fax: 465-3472
Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us



345 W. Sterling Highway
Suite 102B
Homer, AK 99603
Phone: 235-2921
Fax: 235-4008

REPRESENTATIVE Paul Seaton
District 35

MEMORANDUM

Tom
TO: Representative Tom Anderson, Chair
House Labor & Commerce Committee

FM: Representative Paul Seaton *Paul*

DATE: February 13, 2003

RE: Committee Hearing for HB 51

At your earliest convenience could you please schedule House Bill 51 for a committee hearing. Attached you will find a copy of the bill and a sponsor statement. If you have any questions please feel free to call me anytime or speak with my lead staff, Chris Knight at ext. 6867

Alaska State Legislature

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REPRESENTATIVE Paul Seaton

District 35

Sponsor Statement

HB 51

“An act requiring pharmacists to include generic drug information on containers in which brand-name prescriptions drug orders are dispensed.”

As medical technology advances, many citizens, especially our seniors, are taking many different prescription medications to live a longer, healthier life. Seniors receive prescriptions from many different sources, AARP, internet pharmacies, mail order companies, insurance companies and local pharmacies. Increased sources of prescription drugs, may lead people to accidentally take multiple medications of the same drug, which could be sold brand or generic names. Double dosing may cause severe over-medication leading to serious side effects or even be life-threatening. House Bill 51 was introduced to safeguard Alaskans from overdosing on the same medication, but labeled under different names.

HB 51 requires state pharmacists to include the generic drug name on containers in which a brand-name prescription drug is dispensed. Under this bill, if a person receives a prescription for drug X, then the generic equivalent would be required to be listed on the label as well. This additional requirement would allow consumers to identify duplicate medications.

One recent case involves a woman with Parkinson's disease. The woman placed an order with her insurance company for a particular drug, which they shipped in the generic form arriving about ten days later. In the meantime, the woman went to her local pharmacy and refilled her brand name prescription. Weeks later, her family became increasingly worried when the woman began hallucinating. The family and her doctor were concerned after learning that the woman was double-dosing on the same drug. If the woman would have had the additional labeling requirement required by HB 51, the woman and her family would have been able to quickly identify her accidental double-dosing.

While no statistics directly measure the extent of the double-dosing problem in Alaska, elderly administrators have implied that it is a serious problem. Providing one extra piece of information when prescriptions are filled could immeasurably help in saving lives. HB 51 simply requires additional generic labeling on all brand name prescriptions filled in the state, to inform and safeguard all Alaskans from over-dosing on the same medication.

Alaska State Legislature

Rep. Tom Anderson, Chair
Rep. Bob Lynn, Vice - Chair
Rep. Nancy Dahlstrom, Member
Rep. Carl Gatto, Member
Rep. Norman Rokeberg, Member
Rep. Harry Crawford, Member
Rep. David Guttenberg, Member



State Capitol
Juneau, Ak 99801-1182
(907) 465-4954
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House Labor & Commerce Committee

MEMORANDUM

Date: February 26, 2003
To: Suzi Lowell, Chief Clerk
From: Representative Tom Anderson, Chairman *T.A.*
House Labor & Commerce Committee
Re: House Labor & Commerce Committee Schedule

The House Labor & Commerce Committee has scheduled to hear the following bills:

Monday, March 3rd at 3:15 pm. Room 17

- + HB 51 – Labeling of Prescription Drugs
- + * HB 94 – Overtime Pay for Airline Employees

Bills Previously Heard/Scheduled

- + - Teleconferenced
- * - First Hearing in First Committee of Referral
- = - Bill was Previously Heard/Scheduled

HB

56

CS FOR HOUSE BILL NO. 56()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE GARA

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the award to the state of actual reasonable attorney fees and costs,**
2 **including costs of investigation, in certain court actions relating to unfair trade**
3 **practices; and amending Rules 54(d), 79, and 82, Alaska Rules of Civil Procedure."**

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

5 *** Section 1.** AS 45.50.537 is amended by adding a new section to read:

6 (e) In an action brought by the attorney general under AS 45.50.471 -
7 45.50.561, if the attorney general prevails, the state shall be awarded its actual
8 attorney fees and costs, including costs of investigation, to the extent those fees and
9 costs are reasonable.

10 *** Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 **INDIRECT COURT RULE CHANGES.** (a) AS 45.50.537(e), added by sec. 1 of this
13 Act, has the effect of changing Rule 82, Alaska Rules of Civil Procedure, by establishing
14 different rules relating to the award of attorney fees in actions that are brought under

1 AS 45.50.471 - 45.50.561.

2 (b) AS 45.50.537(e), added by sec. 1 of this Act, has the effect of changing Rules
3 54(d) and 79, Alaska Rules of Civil Procedure, by establishing different rules relating to the
4 award of costs in actions that are brought under AS 45.50.471 - 45.50.561.

5 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 APPLICABILITY. AS 45.50.537(e), added by sec. 1 of this Act, applies only to
8 causes of action that accrue on or after the effective date of this Act.

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

SPONSOR STATEMENT

HB 56: Making State's Fight Against Consumer Fraud More Effective; And More Cost Effective.

This bill provides the state with a needed tool to fight consumer fraud more effectively, more efficiently, and without any cost to the state. This bill strengthens the state's ability to represent Alaskans who have been victimized by fraudulent business practices, whether by used car dealers, telemarketers, or others who prey on Alaska's consumers. It does so while actually saving the state money. Senator Fred Dyson and I have worked on similar cost-effective consumer protection measures in the past, and will join hands to advance this proposal in our respective legislative houses.


Currently victims of consumer fraud can contact the State's Attorney General's Office for help. However, due to budget constraints, the State cannot help many such victims. In 2001 roughly half of all Alaskans who complained of consumer law violations were turned away due to budget constraints.

HB 56 changes the law to allow the state to recover its full enforcement, investigation and court costs if it prevails against a party that has violated Alaska's consumer protection laws. The bill is modeled after legislation in other areas that allow state and federal investigators and enforcement authorities to recover their enforcement costs. For example, federal anti-trust, and federal and state hazardous waste laws allow the recovery of enforcement costs and full attorneys fees from parties who violate the law.

The public policies behind this bill are simple: Those who engage in unfair business practices should not force the state to bear the costs of their misconduct. Moreover, by allowing the state to recover not only the existing penalties that are available under state law, but it's enforcement costs, the law will help fund a more vibrant, more cost-effective consumer protection presence in Alaska.

Current law prevents the state from recovering many types of investigative and enforcement costs, and allows the state to recover only 20% of its attorney fee costs. Please feel free to contact me with any questions.

Sincerely,


Les Gara

LEGAL SERVICES

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

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


State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 7, 2003

SUBJECT: CSHB 56() relating to attorney fees and costs awarded in unfair trade actions (Work Order No. 23-LS0300\H)

TO: Representative Les Gara
Attn: Ryan

FROM:  Theresa L. Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Provides that in an unfair trade practice action the state shall be awarded its actual reasonable attorney fees and costs, including investigation costs, if the state wins the case.

Section 2. Explains how sec. 1 indirectly causes changes in Rules 54(d), 79, and 82 of the court's rules of civil procedure.

Section 3. Applies sec. 1 to causes of action that accrue on or after the effective date of this Act.

If I may be of further assistance, please advise.

TLB:med
03-272.med

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

Sectional Analysis: HB 56

This bill provides the state with a needed tool to fight consumer fraud more effectively, more efficiently, and without any cost to the state. This bill strengthens the state's ability to represent Alaskans who have been victimized by fraudulent business practices, whether by dishonest used car dealers, telemarketers, or others who prey on Alaska's consumers. It does so while actually saving the state money.

HB 56 changes the law to allow the state to recover its full enforcement, investigation and court costs if it prevails against a party that has violated Alaska's consumer protection laws. The bill is modeled after legislation in other areas that allows the state to recover its enforcement costs. For example, federal anti-trust, and federal and state hazardous waste laws allow the state to recover its enforcement costs from parties who violate the law.

Section 1: Currently the state is entitled to only partial compensation for its enforcement efforts when it prevails in a case under Alaska's consumer protection law, the Unfair Trade Practices Act. This section changes the law to entitle the state, if it prevails in such a case, to receive full compensation for its enforcement efforts on behalf of a victim. Under this section, a court may award full compensation to the state for its attorneys fees and investigation and other enforcement costs. The state would have to prove that these costs were reasonable.

Section 2: This notice is required when the Legislature changes existing court rules on attorney's fees and costs.

Section 3: Provides for a standard effective date, and that the new law only applies to new cases that arise because of conduct that occurs after this law is enacted.



Honorable Tom Anderson, Chair
House Labor and Commerce Committee
Alaska Capital, Room 432
Juneau, AK 99801-1182

March 27, 2003

RE: HB 56 (Gara)-Support

Dear Chair Anderson:

On behalf of the AARP members in Alaska, we encourage you and your colleagues on the House Labor and Commerce Committee to support HB 56, authored by Representative Les Gara.

This bill will allow the State of Alaska to recover all costs involved in the prosecution of an entity that violates the State's consumer protection laws. We fully agree with Representative Gara that the State should not bear the costs for someone who conducts business illegally here. Many AARP members are the victims of consumer fraud. We know many more would be able to secure the professional assistance of the Attorney General's office if more funding was available. HB 56 is an ideal way to provide that funding.

AARP urges an "AYE" vote on HB 56.

Should you have any questions about our position, please feel free to contact Marie Darlin (907.586.3637), Coordinator of the AARP Capitol City Task Force; Patrick Luby

(907.762.3314), AARP Legislative Representative; or me (907.245.5259).

Sincerely,

Marguerite Stetson

Marguerite Stetson
AARP Alaska
Executive Council Member for Advocacy
3009 Northwood Street
Anchorage, AK 99517-1871
907.245.5259 voice
907.245.5279 fax
ffmas@aurora.uaf.edu

cc: Vice-Chair Bob Lynn
Representative Nancy Dahlstrom
Representative Carl Gatto
Representative Norman Rokeberg
Representative Harry Crawford
Representative David Guttenberg
Representative Les Gara
Marie Darlin
Patrick Luby



AKPIRG

ALASKA PUBLIC INTEREST RESEARCH GROUP

PO Box 101093 ♦ Anchorage, Alaska 99510-1093 ♦ Ph: (907) 278-3661 ♦ Fax: (907) 278-9300 ♦ email: akpirg@akpirg.org

Statement in Support of HB 56

HB 56 deserves a prompt hearing because of its value to Alaskan consumers and the Attorney General's office.

HB 56 bolsters the State of Alaska's ability to fight consumer fraud. With the proliferation of both phone and internet solicitations and Alaskan's reliance on such commercial mechanisms, fraudulent businesses have ever-increasing avenues to engage in illegal business practices. Identity theft has risen to become the most prevalent form of fraud reported to the Department of Law. Yet, in 2001 around half of all Alaskans who complained about consumer law violations couldn't get help from the state due to a lack of funding. This bill makes bad businesses pay for their violations

HB 56 gives the state another method to fight consumer fraud without expense to the state. Through this legislation, the state will be able to represent Alaskans who have been wronged by fraudulent business practices. While doing this, the law will also allow the state to recover its full court costs if it prevails against a party that has violated Alaska's consumer protection laws. Current law prevents the state from recovering many types of investigative and enforcement costs, and allows the state to recover only 20% of its attorney fee costs. Just as businesses must purchase a license to operate in Alaska, those businesses that break Alaska laws should be held responsible for the costs they rack up in Alaska courts.

HB 56 is patterned after legislation, both state and federal, which allows the recovery of enforcement costs. Federal anti-trust laws, and federal and state hazardous waste laws allow the state to recover its enforcement costs from parties who violate the law.

Currently, Alaska is entitled to only partial compensation for its enforcement efforts when it prevails in a case under the Unfair Trade Practices Act. HB 56 changes the law to entitle the state to receive full compensation for its investigation and enforcement efforts on behalf of a victim, if it prevails in such a case. The state would have to prove that these costs were reasonable.

AkPIRG urges quick passage of HB 56.

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

Differences Between HB 56 and Proposed CSHB 56

There is one change:

The original bill did not include a statement that this bill involves a court rule change.

Since that version was introduced, however, it has been made clear that, indeed, the Act would substantively change Court Rules 54(d), 79 and 82 of the Alaska Rules of Civil Procedure. The proposed CSHB 56 takes this into account and incorporates the court rule changes (Sec. 2., starting page 1, line 10 of proposed CS).

The bill now states a 2/3 vote is required because a court rule change is involved.

As a result, Sec. 4 of the original bill, the EFFECT NOTWITHSTANDING VOTE clause, is no longer necessary and has also been removed.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 56
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title "An Act relating to the attorney fees and costs BRU Civil Division
awarded in certain court actions . . ." Component Fair Business Practices
 Sponsor Representative Gara
 Requester House Labor and Commerce Committee Component No. 2206

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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 (GF/PR)	*****	*****	*****	*****	*****	*****
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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—Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 HB 56 allows the attorney general to recover full reasonable attorneys fees and costs when the state prevails in an action brought under Alaska's Consumer Protection Act, AS 45.50.471 *et seq.* Currently, private parties who bring successful actions under the Act can recover full fees and costs, but the state can only recover a portion of its fees pursuant to Alaska Civil Rule 82 for bringing the same action. It is unclear how much, if any, additional revenues might result if this bill passes. Presently, most actions brought by the attorney general under the Act are settled, and the settlement often considers the time and expenses incurred by the attorney general to bring the action. In larger multi-state cases, settlements often include payment of attorneys fees and costs. In smaller, local cases, however, potential violators may be deterred by the risk of paying the state's full attorneys fees and costs. In cases where litigation is inevitable, this bill would allow the recovery of additional funds, and may assist in settlement negotiations.

Prepared by: Joan M. Kasson Phone (907) 465-5370
 Division Attorney General's Office Date/Time 4/21/03 4:17 PM
 Approved by: Kathryn Daughhettee for Gregg D. Renkes, Attorney General Date 4/21/2003
 Agency Department of Law

ALASKA STATE LEGISLATURE




REPRESENTATIVE LES GARA

MEMORANDUM

DATE: March 24, 2003

TO: Rep. Tom Anderson
Chair, House Labor and Commerce Committee

FROM: Rep Les Gara 

RE: Hearing Request for HB 56, "Consumer Attorney's Fees"

I respectfully request that HB 56, "Consumer Attorney's Fees", be scheduled for hearing in the House Labor & Commerce Committee. Please feel free to contact me with questions or thoughts at 465-6853, or my aide Ryan Peterson at 465-2647.

Attached you will find a bill packet for HB 56. This includes the original bill, a proposed committee substitute to that bill, a sponsor's statement and sectional analysis. Letters of support will follow shortly.

Hearing request from Les

Subject: Hearing request from Les

Date: Fri, 04 Apr 2003 17:44:21 -0900

From: Les Gara <Representative_Les_Gara@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Representative Tom Anderson <Representative_Tom_Anderson@legis.state.ak.us>

Just a reminder that I'd appreciate a hearing oon HB 56 the week of the
14th. thanks. Les

.....

Facsimile transmittal

To: Terry Bannister

Fax: 2029

From: Josh Applebee

Date: 4/26/2003

Re: CS HB 56

Pages: 3

CC:

Urgent

For Review

Please Comment

Please Reply

Please Recycle

.....

The Terry:

Attached please find the Work Draft for the CS for HB 56 version 23-LS0300\H adopted by the House Labor & Commerce Committee on 4/25. There were no additional amendments to this version. Would you please provide me this bill in Final form? Thank you so much for all your hard work! Please call if you have any questions, my direct number is 4954.

Josh Applebee, Committee Aide
House Labor & Commerce

HB

58

Alaska House of Representatives

Richard Foster
P.O. Box 1630
Nome, AK 99762
907-443-5036
Fax 907-443-2162



During Session
State Capitol Rm. 410
Juneau, AK 99801-1182
907-465-3789
Fax 907-465-3242

Majority Whip

Memorandum

To: Rep. Tom Anderson
Chair Labor & Commerce
From: Rep. Richard Foster
Date: January 30, 2003
Re: HB 58

I respectfully request the house Labor & Commerce committee schedule HB 58, "An Act relating to the reinstatement of native corporations; and providing for an effective date," as soon as practical.

The contact person in my office is Larry LaBolle, 465-3789

Alaska House of Representatives

Richard Foster
P.O. Box 1630
Nome, AK 99762
907-443-5036
Fax 907-443-2162



During Session
State Capitol Rm. 410
Juneau, AK 99801-1182
907-465-3789
Fax 907-465-3242

Majority Whip

House Bill 58

“An Act relating to the reinstatement of native corporation; and providing for an effective date.”

Sponsor's Statement

This legislation has been introduced at the request of one of the Village Native Corporations within our region. The corporation was involuntarily dissolved by the commissioner under AS 10.06.633 and failed to apply for reinstatement during the grace period established in statute.

This legislation provides a one-time window during which Native Village Corporations who have been dissolved can apply for reinstatement.

The legislation is needed because these corporations were established under the Alaska land claims settlement and legally own village corporation assets. A new corporation could be created but it would not have the same legal standing as of the original corporation nor legally own those assets.

The final provision of the bill allows a Village Native Corporation's board of directors to legally change the corporation name, if another corporation has taken the previously used name.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 58
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Reinstatement of Native Corporations BRU Banking, Securities & Corporations (115)
 Component Banking, Securities & Corporations
 Sponsor Representative Foster/Hawker
 Requester House Community & Regional Affairs Component No. 1233

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation provides the opportunity for native village corporations involuntarily dissolved under AS 10.06.633 to be reinstated on or before December 31, 2003. The legislation may generate a small amount of revenue from fees and penalties received to reinstate a corporation. The division does not anticipate any negative fiscal impact.

Prepared by: Mark Davis, Division Director
 Division Banking, Securities and Corporations
 Approved by: Edgar Blatchford, Commissioner
 Agency Department of Community & Economic Development

Phone 907-269-8452
 Date/Time 1/28/03 9:42 AM
 Date 1/28/2003

Alaska House of Representatives

Richard Foster
P.O. Box 1630
Nome, AK 99762
907-443-5036
Fax 907-2162



During Session
State Capitol Rm. 410
Juneau, AK 99801-1182
907-465-3789
Fax 907-465-3242

Majority Whip

January 14, 2003

OK
R

Carl Pelowook, President
Savoonga Native Corporation
P.O. Box 160
Savoonga, AK 99769

Dear President Pelowook:

Thank you for your letter regarding the need for legislation to allow reinstatement of ANSCSA Corporations which have been involuntarily dissolved.

I have requested legislation similar to HB 71 which I sponsored in the early ninety's.

If you have a question about the legislation, please contact Larry La Bolle who works in my Juneau office.

Sincerely,

Richard Foster

*Richard
Foster*

Alaska House of Representatives

Richard Foster
P.O. Box 1630
Nome, AK 99762
907-443-5036
Fax 907-2162



During Session
State Capitol Rm. 410
Juneau, AK 99801-1182
907-465-3789
Fax 907-465-3242

Majority Whip

MEMORANDUM

To: Legislative Legal Services

From: Rep Richard Foster *RF*

Date: January 14, 2003

Re: Draft Legislation

Please note the attached letter explaining the need for legislation to allow a window for involuntarily dissolved ANCSA Corporations to be reinstated.

I am sure the legislation could be modeled after HB 71, which I sponsored several years ago.

If you have questions please contact Larry La Bolle in my office at 465-3789.

SAVOONGA NATIVE CORPORATION

P.O. Box 160
Savoonga, Alaska 99769
(907) 984-6613

January 2, 2003

Representative Richard Foster State Capital, Room 14 Juneau, AK 99801-1182	716 West 4 th Ave., Suite 380 Anchorage, AK 99501-
--	--

Re: Request for legislation for involuntarily dissolved ANCSA Corporations

Dear Representative Foster:

I am writing as President of Savoonga Native Corporation to request that you sponsor legislation, reinstating involuntarily dissolved ANCSA corporations and extending recognition to corporations that replaced involuntarily dissolved native corporations. In 1994, you sponsored HB71 that did exactly that and became 10.06.960 (j) & (k). What we are seeking is an updated version of AS 10.06.960 (j) & (k). Savoonga Native Corporation was involuntarily dissolved in March 2000 and its reinstatement period has expired. We recently reincorporated under the same name and seek to confirm our new status. As co-sponsor of HB71 I know that you understand the situation. Savoonga Native Corporation would be appreciative if you would sponsor a new version that would confirm our status.

As was true in 1994, and again in 1996, when you sponsored HB392, there are likely to be other native corporations in a similar situation that would also benefit from the legislation. Enclosed for your convenience are the language and legislative history of HB71 (Chapter 120 SLA 94 and HB 392, Chapter 24, SLA '96) Please let me know if you are willing to sponsor such legislation or if I could provide you with any information or be of any assistance. I look forward to hearing from you.

Very truly yours,



Carl Pelowook
President of Savoonga Native Corporation

HB

66

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 66
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title An Act relating to certain persons who buy and BRU Occupational Licensing (117)
sell secondhand articles;.... Component Occupational Licensing
 Sponsor Representative Samuels
 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 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	171.4	171.4	171.4	171.4	171.4	171.4
Travel	2.0	2.0	2.0	2.0	2.0	2.0
Contractual	10.0	10.0	10.0	10.0	10.0	10.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	18.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	202.4	184.4	184.4	184.4	184.4	184.4

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156)	386.8	0.0	368.8	0.0	368.8	0.0
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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 1156-Receipt Supported Services	202.4	184.4	184.4	184.4	184.4	184.4
TOTAL	202.4	184.4	184.4	184.4	184.4	184.4

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	3	3	3	3	3	3
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 66 places the licensing of persons who buy and sell secondhand articles, who lend money on secondhand articles, and who seek or receive loans on secondhand articles within this department. The bill also establishes electronic reporting requirements accessible to law enforcement agencies which currently do not exist within this licensing agency; therefore resulting in the need for a programmer. Additionally, an estimated number of individuals affected by this legislation and the extent of enforcement expectations are not known at this time.

This fiscal note will be revised as further information is obtained.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
 Division: Occupational Licensing Date/Time 2/3/03 2:36 PM
 Approved by: Edgar Blatchford, Commissioner Date 2/3/2003
 Agency: Department of Community & Economic Development

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. HB 66

ANALYSIS CONTINUATION

HB 66: An Act relating to certain persons who buy and sell secondhand articles,

Page 2 of 2

Total PERSONAL SERVICES: \$171.4

- Occupational Licensing Examiner I position, PFT, Range 12, \$43.4
- Investigator III position, PFT, Range 18, \$62.2
- Analyst/Programmer III position, PFT, Range 18, \$65.8

Total TRAVEL: \$2.0

- Investigator travel and per diem to enforce reporting requirements.

Total CONTRACTUAL SERVICES: \$10.0

- 30 hours of AG legal time for regulations and misc. investigative costs, \$3.0
- Postage, communication, and advertising costs, \$3.0
- Printing costs for application and reporting forms in accordance with Section 4(b), \$4.0

Total SUPPLIES: \$1.0

To fund daily operating supplies of the program.

Total EQUIPMENT (one-time costs): \$18.0

Office equipment and workstation set-up for the support positions.

TOTAL FISCAL NOTE: \$202.4

REVENUE & FUND SOURCE: Revenue will be generated by individuals who seek licensure under this program. Licensing fees will be receipt supported services and will be established to cover direct and indirect program costs.

At this time, the approximate number of individuals that may be affected to share costs in support of the program is not known. If licensees are few, license fees could be substantial.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 6C
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title An Act relating to secondhand BRU Legal and Advocacy Service
buyers and sellers... Component Public Defender Agency
 Sponsor Re. Samuels, Meyer, McGuire
 Requester (H) Labor and Commerce Component No. 1631

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	*	*	*	*	*	*
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

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--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2003) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This legislation would require pawnbrokers and secondhand dealers to be licensed and keep records of articles acquired. Sec. 3 would allow only the lawful owner of the article to sell or obtain a loan from a pawnbroker, requiring verification of ownership and proof of ownership "to the satisfaction of the licensee." Section 6 broadens the scope of criminal liability and raises the criminal offense to an A misdemeanor, if a person recklessly violates this requirement of verification or proof of ownership. This legislation will likely have a fiscal impact on the Public Defender Agency because it broadens the scope of criminal liability. While the Agency rarely represents pawnbrokers, it will likely represent indigent people charged with a violation of Section 3 who weren't the pawnbroker. Therefore this proposed legislation will likely result in more cases handled by the Agency. It is not possible to predict with any certainty the number of new cases this bill will generate, hence an indeterminate fiscal note is submitted.

Prepared by: Linda K. Wilson, Deputy Director Phone (907)-334-4416
 Division Public Defender Agency Date/Time 2/3/03 9:37 AM
 Approved by: Sharon Barton, Acting Commissioner Date 2/3/2003
 Agency Department of Administration

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 66
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
Title An act relating to certain persons who buy & sell secondhand articles. BRU AST Detachment
Component AST Detachment
Sponsor Representative Samuels
Requester House Labor & Commerce Component No. 2325

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

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--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

*Fiscal impacts to AST cannot be determined at this time.

Section 4(a)(1) - Internet-based system that is acceptable to DPS.

- What process would be used in choosing the system? There are potential costs associated with the RFP process to identify the successful vendor.

Section 4(a)(2) - Electronic format acceptable to DPS. The bill is unclear regarding the uses of the database such as who would be accessing what information.

- Will this format have to be manually uploaded into the commercially available internet system? If not, will DPS be required to create and maintain a database for this info?

Section 4(b) - Record keeping on a serialized three-part form.

- Will DPS be required to create and maintain a database for this info?

Prepared by: Lieutenant Matthew Leveque Phone 907 269-0390
Division: Alaska State Troopers Date/Time 1/31/03 4:10 PM
Approved by: Del Smith, Commissioner Date 1/31/2003
Agency: Department of Public Safety



HOUSE LABOR & COMMERCE COMMITTEE

STATE CAPITOL, ROOM 432

Phone 465-4954

COMMITTEE MEMBERS

Rep. Tom Anderson
Chairman
Room 432
465-4939

Rep. Bob Lynn
Vice-Chair
Room 415
465-4931

Rep. Nancy Dahlstrom
Room 409
465-3783

Rep. Carl Gatto
Room 411
465-3743

Rep. Norman Rokeberg
Room 214
465-4968

Rep. Harry Crawford
Room 426
465-3438

Rep. David Guttenberg
Room 13
465-4457

HOUSE LABOR & COMMERCE

COMMITTEE PACKET

Josh Applebee
Committee Aide
Room 432



Representative Ralph Samuels

House District 29

Sponsor statement for House Bill 66

One of the ways thieves can profit from items they have stolen is by selling them to a pawnshop or secondhand dealer. Dealers don't want stolen merchandise in their stores, but it is easy for a thief to appear to be the true and rightful owner of the item in question.

Alaska Statutes require that secondhand dealers, including pawnshops, keep records of the items that they receive and that these records be open to any representative of a law enforcement agency that asks to see them. When municipal police or state troopers receive reports of stolen goods they can match them to these written records, helping return stolen items to their rightful owners and identify thieves. Unfortunately, this system is labor intensive, and it is not unusual for the property to have been sold by the dealer or pawnshop before it has been identified as stolen.

House Bill 66 addresses this problem by requiring secondhand dealers and pawnshops to enter their records into an internet-based database that law enforcement can access at will, or in areas without Internet access to provide weekly reports to their local police department or state trooper post. The bill also requires that items a dealer buys or takes in pawn be held for 30 days before the items may be sold or transferred to a new owner. Break-ins often occur while the victim is out of town, and this hold period will allow them time to discover their loss and report it to police while their belongings can still be retrieved.

These changes will allow burglary victims to get back more stolen items, apprehend more thieves and even prevent future property theft crimes.

Sectional analysis for HB 66
Prepared by Laura Achee, staff to Rep. Ralph Samuels
January 24, 2003

Section 1

Section 1 adds "persons engaged in the business of buying and selling or loaning money on second hand articles" to the list of businesses regulated by the State of Alaska under AS 08.10.010.

"Persons engaged in the business of buying and selling or loaning money on second hand articles" is the language used in existing statutes to describe pawnshops and second hand dealers.

The new provisions requiring the licensing of these businesses is necessary to allow law enforcement agencies to easily identify who should be providing the reports required under subsequent sections of this bill. It will also allow for the collection of information that can be used to fine-tune applicable statutes and regulations in the future.

Section 2

Section 2 changes AS 08.76 to require "persons engaged in the business of buying and selling or loaning money on second hand articles" to obtain a license to do business and directs the Department of Community and Economic Development and the Department of Public Safety to determine regulations for obtaining a license.

Section 3

Existing statutes require certain information to be recorded when a licensee buys a second hand item or takes it as collateral on a loan. Section 3 updates the information that must be recorded and adds a provision clearly stating that only the rightful owner of an item may pawn or sell the item.

This information is used by law enforcement agencies to search for stolen items and to subsequently identify the person who sold or pawned a stolen item.

Section 4

Existing statutes require the information taken under the previous section be recorded in a bound ledger. Section 4 brings the statutes into the 21st century by requiring information to be recorded in an internet-based database or an electronic format acceptable to the Department of Public Safety. If the dealer prefers to keep written records, they must use three-part serialized forms.

It is important to maintain the integrity of the records that are kept under this chapter in order to prevent information from being changed or removed at a later date. The format of these statutes helps ensure this result, and provides that the information will be kept in a format that is easily usable by law enforcement.

Section 5

Section 5 creates a new requirement that records made under the previous section to be reported regularly to law enforcement agencies.

Section 6

Section 6 updates the criminal liability for not following these statutes to correspond with current criminal statutes.

Section 7

Section 7 defines "recklessly" according to AS 11.81.900.

Section 8

Section 8 updates existing statutes to correspond with language changes made in this chapter by other sections of the bill.

Section 9

Section 9 creates a new requirement that any item purchased or taken in collateral by a licensee be held for a period of time before it may be sold or transferred to a new owner. This does not prevent an individual who pawns an item from redeeming it within the hold period.

This requirement allows time for victims of property crime to report their losses and for law enforcement to identify those stolen items that may be in a licensee's possession.

This section also includes definitions for terms used in this chapter.

Wasilla Police Department's position on prospective Legislation pertaining to Pawnshops and Secondhand Stores

The Wasilla area is currently the fastest-growing area in the State of Alaska, and will likely continue to be for some time. There are now 4 licensed pawnshops within the Wasilla city limits as well as 20-30 additional businesses that would qualify under Alaska Statute as secondhand stores. In the surrounding Mat-Su Valley, there are several more pawnshops and an unknown, but large, number of stores that resell used merchandise.

There is currently little to no monitoring of any of these businesses to check for stolen property and for compliance with current AS 08.76 requirements. This isn't because of a need to do so, but rather because local law enforcement agencies have for some time lacked both the manpower and the technical resources necessary to conduct investigatory checks.

Whenever Wasilla pawnshops are checked, significant numbers of stolen items are recovered, including numerous firearms. Many individuals associated with fencing stolen items in the Wasilla area are known members of the drug milieu and a law enforcement impact in one area would be expected to also impact the other. It is also noteworthy that approximately 50% of recovered stolen items from Wasilla pawnshops were stolen in other jurisdictions, primarily Anchorage.

Because of the fluid nature of property thefts, both in the areas being targeted and the locations chosen for converting the stolen items into cash, a comprehensive, statewide measure is necessary in order to have any statistical impact on occurrence rates. A major step toward accomplishing this will be to update the archaic statutory language now in the books for pawnbrokers and secondhand dealers.

Our suggestions for improving the laws are:

Institute mandatory real-time, electronic reporting of all pawn transactions and purchases of used merchandise for resale by for-profit businesses, via high-speed Internet connections. This should be a requirement for any applicable business in Alaska capable of having electrical and telephone hookups. The transaction information should be sent to a private, non-governmental repository, capable of being accessed by all participating law enforcement agencies, also via Internet connections. The information repository should be able to interface with NCIC and be able to provide nearly instantaneous alerts when items listed as stolen are pawned or brought in for sale.

Detailed information must be recorded for all items, serialized or not, in a standardized format. Customers bringing in items for pawn or sale must be identified with photo identification. There should continue to be a 30-day hold on all items, beyond the expiration of the redemption period. This would continue to give law enforcement the best opportunity for recovering stolen items before they are passed on to new owners, as legislating business records to identify the new owners would seem intrusive and unrealistic.

The cost of each transaction should be incurred by the customer bringing in an item for pawn or sale and should be the same at all effected businesses. This cost should be an amount sufficient to satisfy the company maintaining the Internet information repository as well as to defray the cost of computers and Internet expenses required at the local businesses.

Local man reports \$10,000 in musical equipment stolen

Some missing items found in city pawn shops

BY HEATHER A. RESZ
STAFF WRITER

Terry McNiven has been collecting top-quality musical instruments and studio equipment for most of the 40 years he's been making music. However, his collection shrank significantly this summer.

Anchorage Police detective Chris Jones said an investigation continues on the theft report McNiven filed for \$10,000 in missing musical and studio equipment. Police got a lead on McNiven's stolen items when some of them began turning up in pawn shops around the city.

"The people who pawned the articles are being sought for questioning," Jones said.

When items are pawned, their serial numbers and descriptions are written down along with the name of the person who pawned the item, he said. That information is then sent to the pawn unit where officers check lists of pawned items against theft reports, Jones said.

McNiven said he noticed he was missing equipment after the band Ruined — brothers Curt and Todd Nelson, Max Nesslage, Sean Maney and Ken Tonn — spent a month in his living room putting together a demo for their band.

"I had so much gear I didn't notice they



Musician Terry McNiven shows off a guitar from his collection of about 60 guitars. He filed a police report recently after about \$10,000 in musical equipment was stolen from his home.

were lifting stuff," McNiven alleges. "Now I don't have enough cords to hook a stereo to a mixer board."

McNiven said the missing items include a 1983 Gibson Flying V Red with a whammy bar, two JBL power amplifiers and a Marshall JCM 2000 amplifier.

Also gone are a Digiteck DSP 128-Effects, Tascam Parametric equalizer, DOD vocalist, two JBL monitors, Alesius compression limiters, headphones,

adapters, several mics and \$1,000 in cords.

Some of the stuff was pawned outside of Anchorage, beyond the purview of local police, McNiven said.

Jones said pawn shops outside the city do not report to the department. He said there has been a move to legally change that process.

During the last legislative session, Rep. Joe Green, R-Anchorage, sponsored House Bill 472 that would have required

semimonthly reports from store owners to police and a 30-day hold period on items pawned to allow law enforcement agencies time to review transaction records. The bill died in committee.

Law enforcement is still interested, but Green is retiring, and the bill has no new sponsor, said Laura Achee, aid to Green until Jan. 20.

A longtime working musician, McNiven said Ruined is not the first band he's helped.

"36 Crazyfists started out playing in my studio, trying to get me to buy beer for them and stuff," he said.

A single parent raising five kids — Angela, 12, Stewart, 11, Nora, 10, Ian, 9 and Thomas, 6 — McNiven said the studio got to be too time consuming.

It's not the first time he's had music equipment stolen — his red 1983 Gibson Flying V has been stolen three times — but it is the single biggest lifting, he said.

McNiven said because his collection of musical equipment is so large, it took him some time to realize items were missing. The missing Gibson is one of about 60 guitars in his collection, he said.

"Each one is like getting a new girlfriend," McNiven said.

Detective Jones said anyone with information about the missing items should call the Anchorage Police Department at 786-8500, and ask to speak to someone in the theft unit.

Chronicle photo/Heather A. Resz

Alaska State Legislature



Rep. Tom Anderson, Chair
Rep. Bob Lynn, Vice - Chair
Rep. Nancy Dahlstrom, Member
Rep. Carl Gatto, Member
Rep. Norman Rokeberg, Member
Rep. Harry Crawford, Member
Rep. David Guttenberg, Member

State Capitol
Juneau, Ak 99801-1182
(907) 465-4954
Fax: (907) 465-2418

House Labor & Commerce Committee

MEMORANDUM

Date: January 29, 2003
To: Suzi Lowell, Chief Clerk
From: Representative Tom Anderson, Chairman *T.A.*
House Labor & Commerce Committee
Re: House Labor & Commerce Committee Schedule

Schedule for House Labor & Commerce Committee:

Monday, February 3rd at 3:15 pm. Room 17

The House Labor & Commerce Committee has scheduled to hear the following bills:

+ * **HB 66** "An Act relating to certain persons who buy and sell secondhand articles, to certain persons who lend money on secondhand articles, and to certain persons who seek or receive loans on secondhand articles."

- + - Teleconferenced
- * - First Hearing in First Committee of Referral
- = - Bill was Previously Heard/Scheduled

Subject: Testimony list

Date: Mon, 03 Feb 2003 11:21:38 -0900

From: Laura Achee <Laura_Achee@Legis.state.ak.us>

Organization: Alaska State Legislature

To: Josh Applebee <Josh_Applebee@legis.state.ak.us>

Testimony list for House Labor and Commerce Committee
House Bill 66

Lt. Matt Laveque
Alaska State Troopers

Deputy Chief Bill Miller
Anchorage Police Department

Detective Jeff Gregg
Anchorage Police Department

Detective Sgt. Todd McGillivary
Soldotna Police Department

Detective Doug Sonerholm
Wasilla Police Department

Terry McNiven
Anchorage, Alaska

Deborah Fink
Owner, Cash Alaska
Anchorage, Alaska

Subject: Testimony list

Date: Mon, 03 Feb 2003 11:21:38 -0900

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Lt. Matt Laveque
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Terry McNiven
Anchorage, Alaska

Deborah Fink
Owner, Cash Alaska
Anchorage, Alaska

HB

71

Kaye Kanne, CDM, President
Midwives Association of Alaska
3225 Hospital Drive, #106
Juneau, Alaska 99801
(907) 586-1203

February 10, 2003

Testimony for HB 71, Labor and Commerce Committee

Thank you for this opportunity to testify to your committee. I am asking for your support on HB 71, a bill to extend the Certified Direct-Entry Licensing Board. I was a member of the Board from its inception in 1992 through 1999. The Board has done an excellent job of writing and implementing regulations for the governing of Certified Direct-Entry midwives in Alaska. The Board continues to strive for the highest standards for CDM's and as a result, midwives in Alaska are professional, well trained and provide safe, excellent care for women and families.

Alaska's Certified Direct-Entry midwives delivered almost 10% of the babies born in Alaska last year. In some communities this percentage is even higher, almost 25% in Matsu-Susitna Borough, 15% in Juneau, and 12% in Fairbanks. Nation wide direct-entry midwives attend approximately 5% of the births. Many more women are seeking the continuity of care and family centered maternity care which midwifery can provide.

Alaska has one of the best midwifery laws in the United States. Many other states have looked to us as an example when passing midwifery legislation. Direct-Entry midwifery is increasingly recognized across the nation, with licensing for direct-entry midwives in 21 states, and legislation pending in 8 more states.

The American Public Health Association endorses state regulated and national certified Direct-Entry midwives to improve outcomes while lowering healthcare costs for maternity care. They support efforts to increase access to out-of-hospital maternity care services, through recognition that Direct-Entry midwives can serve clients desiring, safe, planned out-of-hospital midwifery care.

Alaska is at the forefront of Direct-Entry Midwifery licensing. Let's continue the excellent work we have been doing by continuing the Certified Direct-Entry licensing Board for another 4 years.

BIRTHS AND PERCENTAGE OF BIRTHS BY CERTIFIED DIRECT MIDWIFE: 1997-2002

Census Area of Occurrence	1997		1998		1999		2000		2001		2002	
	%	#	%	#	%	#	%	#	%	#	%	#
ALASKA	2.18	217	2.52	250	3.82	381	5.23	522	7.95	787	9.31	834
Aleutians West	100.0	1	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Bethel	0.0	0	0.0	0	0.0	0	0.5	2	0.0	0	0.0	0
Dillingham	0.0	0	0.0	0	1.5	1	1.8	1	0.0	0	0.0	0
Fairbanks North Star Borough	2.4	39	2.9	48	5.5	86	6.8	117	7.9	129	12.6	194
Juneau Borough	3.5	14	7.9	32	15.1	64	12.3	52	14.4	64	15.2	57
Kenai Peninsula Borough	1.9	11	2.7	15	3.1	18	11.2	57	17.1	93	26.7	125
Ketchikan Gateway Borough	0.7	2	0.0	0	0.0	0	1.4	4	0.0	0	0.0	0
Kodiak Island Borough	3.6	9	2.5	6	2.2	5	2.8	6	2.0	4	1.7	3
Matanuska-Susitna Borough	14.9	71	18.7	87	21.7	105	18.0	100	16.8	92	24.7	130
Municipality of Anchorage	1.2	59	0.9	47	1.6	85	3.2	169	7.4	396	6.5	321
Nome	2.4	3	6.7	8	6.2	7	3.3	3	0.8	1	1.1	1
North Slope Borough	0.0	0	0.0	0	3.7	2	0.0	0	0.0	0	0.0	0
Sitka Borough	2.0	3	0.0	0	2.3	3	3.7	5	4.7	6	0.9	1
Skagway-Hoonah-Angoon	0.0	0	100.0	1	0.0	0	0.0	0	0.0	0	0.0	0
Southeast Fairbanks	5.3	1	0.0	0	15.4	2	20.0	1	7.7	1	0.0	0
Valdez-Cordova	5.9	3	4.1	2	0.0	0	2.5	1	1.8	1	3.0	1
Yukon-Koyukuk	0.0	0	0.0	0	0.0	0	33.3	1	0.0	0	0.0	0
Census Area Unknown	0.7	1	3.6	4	2.3	3	2.5	3	0.0	0	50.0	1

"Increasing Access To Out-Of-Hospital Maternity Care Services Through State-Regulated and Nationally-Certified Direct-Entry Midwives"

Formally adopted by the Governing Council of the American Public Health Association (APHA)
Wednesday, October 24, 2001

THE AMERICAN PUBLIC HEALTH ASSOCIATION,

Reaffirming its position on credentials for health occupations, that there should be alternative routes involving educational systems of selection and preparation, and legal systems of licensing by which people can prepare and qualify for health occupations (1)

Reaffirming its recognition that many women seek birthing alternatives(2) and,

Recognizing that pregnancy and birth are normal life events for a majority of women, (3,4,5) and,

Reaffirming its endorsement of the philosophy of family-centered maternity care, the importance of continuity of care, and the use of a variety of licensed care-givers, (6)

Recognizing that Direct-entry Midwives encompass a diverse group of midwives that have entered the profession directly through midwifery education and training, and not through a pre-requisite program such as nursing.(7)
Recognizing that there are alternative educational systems of selection and preparation for national certification of Direct entry Midwives that include either the Certified Professional Midwife (CPM) credential and the Certified Midwife (CM) credential; and that both require didactic programs, written examinations and clinical experience. (8,9) In the case of the Certified Professional Midwives the didactic component consists of education in a program accredited by an agency that is recognized by the US Department of Education or the PEP Program, the North American Registry of Midwives competency-based, educational portfolio evaluation, and the clinical component is equivalent to one year of experience which includes more than a thousand contact hours under the supervision of one or more preceptor, some of which must be in out-of-hospital settings, but none of which need to be in hospital settings;(8) and in the case of the Certified Midwife (CM) credential requires education in institutions of higher learning accredited by an agency that is recognized by the US Department of Education to meet the same standards that Certified Nurse Midwives must meet, completing core science requirements similar to those required for a nurse, and fulfilling core midwifery requirements that are a part of all accredited nurse-midwifery education programs, and clinical experience that must include hospital experience, but is not required to include out-of-hospital experience.(9)

Recognizing that individual states interested in incorporating direct-entry midwives into their health care systems are moving towards regulatory models based on national certification.(5)

Recognizing evidence that many women seek alternatives to hospital care for normal pregnancy and birth, and,

Recognizing the evidence that births to healthy mothers, who are not considered at medical risk after comprehensive screening by trained professionals, can occur safely in various settings, including out-of-hospital birth centers and homes (10,11,12,13,14) and,

Noting that an epidemiological study of Certified Professional Midwives (CPMs) is ongoing in order to further substantiate practice outcomes, safety, client satisfaction, and practitioner competency is in progress; (15)

Recognizing that out-of-hospital settings have the potential for reducing the costs of maternity care; (7,12,16)

Recognizing evidence that access to quality maternity caregivers remains an important issue, particularly for underserved urban and rural communities;(17) which may be addressed through out-of-hospital maternity services in some communities; and

Reaffirming that the APHA currently recognizes the value of and promotes educational opportunities for nurse-midwifery,(18) and that many professionals recognize the contributions of direct-entry midwifery; and,

Reaffirming that APHA has been an innovator in public health care by supporting research on alternative and complementary medicine (1,19) and increased access to midwifery services in the United States, (20)

Recognizing that there should be alternative routes involving educational systems of selection and preparation, and legal systems of licensing by which people can prepare and qualify for health occupations, including those direct-entry midwives who are nationally-certified and who have successfully completed "a recognized midwifery education process"; (21,22,23,25) and

Recognizing evidence that direct-entry midwives have multiple educational routes (22,24) available to them in order to meet the entry-level requirements of knowledge, skills and experience; (22,24,25)

Recognizing evidence that individual states interested in incorporating direct-entry midwives into the health care system are moving towards regulatory models based on national certifications; (22)

Therefore, APHA

- Supports efforts to increase access to out-of-hospital maternity care services and increase the range of quality maternity care choices available to consumers, through recognition that legally-regulated and nationally certified direct-entry midwives can serve clients desiring safe, planned, out-of-hospital maternity care services, and further:
- Encourages the development and implementation of guidelines for the licensing, certification and practice for direct-entry midwifery practitioners for use by state and local health agencies, health planners, maternity care providers, and professional organizations;
- Urges that there be increased opportunities, for supervised, clinical learning experiences, in a variety of settings, including both high-risk and low-risk, incorporated into direct-entry midwifery education programs;
- Encourages an increase in cost effective maternal care services for rural and underserved urban populations by advocating for increases in funding of scholarships and loan repayment programs targeted at members of these communities;
- Urges public and private insurance plans to eliminate barriers to the reimbursement and equitable payment of direct-entry midwifery services in both public and private payment systems;
- Encourages the National Center for Health Statistics, the U.S. Department of Health and Human Services and State Vital Records Offices to add the CPM as a separate certifier category on birth certificates to enable routine collection of systematic data;
- Urges HRSA, CDC and state health departments to improve the collection and quality of vital statistics and other data to enhance the monitoring of birth outcomes (e.g., infant and perinatal mortality rates, maternal mortality rates, etc.) resulting from services provided by all practitioners including specific types of midwife practitioners;
- Urges Congress and appropriate Department of Health and Human Services agencies to increase funding and other support for ongoing research and evaluation of maternal health and birth outcomes, practice outcomes, quality of care outcomes, and safety related to the services provided by direct-entry midwives;

References:

1. American Public Health Association Policy Statement 6805: Credentials for Health Occupations. APHA Public Policy Statements, 1948 to present, cumulative. Washington, D.C. current volume.
2. American Public Health Association Position Paper 8209: Guidelines for Licensing and Regulating Birth Centers. APHA Public Policy Statements, 1948 to present, cumulative. Washington, D.C. current volume.
3. Stewart, David: The Five Standards of Safe Childbearing, NAPSAC International, 4th Edition, 1997.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 71
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title: An Act extending the termination date of the BRU: Occupational Licensing (117)
Board of Certified Direct-Entry Midwives Component: Occupational Licensing
 Sponsor: House State Affairs
 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 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	14.6	14.6	14.6	14.6	14.6	
Travel	5.1	5.1	5.1	5.1	5.1	
Contractual	8.5	8.5	8.5	8.5	8.5	
Supplies	0.0	0.0	0.0	0.0	0.0	
Equipment	0.0	0.0	0.0	0.0	0.0	
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	28.2	28.2	28.2	28.2	28.2	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156)	28.2	28.2	28.2	28.2	28.2	
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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 1156- Receipt Supported Services	28.2	28.2	28.2	28.2	28.2	
TOTAL	28.2	28.2	28.2	28.2	28.2	0.0

Estimate of any current year (FY2003) cost: 28.2

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill extends the Board of Certified Direct-Entry Midwives to June 30, 2007. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the board to conclude its affairs. The information above identifies direct expenditure and revenue information included in the FY 2004 Operating Budget request. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager
 Division: Occupational Licensing
 Approved by: Edgar Blatchford, Commissioner
 Agency: Department of Community & Economic Development

Phone: (907) 465-2144
 Date/Time: 2/10/03 12:00 PM
 Date: 2/10/2003

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 31, 2003

FURTHER REFERRALS: Finance

Date of Committee Action: Feb. 10, 2003

The LABOR AND COMMERCE Committee considered:

HB 71

HOUSE BILL NO. 71

EXTEND BOARD OF MIDWIVES

"An Act extending the termination date of the Board of Certified Direct-Entry Midwives."

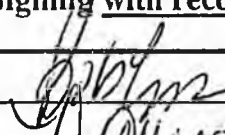
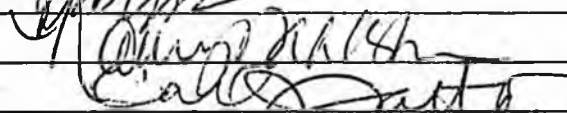
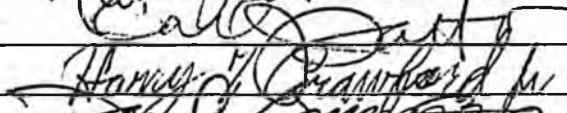
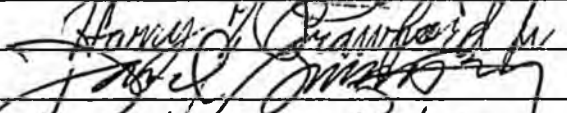
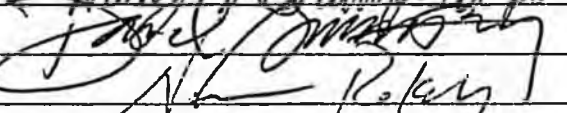
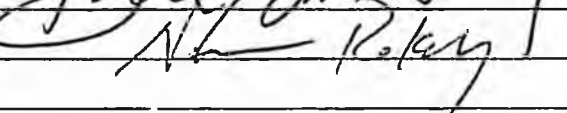
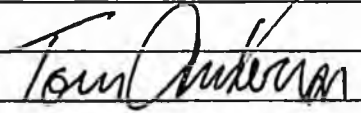
Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LAA
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
<u>CED</u>		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	LYNN	X			
	DILISTRAM	X			
	GATTO	X			
	CRAWFORD	✓			
	GUTTENBERG	✓			
	ROKEBERRY	✓			
Chair: 	ANDERSON	X			
Chair:					

Alaska State Legislature

Rep. Tom Anderson, Chair
Rep. Bob Lynn, Vice - Chair
Rep. Nancy Dahlstrom, Member
Rep. Carl Gatto, Member
Rep. Norman Rokeberg, Member
Rep. Harry Crawford, Member
Rep. David Guttenberg, Member



State Capitol
Juneau, Ak 99801-1182
(907) 465-4954
Fax: (907) 465-2418

House Labor & Commerce Committee

MEMORANDUM

Date: February 5, 2003
To: Suzi Lowell, Chief Clerk
From: Representative Tom Anderson, Chairman *T.A.*
House Labor & Commerce Committee
Re: House Labor & Commerce Committee Schedule

The House Labor & Commerce Committee has scheduled to hear the following bills:

Monday, February 10th at 3:15 pm. Room 17

- + * HB 71 – EXTENDING BOARD OF MIDWIVES
- + * HB 73 – EXTENDING STATE MEDICAL BOARD
- + * HB 74 – EXTENDING BOARD OF NURSING

- + - Teleconferenced
- * - First Hearing in First Committee of Referral
- = - Bill was Previously Heard/Scheduled

ALASKA STATE LEGISLATURE

REPRESENTATIVE BRUCE WEYHRAUCH



ALASKA
STATE CAPITOL
JUNEAU, ALASKA
99801-1182

(907) 465-3744
FAX (907) 465-2273

STATE AFFAIRS COMMITTEE

HB 71

Sponsor Statement

Extend The Board of Certified Direct-Entry Midwives

The Board of Certified Direct-Entry Midwives consists of five members appointed by the Governor: one public member, two certified direct-entry midwives (CDMs), one certified nurse midwife, and one physician who is either an obstetrician or who has specialized obstetric training. The duties of the board include examining and certifying applicants, permitting apprentices, holding hearings and ordering disciplinary sanctions. The board also adopts regulations to establish certification and certification renewal requirements.

The board has served as a means to make people practicing midwifery aware of the level of experience and education expected of them. Also, by having a board, the individuals that practice midwifery are held accountable to an established standard of care. Women seeking an alternative to hospital care for normal pregnancy and birth rely on the diligence of the board to enhance both the quality and accessibility of their healthcare. One notable enhancement: the board worked with the State of Alaska to establish Medicaid procedures for CDM services, thereby placing Alaska among eight states which both license their traditional midwives and provide Medicaid reimbursement for their services.

The board is scheduled to terminate on June 30, 2003, and if the legislature does not act this session, the board will have one year to conclude its administrative operations. Based upon recommendations by the Division of Legislative Audit, HB 71 would extend the board's termination date to June 30, 2007.

Released: February 1, 2003

Contact: Rep. Bruce Weyhrauch's office at 907.465.3744

August 17, 2002

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF COMMUNITY
AND ECONOMIC DEVELOPMENT
BOARD OF CERTIFIED
DIRECT-ENTRY MIDWIVES
SUNSET REVIEW

August 15, 2002

Audit Control Number

08-20016-02

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program subject to the sunset review process. Currently under AS 08.03.010(c)(8), the Board of Certified Direct-Entry Midwives is scheduled to terminate on June 30, 2003. If no legislation is adopted extending this date, the board would be allowed one year in which to conclude its administrative operations.

In our opinion, the termination date for the Board of Certified Direct-Entry Midwives should be extended. The regulation and licensure of certified midwives contributes to the protection of the public's welfare. We recommend the legislature extend the termination date of the Board of Certified Direct-Entry Midwives to June 30, 2007.

This sunset review was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing this report are set out in the Objectives, Scope, and Methodology section.

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the intent of Titles 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Board of Certified Direct-Entry Midwives. As required by AS 44.66.050(a), the committees of reference shall consider this report during the legislative oversight process to determine whether the board should be reestablished. Currently, AS 08.03.010(c)(8) requires that the board will terminate on June 30, 2003, and will have one year from that date to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of the board should be extended.
2. To determine if the board is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of direct-entry midwives.

The assessment of the operations and performance of the board was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the board.

Scope and Methodology

Under the direction and supervision of the Division of Legislative Audit, another auditor conducted the majority of this review. We followed professional standards to determine that the other auditor was independent and that their work was competent and sufficient.

The major areas of our review were licensing, examination, and board proceedings. We reviewed and evaluated the following:

1. Applicable statutes and regulations.
2. Compliance with statutes and regulations related to the certification of direct-entry midwives and permits for midwife apprentices.
3. Files and documentation of individuals certified as a direct-entry midwife or permitted to act as a midwife apprentice. Additionally, we reviewed files for individuals applying for certification or an apprentice's permit.

4. Files related to investigations carried out by the Division of Occupational Licensing involving allegations of violations of statutes and regulations related to certified direct-entry midwives or apprentices.
5. Minutes of board meetings and division correspondence files.
6. Annual reports issued by the board.

We also conducted interviews with Division of Occupational Licensing staff.

ORGANIZATION AND FUNCTION

In 1992, the legislature established the Board of Certified Direct-Entry Midwives. The prime sponsor of the legislation that created the board testified before various committees of referral that the intent of the board was to protect the health and safety of the public. The board was to accomplish this by identifying individuals who, practicing as midwives, were willing to pursue technical training and meet specified technical qualifications necessary for formal licensure.

According to the sponsor, insurance companies and state Medicaid would reimburse for midwife services only if the practitioners were properly licensed and certified. He testified that a board is needed to *"develop strict regulations and monitor professional practice by peer review and education. Certified, licensed, high quality care would be available to Alaskans who either prefer home births or are denied financial or geographic access to physicians' care."* The sponsor also identified midwife care as one way to reduce health care costs and related health insurance premiums.

The board promotes the public's health, safety, and welfare by establishing educational, experience, and continuing education requirements for licensed midwives. These requirements are intended to provide assurance that licensed individuals provide a minimum standard of care. State law does allow for midwife services to be provided by unlicensed individuals. As stated in AS 08.65.150, the differentiation is that those not certified under state law *"may not practice midwifery for compensation."*

Membership of the board

Alaska Statute 08.01.020 provides for the following requirements related to appointment to the board:

Board members are appointed by the governor and serve at the pleasure of the governor. Unless otherwise provided, the governor may designate the chair of a board, and all the other officers shall be elected by the board members. Unless otherwise provided, officers of a board are the chair and the secretary. A board may provide by regulation that three or more unexcused absences from meetings are cause for removal.

Board of Certified Direct-Entry Midwives
<i>(As of June 30, 2002)</i>
Dana Brown, CDM, CPM, Chairperson
Marilyn Holmes, Secretary
Mark E. Richey, MD
Martha Linden, CDM
Sharon K. Evans, CDM

By statute, the board consists of five members. The five members are required to consist of two certified direct-entry midwives, one certified nurse midwife, one physician licensed by the Alaska State Medical Board who has an obstetrical practice or has specialized training in obstetrics, and one public member. Once appointed, the members serve staggered terms of four years.

Duties of the board

The board's responsibilities under AS 08.65.030 include:

1. Examining applicants and issuing certificates to those applicants it finds qualified;
2. Adopting regulations establishing certification and certificate renewal requirements;
3. Issuing permits to apprentice direct-entry midwives;
4. Holding hearings and ordering the disciplinary sanction of a person who violates statute or regulation regarding direct-entry midwives;
5. Supplying forms for applications, licenses, permits, certificates, and other papers and records;
6. Reporting annually to the governor and the Department of Community and Economic Development (DCEC) on the board's proceedings during the year;
7. Approving curricula and adopting standards for basic education, training, and apprentice programs; and
8. Approving education, training, and apprentice programs that meet the requirements of statute and the board, and denying, revoking, or suspending approval of programs that fail to meet the requirements.

Department of Community and Economic Development

DCEC provides administrative and investigative assistance to the board (AS 08.01.050). Licensing and application fees, as appropriated by the legislature, fund this assistance. Administrative assistance includes budgetary services and functions such as: collecting fees, maintaining files, receiving and issuing application forms, and publishing notice of examinations and meetings.

DCEC is empowered with the authority to act on its own initiative, or in response to a complaint. DCEC may:

1. Conduct an investigation if it appears a person is engaged in, or is about to engage in, a practice over which DCEC has authority.
2. Issue an order that the person stop the practice.
3. Bring an action in superior court to enjoin the act.
4. Examine the books and records of an individual.
5. Issue subpoenas for the attendance of witnesses and records.

REPORT CONCLUSIONS

In our opinion, the termination date for the Board of Certified Direct-Entry Midwives should be extended. The regulation and licensing of qualified direct-entry midwives contributes to the protection of the public's health, safety, and welfare. Women seeking to give birth through the use of midwives rely on the diligence of the board and staff to promote the provision of quality midwifery services.

The board serves this public interest by establishing minimum educational and work experience requirements that individuals must meet in order to become a certified direct-entry midwife. The board further serves this public interest by investigating complaints against certified professionals and taking disciplinary action when appropriate. The board has carried out its responsibilities in a manner consistent with statutes, good administrative practice, and the public interest.

The board has served as a means to make people practicing midwifery aware of the level of experience and education expected of them. Also, by having a board, individuals that practice midwifery can now be held accountable to an established standard of care. The board has displayed its ability to conduct its business in a professional, competent, and efficient manner. The board continues to propose changes to statute and regulation to improve its effectiveness.

AS 08.03.010(c)(8) requires the Board of Certified Direct-Entry Midwives be terminated on June 30, 2003. Under AS 08.03.020, the board has one year in which to conclude its administrative operations. Based upon our review of the operations of the Board of Certified Direct-Entry Midwives over the past three fiscal years, we recommend the legislature extend the board's termination date to June 30, 2007.

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ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050. These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board has operated in the public interest.

The Board of Certified Direct-Entry Midwives (CDM) has served the public interest by examining and licensing qualified applicants, and by proposing changes to statute and regulation in order to enhance the quality of midwifery care in Alaska.

The board developed regulations to establish a peer review committee to review birth summaries and other required medical records to determine if a certified midwife acted in accordance with governing CDM regulations and statutes.

The board developed a four-page handbook for applicants, licensees, new board members, and other interested individuals. After receiving input from the public, the board has decided to revise the handbook, and is currently considering changes and additions.

At the conclusion of the last sunset review, high fees were considered a barrier to entry. The board has pursued various strategies in reducing the necessary fees and has been able to lower the license renewal fee to the current \$950.

The board worked with the State of Alaska to establish Medicaid procedures for CDM services, thereby placing Alaska among eight states which both license their traditional midwives and provide Medicaid reimbursement for their services.

After much discussion regarding the licensing of foreign-trained applicants, the board decided that it was in the profession's and the public's best interest to require foreign-trained applicants to meet the established standards when applying for licensure in Alaska.

The board believes it would be in the public's best interest to require licensing of birth centers (currently they are only required to register with the State) and has sought support for such legislation.

Determine the extent to which the operation of the board has been impeded or enhanced by existing statutes, procedures, and practices, which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Since its inception, a major issue for the board has been the amount of licensing fees charged to license holders. Currently, certified midwives pay a biennial licensing fee of \$950. This

amount represents a reduction from \$1,550 charged to midwives in the previous two-year licensing period.

These fees result from the language of the general licensing statutes at AS 08.01.065(c), which require "*...that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation.*" Much of the high fees midwives pay can be attributed to high legal costs incurred by the board in developing the first set of professional regulations, and participating in a lawsuit involved with alleged unlicensed practice.

Another factor in the high fees is the relatively small number of certified midwives licensed by the State. As of July 2002, there were 25 licensed midwives and eight apprentices licensed by the State. With this relatively small number of licensees, the board experiences substantial diseconomies of scale in trying to adequately fund effective professional oversight and regulation.

Board members have expressed concern that the high licensing fees have been a disincentive to individuals considering entry into the profession.

We reviewed the internal records maintained by the Division of Occupational Licensing related to revenues and expenditures associated with the Board of Certified Direct-Entry Midwives. We did not audit this information, and present it here for general information purposes. As the schedule on the opposite page reflects, the Board of Certified Direct-Entry Midwives is setting various fees for the occupations it regulates to sufficiently cover the costs of operating the board.

State of Alaska
 Board of Certified Direct-Entry Midwives
 Schedule of License Revenues and Board Expenditures
 FY 98 - FY 01
 (Unaudited)

	FY01	FY00	FY99	FY98
<i>Total Revenues:</i>	\$ 28,560	\$ 11,930	\$ 29,505	\$ 5,025
<i>Board/Occupation Direct Expenditures:</i>				
Personal Services	\$ 9,835	\$ 6,659	\$ 8,257	\$ 6,710
Travel (See Note)	3,946	3,463	310	2,562
Contractual	4,692	2,565	1,433	2,322
Supplies	2	20	73	21
<i>Total Board/Occupation Direct Expenditures</i>	\$ 18,475	\$ 12,707	\$ 10,073	\$ 11,615
<i>Total Administrative Indirect Expenditures</i>	1,086	703	839	981
<i>Total Direct and Indirect Expenditures</i>	\$ 19,561	\$ 13,410	\$ 10,912	\$ 12,596
<i>Revenues Compared to Expenditures</i>	\$ 8,999	\$ (1,480)	\$ 18,593	\$ (7,571)
<i>Cumulative Surplus or (Deficit) for Board Operations</i>	\$ 27,441	\$ 18,442	\$ 19,922	\$ 1,329

Note - The \$310 total for Travel costs in FY 99 appears to be in error. At the time of our report, the Division of Occupational Licensing was in the process of reviewing their records to determine what adjustment may be necessary to charge costs appropriately.

Determine the extent to which the board has recommended statutory changes that are generally of benefit to the public interest.

The board has primarily focused its administrative efforts on developing regulations to carry out its regulatory responsibilities related to midwifery. Over the past few years, the board has not spent any significant effort developing or supporting proposed legislation.

Determine the extent to which the board has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of services, economy of service, and availability of services that it has provided.

The location, date, and time of board meetings are published in the appropriate prominent publications within the State. The Department of Law defines adequate public notice as advertising at least three days, excluding weekends and holidays, and ten days when possible, prior to a meeting. We reviewed advertising confirmations for the period under review, and the department's policy on public notice requirements, and found the board to be in full compliance with these public notice requirements.

In addition to the required public notices, the board also maintains a web site on the Internet that contains notices of regular board meetings, actions taken by the board, and proposed regulations.

Determine the extent to which the board has encouraged public participation in the making of its regulations and decisions.

Time is available at all public meetings for public testimony. The board also accepts and reviews written comments to be discussed at board meetings. On several occasions, this correspondence was from a member of the public, and involved issues before the board.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board filed with it, with the department to which a board is administratively assigned, or with the Office of the Ombudsman have been processed and resolved.

For the 45 month period from June 1, 1998, through March 31, 2002, the only two cases involving midwives related to the activities of the same license holder. In February 2001, the individual was fined \$5,000 by the board when an audit revealed that she had not completed the continuing professional education (CPE) coursework she claimed to have taken. This coursework was necessary for license renewal. The board suspended \$4,000 of the fine, reprimanded the licensee, and suspended her license to practice until she came into compliance with the board's CPE requirements.

As a result of an investigation completed in June 2002, the board has summarily suspended the individual's license and reinstated the balance of the fine previously suspended.

There were no complaints filed with the Office of the Ombudsman for the period under review.

Determine the extent to which the board regulates entry into an occupation or profession and whether it has presented qualified applicants to serve the public.

Overall, the application process for certified direct-entry midwife licensure appears reasonable and appropriate. The board has issued twelve new CDM licenses since the last sunset audit. The licensing process is neither unduly restrictive nor too lax, and the board is presenting qualified applicants to serve the public.

The board discussed procedures for licensure of foreign-trained applicants and concluded that it was in the profession's and the public's best interest to require them to fulfill the same requirements as all other applicants.

As of the time of the review, the board had issued a total of 35 CDM licenses (currently 25 active), and 30 CDM-Apprentice permits (currently 7 active). This represents approximately double the number of licensed CDMs at the time of the last sunset audit.

New Certifications Issued	FY 00	FY 01	FY 02	Total	Current Licenses as of June 30, 2002
Midwives	4	4	2	10	25
Apprentices	5	4	2	11	7

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board to its own activities and the area of activity or interest.

We found no evidence that the board is not complying with state personnel practices, including affirmative action, in qualifying applicants.

Determine the extent to which statutory, regulatory, budgeting or other changes are necessary to enable the board to better serve the interest of the public and to comply with the factors enumerated in AS 44.66.050.

The board believes it is in the profession's and the public's best interest to require all CDM applicants and renewals to pass an exam on state statutes and regulations applicable to the profession. Currently, the board does not have statutory authority to make successful completion of such an examination a condition of licensure. The board has, however, developed a two-hour self-study course that all applicants and renewal applicants are encouraged to complete.

(Intentionally left blank)

Tony Knowles, Governor



Division of Occupational Licensing

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

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

September 24, 2002

Ms. Pat Davidson
Legislative Auditor
Division of Legislative Audit
Juneau, AK 99811

Dear Ms. Davidson,

Thank you for the opportunity to respond to the preliminary audit of the Board of Certified Direct-Entry Midwives.

The Division of Occupational Licensing agrees with the audit recommendation to extend the board until 2007. The licensing and regulation of midwives contributes significantly to public safety and health options. The board and staff do an excellent job.

Sincerely,

Catherine Reardon, Director

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
OCCUPATIONAL LICENSING

EXPENDITURE AND REVENUE REPORT FOR THE BOARD OF DIRECT ENTRY MIDWIVES

September 23, 2002

Direct Entry Midwives (In Thousands)		FISCAL YEAR 2001	FISCAL YEAR 2002
PERSONAL SERVICES EXPENSES (71000)	Direct	9.8	14.6
	Indirect	0.6	0.6
	Total:	\$10.4	\$15.2
Personal service expenses are employee salaries and benefits. In Fiscal Year 1994 the Division began using detailed time sheets to record actual time spent on the various licensing areas.			
TRAVEL EXPENSES (72000)	Direct	3.9	5.1
	Indirect	0.0	0.0
	Total:	\$3.9	\$5.1
Travel expenses include transportation, food and lodging for board meetings, complaint investigations, disciplinary hearings and national meetings.			
CONTRACTUAL SERVICES EXPENSES (73000)	Direct	4.7	8.5
	Indirect	0.4	0.4
	Total:	\$5.1	\$8.9
Contractual services are services purchased from sources outside the Division and include telephone calls, postage, expert witnesses, Department of Law legal work, and other costs.			
SUPPLIES EXPENSES (74000)	Direct	0.0	0.0
	Indirect	0.0	0.0
	Total:	\$0.0	\$0.0
Supply expenses include paper, envelopes, cassette tapes, and other office supplies.			
EQUIPMENT EXPENSES(75000)	Direct	0.0	0.0
	Indirect	0.1	0.0
	Total:	\$0.1	\$0.0
Equipment expenses include purchase and repair of computers, software, copy machines, telephones and other office equipment.			
	Total Direct:	\$18.4	\$28.2
	Total Indirect:	\$1.1	\$1.0
TOTAL EXPENSES:		\$19.5	\$29.2
TOTAL REVENUE:		28.6	7.7



J U N E A U
FAMILY BIRTH
C E N T E R

Juneau Family Birth Center

3225 Hospital Drive, Suite 106, Juneau, AK 99801 (907)586-1203

Midwives Association of Alaska
Kaye Kanne, CDM, President
P.O. Box 22256
Juneau, Ak 99802
907-586-1203

Representative Bruce Weyrauch
State Capitol, Room 427
Juneau, Ak 99801

January 29, 2003

Dear Representative Weyrauch,

Thank you for introducing HB 71, a bill to extend the Certified Direct-Entry Licensing Board. I had the privilege of sitting on the Board from its inception in 1992 through 1999. The Board has done an exemplary job of writing and implementing regulations for the governing of Certified Direct-Entry midwives in Alaska. The Board continues to strive for the highest standards for CDM's and as a result, midwives in Alaska are professional, well trained and provide safe, excellent care for women and families.

Alaska has one of the best midwifery laws in the United States. Many other states have looked to us as an example when passing midwifery legislation. Direct-Entry midwifery is increasingly recognized across the nation, with licensing for direct-entry midwives in 21 states, and legislation pending in 8 more states. Many more women are seeking the continuity of care and family centered maternity care which midwifery can provide.

The American Public Health Association endorses state regulated and national certified Direct-Entry midwives to improve outcomes while lowering healthcare costs for maternity care. They support efforts to increase access to out-of-hospital maternity care services, through recognition that Direct-Entry midwives can serve clients desiring, safe, planned out-of-hospital midwifery care.

Alaska is at the forefront of Direct-Entry midwifery licensing. Let's continue the excellent work we have been doing by continuing the Certified Direct-Entry licensing Board for another 4 years.

Sincerely,

Kaye Kanne, CDM, President
Midwives Association of Alaska



Department of Law Monthly Report

Department of Law
Office of the Attorney General
State of Alaska

June 2002
Issue Date – July 31, 2002

Bruce M. Botelho
Attorney General

Barbara J. Ritchie
Deputy Attorney General – Civil Division

Patrick J. Gullufsen
Deputy Attorney General – Criminal Division

Collections & Support

ATTACHMENT PROCESS FOR 2002 PFD BEGINS

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During June, the unit began the attachment process for the 2002 permanent fund dividends. Writ packages were prepared and mailed to courts statewide to allow seizure of criminal defendants' dividends. The unit also reviewed all civil collection files, closed 28 files which were considered uncollectable, and prepared 27 Writs of Execution for attachment of permanent fund dividend checks. The unit closed three OSHA penalty collection files and prepared Writs of Execution for garnishments of bank accounts in two cases. On the criminal side, the unit sent 35 letters responding to inquiries from defendants and courts regarding payment agreements and other collection issues.

\$40,000 IN RESTITUTION PAYMENTS RECEIVED IN JUNE

In June, the collections unit received 115 criminal restitution judgments and 24 juvenile restitution orders for collection. Initial notices were sent to 141 recipients. We received voluntary payments totaling \$29,018.76

Based on Makinson's testimony, Ms. Carson revised her request for modified support to an occupational wage statistic from Florida for an airline mechanic. Makinson's counsel objected strenuously, but the court granted Ms. Carson's request and found that Makinson is clearly underemployed and has demonstrated his experience and skill as an airline mechanic. On June 28, 2002, the court signed the order for modification requiring Makinson to pay \$472 per month for one child.

Environmental

KUROSHIMA SPILL SETTLEMENT

The state and United States jointly settled the governments' natural resource damages claims resulting from the spill of 39,000 gallons of fuel from the M/V Kuroshima in Dutch Harbor in November 1997.

The approximately \$1,000,000 settlement will be used to reimburse the state and U.S. for costs related to natural resource injuries and for projects to restore natural resources injured by the fuel spill. The projects include operation of a fish weir on a local salmon stream, revegetation of the banks and stabilization of a road along a local salmon spawning lake, removal of debris from a local recreational beach, a bird restoration project to remove nonindigenous foxes from a nearby island, a public education project, and a project to build tent platforms and weatherport style tents for community use. The Qawalangin Tribe participated in the negotiations with the vessel owners and will implement some of the restoration projects.

The state's cost recovery and penalty claims against the vessel owners were settled last year for approximately \$650,000. As part of that settlement the vessel owners also conveyed title to a container of response and cleanup equipment to ADEC. The container is stored in Dutch Harbor and is available for use in future

spills. AAG Alex Swiderski represented the state in this matter.

Fair Business Practices

OCCUPATIONAL LICENSING SUSPENDS LICENSES OF MIDWIFE AND NURSE

On May 21, 2002, the Division of Occupational Licensing suspended the license of a Kodiak direct-entry midwife due to her breach of a prior memorandum of agreement (MOA) in which she had agreed to a suspension of her license while she complied with certain continuing education requirements. The division contends that the midwife continued to practice during the time of the voluntary suspension, which violated the MOA, and the division invoked the automatic suspension provision included in it. On June 11, 2002, the midwife requested a hearing with regard to the suspension. AAG Robert Auth is representing the division in the disciplinary proceeding.

On June 26, 2002, the Board of Nursing adopted a memorandum of agreement (MOA) between the Division of Occupational Licensing and an Anchorage registered nurse, which settled an ongoing disciplinary action. The nurse agreed to a 30-day suspension and a \$4,000 fine (with \$1,000 suspended) based on the fact that on two separate occasions, her conduct with a patient went outside the scope of practice allowed by a registered nurse. AAG Auth represented the division in the disciplinary action.

ALASKA SUPREME COURT AFFIRMS RCA IN CHUGACH ELECTRIC CASE

In *Chugach Electric Association v. Regulatory Commission of Alaska*, the Alaska Supreme Court affirmed the order of the RCA that required Chugach Electric to