



1 promptly deliver to the named insured or the producing broker the policy or, if the
 2 policy is not then available, a [CERTIFICATE,] cover note, binder, or other evidence
 3 of insurance. The [CERTIFICATE,] cover note, binder, or other evidence of
 4 insurance for the named insured shall be executed by the surplus lines broker and must
 5 contain a summary of all material facts that would regularly be included in the policy,
 6 the description and location of the subject of insurance, a general description of the
 7 coverages of the insurance, the premium and rate charged and taxes to be collected
 8 from the insured, the name and address of the insured, the name of each surplus lines
 9 insurer and the percentage of the entire risk assumed by each, the name of the surplus
 10 lines broker and the license number of the surplus lines broker.

11 * Sec. 19. AS 21.34.100(f) is amended to read:

12 (f) A producing broker or other licensee may issue to a person, other than
 13 the named insured, a certificate [EVERY CERTIFICATE ISSUED BY THE
 14 PRODUCING BROKER OR OTHER LICENSEE] as evidence of insurance
 15 negotiated, placed, or procured under this chapter. The certificate must bear the
 16 name of the surplus lines broker, which may not be covered, concealed, or obscured
 17 by the producing broker, and the following legend in at least 10-point type: "This is
 18 evidence of insurance procured and developed under the Alaska Surplus Lines Law,
 19 AS 21.34. It is not covered by the Alaska Insurance Guaranty Association Act,
 20 AS 21.80."

21 * Sec. 20. AS 21.36.030(a) is amended to read:

22 (a) A person may not make, issue, circulate, broadcast, or have made, issued,
 23 circulated, or broadcast an estimate, circular, statement, illustration, comparison,
 24 assertion, or other written, electronic, or oral presentation that

25 (1) misrepresents the benefits, advantages, conditions, sponsorship,
 26 source, or terms of an insurance policy;

27 (2) misrepresents the dividends or share of the surplus to be received
 28 on an insurance policy;

29 (3) misrepresents an insurance policy as being a share or shares of
 30 stock;

31 (4) makes a false or misleading statement as to the dividends or shares

1 of the surplus previously paid on an insurance policy;

2 (5) misrepresents or makes a misleading statement as to the financial
3 condition of an insurer or as to the legal reserve system upon which a life insurer
4 operates;

5 (6) uses a name or title of an insurance policy or class of insurance
6 policies misrepresenting its true nature;

7 (7) is a misrepresentation for the purpose of inducing, or that tends to
8 induce the lapse, forfeiture, exchange, conversion, or surrender of an insurance policy;

9 (8) is a misrepresentation for the purpose of effecting or tending to
10 effect a pledge or assignment of or loan against an insurance policy;

11 (9) appears to be an actual policy for a named individual when it is
12 merely an advertisement;

13 (10) does not clearly designate the name of the insurer providing the
14 coverage or about which the statements are made; or

15 (11) is in any other way misleading, false, or deceptive.

16 * Sec. 21. AS 21.36.030(a) is amended to read:

17 (a) A person may not make, issue, circulate, broadcast, or have made, issued,
18 circulated, or broadcast an estimate, circular, statement, illustration, comparison,
19 assertion, or other written, electronic, or oral presentation that

20 (1) misrepresents the benefits, advantages, conditions, sponsorship,
21 source, or terms of an insurance policy or a health discount plan;

22 (2) misrepresents the dividends or share of the surplus to be received
23 on an insurance policy;

24 (3) misrepresents an insurance policy as being a share or shares of
25 stock;

26 (4) makes a false or misleading statement as to the dividends or shares
27 of the surplus previously paid on an insurance policy;

28 (5) misrepresents or makes a misleading statement as to the financial
29 condition of an insurer or as to the legal reserve system upon which a life insurer
30 operates;

31 (6) uses a name or title of an insurance policy or class of insurance

*Similar
to
health ins.*

1 policies misrepresenting its true nature;

2 (7) is a misrepresentation for the purpose of inducing, or that tends to
3 induce the lapse, forfeiture, exchange, conversion, or surrender of an insurance policy;

4 (8) is a misrepresentation for the purpose of effecting or tending to
5 effect a pledge or assignment of or loan against an insurance policy;

6 (9) appears to be an actual policy for a named individual when it is
7 merely an advertisement;

8 (10) does not clearly designate the name of the insurer providing the
9 coverage or about which the statements are made; [OR]

10 (11) is in any other way misleading, false, or deceptive;

11 (12) misrepresents a health discount plan as a form or type of
12 insurance;

13 (13) describes a health discount plan using common insurance
14 terminology; or

15 (14) states or implies that a health discount plan is underwritten
16 by or associated with an insurer.

17 * Sec. 22. AS 21.36 is amended by adding a new section to read:

18 Sec. 21.36.155. Health discount plans. (a) A person may not sell, market,
19 promote, advertise, or otherwise distribute a health discount plan unless

20 (1) each advertisement, policy, document, information, statement, or
21 other communication regarding the health discount plan and the plan itself contain a
22 statement in bold and prominent type that the health discount plan is not insurance;

23 (2) the discounts offered under the health discount plan are specifically
24 authorized by a contract with each provider of the services or supplies listed in
25 conjunction with the plan;

26 (3) the health discount plan states the name, address, and telephone
27 number of the administrator of the plan;

28 (4) the person makes readily available to the consumer a complete,
29 accurate, and up-to-date list of providers participating in the plan that offer discounted
30 health care services or supplies in the consumer's local area and the discounts offered
31 by the providers;

1 (5) the person provides the consumer the right to cancel the health
2 discount plan within 30 days after purchase of the plan; and

3 (6) the person provides the consumer with a full refund of all payments
4 made within 30 days after notification of cancellation of the plan under (5) of this
5 subsection.

6 (b) The director may adopt regulations to implement this section and to
7 establish additional requirements intended to prohibit unfair or deceptive practices
8 relating to health discount plans.

9 * Sec. 23. AS 21.36.195 is amended to read:

10 **Sec. 21.36.195. Surplus lines brokers and insurance producers; prohibited**
11 **acts.** A surplus lines broker or an insurance producer may not fail to provide evidence
12 of insurance, [AFFIDAVITS,] filings, or reports, or fail to maintain the records, or fail
13 to pay the taxes and fees, required under AS 21.34.

14 * Sec. 24. AS 21.51 is amended by adding a new section to read:

15 **Sec. 21.51.405. Rate requirements.** Rates charged for a health insurance
16 policy may not be excessive, inadequate, or unfairly discriminatory.

17 * Sec. 25. AS 21.55.500(16) is amended to read:

18 (16) "plan administrator" means an [THE] eligible entity that is
19 licensed as a third-party administrator under AS 21.27 and is selected by the
20 board and approved by the director to administer a state plan;

21 * Sec. 26. AS 21.66.080(a) is amended to read:

22 (a) Every company, on or before March 1 of each year, shall furnish the
23 director or the director's designee a sworn statement of assets and liabilities, and of
24 all title premiums received by it during the preceding calendar year, setting out among
25 other things the amounts that have been set aside and held by it in an account required
26 under AS 21.18.073. The reporting format for a given year is the most recently
27 approved National Association of Insurance Commissioners Annual Financial
28 Statement blank form and instructions, supplemented for additional information as
29 required by the director. The director may require the statement to be filed on
30 electronic media. The statement must also show all unpaid losses and claims upon
31 title insurance policies of which the title insurance company has received due notice in

1 writing from or on behalf of the insured. With the filing of the statement the title
 2 insurance company shall pay a filing fee set under AS 21.06.250.

3 * Sec. 27. AS 21.66.085(b) is amended to read:

4 (b) A quarterly financial statement, if required, is due 45 [60] days after the *with in*
 5 end of the quarter to which it applies. *-/other typs*

6 * Sec. 28. AS 21.85 is amended by adding new sections to read:

7 Article 2. Self-Funded Governmental Plans

8 **Sec. 21.85.205. Applicability.** A self-funded governmental plan that is
 9 exempt from coverage under a group policy covering state employees and their
 10 dependents under AS 39.30.090 and regulations adopted under that statute shall
 11 comply with the provisions of AS 21.85.210 - 21.85.230.

12 **Sec. 21.85.210. Filing requirements.** (a) A self-funded governmental plan
 13 shall annually file

14 (1) at least 60 days before the end of the plan year

15 (A) the contribution rates and an actuarial opinion of the
 16 adequacy of the contribution rates for the next plan year;

17 (B) the summary plan description for the next plan year,
 18 highlighting any changes to plan benefits from the preceding year; and

19 (C) the name and contact information of each person providing
 20 administrative services to the plan;

21 (2) within 120 days after the end of the plan's fiscal year

22 (A) a certification signed by a trustee of the plan that the plan
 23 complies with the requirements of AS 21.85.205 - 21.85.230;

24 (B) an audited statement of financial condition and a statement
 25 of change in financial condition for the plan's fiscal year, affirmed by a trustee
 26 of the plan;

27 (C) an actuarial memorandum that

28 (i) certifies to the adequacy of reserves and stop-loss
 29 insurance coverage;

30 (ii) describes the financial condition of the plan,
 31 including any recommended actions the plan should take to improve

1 the financial condition of the plan; and

2 (D) a report showing the number of employees and number of
3 dependents covered under the plan.

4 (b) Within 60 days after the end of each quarter, a self-funded governmental
5 plan shall file a statement of financial condition and a statement of change in financial
6 condition for the preceding quarter.

7 (c) A self-funded governmental plan shall file additional information as
8 requested by the director relating to the financial condition, transactions, and affairs of
9 the plan.

10 **Sec. 21.85.215. Minimum standards.** A self-funded governmental plan shall

11 (1) operate in accordance with a trust agreement under the governance
12 of a board of trustees that is responsible for all operations of the plan; a trustee may
13 not be an owner, officer, or employee of the administrator of the plan;

14 (2) maintain a fidelity bond covering each trustee of the plan in an
15 amount not less than 10 percent of the benefits paid during the preceding plan year and
16 issued by an authorized insurance company;

17 (3) establish and maintain a plan of operation that ensures that the plan
18 will remain financially solvent as certified to by a qualified actuary;

19 (4) maintain stop-loss insurance coverage as recommended by a
20 qualified actuary;

21 (5) establish and maintain reserves in an amount at least as great as the
22 amount recommended and certified by a qualified actuary and in compliance with
23 AS 21.18.080 - 21.18.086;

24 (6) establish and maintain contribution rates at a level recommended
25 and certified to by a qualified actuary for the plan to remain financially solvent;

26 (7) maintain adequate facilities and competent personnel, as
27 determined by the director, to service the plan or contract with a third-party
28 administrator registered under AS 21.27 to service the plan;

29 (8) provide each participant a summary plan description that is
30 consistent with the disclosure requirements in 29 U.S.C. 1022 (Employment
31 Retirement Income Security Act of 1974) and 29 C.F.R. 2520.102-2, 29 C.F.R.

1 2520.102-3, and 29 C.F.R. 2520.102-4 to the extent applicable and not in conflict with
2 requirements of this title.

3 **Sec. 21.85.225. Additional standards.** In addition to the provisions
4 contained or referred to in AS 21.85.205 - 21.85.230, the following chapters and
5 provisions of this title also apply with respect to a self-funded governmental plan to
6 the extent applicable and not in conflict with the express provisions of AS 21.85.205 -
7 21.85.230 and the reasonable implications of the following chapters and provisions,
8 and, for the purposes of the application, the plan shall be considered to be a mutual
9 insurer:

10 ~~(1)~~ AS 21.03;

11 ~~(2)~~ AS 21.06;

12 ~~(3)~~ AS 21.07;

13 ~~(4)~~ AS 21.09.100, 21.09.300, and 21.09.320;

14 ~~(5)~~ AS 21.18.080 - 21.18.086, and 21.18.100;

15 ~~(6)~~ AS 21.36;

16 ~~(7)~~ AS 21.48;

17 ~~(8)~~ AS 21.42.345 - 21.42.365, and 21.42.375 - 21.42.500;

18 ~~(9)~~ AS 21.54;

19 ~~(10)~~ AS 21.78;

20 ~~(11)~~ AS 21.90.

21 **Sec. 21.85.230. Regulations.** The director may adopt regulations to
22 implement AS 21.85.205 - 21.85.225, including a requirement that a self-funded
23 governmental plan include coverages and standards that are required under this title
24 for insurance policies of the same type of risk or risks that the self-funded
25 governmental plan is intended to cover.

26 * **Sec. 29.** AS 21.85.500 is amended by adding a new paragraph to read:

27 (9) "self-funded governmental plan" means a governmental plan as
28 defined under 29 U.S.C. 1002(32) (Employee Retirement Income Security Act of
29 1974), that

30 (A) is not a federal governmental plan as defined in
31 AS 21.54.500; and

1 (B) does not provide for payment of benefits under the plan
 2 solely through a policy of insurance issued by one or more authorized
 3 insurance companies.

4 * Sec. 30. AS 21.89 is amended by adding a new section to read:

5 Sec. 21.89.120. Motor vehicle service contracts and guaranteed
 6 automobile protection products. (a) The director may adopt regulations to define,
 7 implement, and enforce the regulation of motor vehicle service contracts and
 8 guaranteed automobile protection products. The regulations may include standards for

9 (1) licensing or registration of persons not exempt from licensing
 10 under AS 21.27 who issue, sell, administer, provide, or offer to sell or who are
 11 contractually obligated to provide service under a motor vehicle service contract or a
 12 guaranteed automobile protection product;

13 (2) contract provisions, advertising material, and filing requirements;

14 (3) financial accountability of administrators and obligors;

15 (4) assessment of fees under AS 21.06.250; and

16 (5) record retention.

17 (b) A violation of a regulation adopted under this section is an unfair trade
 18 practice and subject to penalty under AS 21.36.

19 (c) This section does not apply to a motor vehicle service contract issued by the
 20 manufacturer of the motor vehicle covered by the service contract.

21 * Sec. 31. AS 21.90.900(42) is amended to read:

22 (42) "third-party administrator" means a person who for residents of
 23 this state, or for residents of another jurisdiction from a place of business in this state,
 24 performs administrative functions including claims administration and payment,
 25 marketing administrative functions, premium accounting, premium billing, coverage
 26 verification, underwriting authority, or certificate issuance in connection with life
 27 insurance, annuities, or health insurance offered or provided by an insurer, or in
 28 connection with coverage offered or provided by a self-funded employer plan
 29 regulated under AS 21.85 or the Comprehensive Health Insurance Association
 30 created under AS 21.55 [REGARD TO LIFE INSURANCE, HEALTH
 31 INSURANCE, OR ANNUITIES];

MORE
 information
 review
 of Auto
 Products

1 * Sec. 32. AS 21.90.900(43) is amended to read:

2 (43) "transact" with respect to insurance or the provision of coverage
3 for medical care includes

4 (A) solicitation and inducement;

5 (B) preliminary negotiations;

6 (C) effectuation of a contract of insurance or the provision of
7 coverage for medical care;

8 (D) transaction of matters subsequent to effectuation of the
9 contract of insurance or the provision of coverage for medical care and
10 arising out of it;

11 * Sec. 33. AS 21.90.900 is amended by adding new paragraphs to read: *Definition*

12 (45) "guaranteed automobile protection proc" ~~insurance~~
13 offered in connection with an extension of credit that pays or waives the difference in
14 amount between the insurance settlement and the balance of the loan if the insured
15 automobile is a total loss;

16 (46) "health discount plan" means a card, program, device,
17 arrangement, contract, or mechanism that purports to offer discounts or access to
18 discounts on health care services or supplies and that is not insurance or that does not
19 provide coverage for services or benefits regulated under AS 21.86 or AS 21.87;

20 (47) "motor vehicle service contract" means a contract or an agreement
21 for a separately stated consideration over and above the lease or purchase price of a
22 new or used motor vehicle subject to registration under AS 28.10.011 under which a
23 person, other than the manufacturer of the motor vehicle, undertakes to perform or
24 provide repair or replacement service, or indemnification for that service, for the
25 operational or structural failure of a motor vehicle due to a defect in materials or skill
26 of work or normal wear and tear; "motor vehicle service contract" does not include
27 mechanical breakdown insurance or maintenance agreements providing scheduled
28 repair and maintenance services for leased vehicles.

29 * Sec. 34. AS 21.24.040(b); AS 21.27.330(b), and 21.27.650(p) are repealed.

30 * Sec. 35. The uncodified law of the State of Alaska is amended to read:

31 TRANSITION: REGULATIONS. The director of insurance may proceed to adopt

1 regulations to implement the changes made by secs. 21, 22, 30, and 33 of this Act. The
2 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
3 effective date of secs. 21, 22, 30, and 33 of this Act.

4 * Sec. 36. The uncodified law of the State of Alaska is amended by adding a new section to
5 read:

6 REVISOR'S INSTRUCTIONS. (a) The revisor of statutes is instructed to change the
7 heading of AS 21.85 from "Regulation of Multiple Employer Welfare Arrangements" to
8 "Regulation of Self-Funded Employer Plans."

9 (b) The revisor of statutes is instructed to designate AS 21.85.010 - 21.85.100 as
10 "Article 1. Self-Funded Multiple Employer Welfare Arrangements" and to designate
11 AS 21.85.500 as "Article 3. General Provisions."

12 * Sec. 37. Sections 21, 22, 30, and 33 of this Act take effect July 1, 2005.

13 * Sec. 38. Except as provided in sec. 37 of this Act, this Act takes effect immediately under
14 AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

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

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce, Community & Econ. Devel.
 Title: _____ RDU Insurance 116
 Component Insurance
 Sponsor _____
 Requester _____ Component No. 354

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	35.0	36.0	37.0	38.0	40.0	41.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	1.0	0.0	0.0	0.0	0.0	0.0
Supplies	2.5	0.0	0.0	0.0	0.0	0.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	38.5	36.0	37.0	38.0	40.0	41.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	38.5	36.0	37.0	38.0	40.0	41.0
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	38.5	36.0	37.0	38.0	40.0	41.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

A Consumer Services Specialist will need to be added to respond to additional inquiries from the public on the union health trust fund provisions.

Prepared by: Linda S. Hall, Director Phone 907-269-7900
 Division Insurance Date/Time 2/21/05 11:09 AM
 Approved by: Edgar Blatchford, Commissioner Date 02/21/2005
 Agency Commerce, Community & Economic Development



Submitted by Colleen Sovie at the request of Public Employees Local 71

**Opposition to Alaska State Legislature House Bill 147 / Senate Bill 108
Sections 28 and 29**

Summary: Sections 28 and 29 of HB 147/SB 108 impose unnecessary regulation and costly administrative burden on Trust health plans which were established through the collective bargaining process to provide benefits to state employees.

JIM ASHTON
Business Manager/
Secretary-Treasurer

ROBERT JOHNSON
President

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(907) 586-6993

Imposes a Costly Administrative Burden

- The bill would require the Trusts to file actuarial reports and other documents. Two annual reports would be required, as well as a report each quarter. The estimated cost to the Trust in actuarial fees to produce the required filings is a minimum of \$40,000-\$50,000, assuming the actuary was already familiar with the plan. The fees could increase significantly if the actuary were not already familiar with the plan. In addition, we anticipate administrative costs and legal fees related to these filings.
- The bill requires the Trust maintain a fidelity bond covering each trustee in an amount not less than 10% of the benefits paid during the preceding plan year. For a large Trust, such as the ASEA/AFSCME Local 52, a bond of at least \$6.4 million would be required. This is substantially larger than the bonding requirements of ERISA and it is unusual for a health trust to carry a bond of this size. Consequently, coverage may be difficult or impossible to obtain. A bond of this size may no longer be considered an ERISA bond and may carry higher rates. A substantial deductible may also be required.
- The Division of Insurance will bear additional administrative expenses in order to review and process these filings.
- The State and State employees will also bear this administrative burden. The funds held by the Trusts' health plans are to be used to provide health benefits to plan participants. Every dollar that is diverted to administrative expenses is a dollar that is not available to provide health benefit coverage.

Interferes With Collective Bargaining

- This bill would allow the State to unilaterally determine the benefits to be provided to covered participants, because the Trust would be required to comply with all State-mandated benefits, the State-mandated requirements for the plan administered by the Department of Administration, and regulations adopted by the director. Although the Trust plans currently provide coverage at a level that is as high as or higher than what is mandated by the State, the Trust benefits are tailored to the participant group. The Trusts were originally created through the collective bargaining process in order to allow the health benefit contributions to be used in such a way to better benefit participants.
- Under this regulation, the Trust would be required to provide any additional information requested by the director, "relating to the financial condition, transactions, and affairs of the plan." This requirement could be used, to the State's advantage, during the collective bargaining process.

Imposes Requirements which may be Impossible to Meet

- The bill requires that the Trust "establish and maintain a plan of operation that ensures that the plan will remain solvent as certified to by a qualified actuary." It is unlikely that an actuary would assume the liability to "ensure" solvency of any health plan.
- The bill requires filing of contribution rates at least 60 days before the end of the plan year (June 30 for both the PE71 and ASEA plans). The employer contribution is funded by the legislature, and historically the funding has not been passed by the legislature early enough to enable this filing.

Is Unnecessary

- Each of the Trusts was approved by the Division of Retirement and Benefits and has an existing Letter of agreement in place allowing the provision of coverage to the members of the sponsoring union.
- Each Trust plan is subject to PHSa, HIPAA, COBRA, WHCRA, FMLA, USERRA, MHPA and other federally mandated requirements.
- The Trusts are also regulated by the IRS and have received tax-exempt determination letters as qualified voluntary employee beneficiary associations and must comply with all of the Treasury Regulations associated with VEBA qualification.
- The Trusts already report to the State under the terms of the LOAs.
- Both the PE71 and ASEA plans voluntarily comply with the fiduciary standards set forth in ERISA. The Trusts are fiduciaries, receive fiduciary training, are insured as fiduciaries, and purchase fidelity bonds to protect against dishonesty.
- The Trust plans already provide Summary Plan Descriptions to covered participants.
- The Trust plans undergo an annual audit by a qualified independent certified public accounting firm qualified in employee benefit plan audits. The participants are entitled to a copy of the audit results.
- Participants have an opportunity to appeal denied benefit claims; if they are dissatisfied with the appeal determination, the participant may arbitrate, and if dissatisfied with the decision of the arbitrator may file suit in State Superior Court.
- The Trusts are subject to the jurisdiction of the State of Alaska Superior Courts.

Mr. Chairman:

My name is Patricia Nault. I am here today as a Trustee of the ASEA Health Benefits Trust which I will refer to in my remarks as "the Trust". The Trust is one of the entities that would be subject to the requirements proposed in Sections 28 & 29 of HB 147. By definition in the Trust Agreement, Trustees are members of ASEA Local 52, so I am also a union member and beneficiary of the Trust.

Since 2001, the Trust has been providing employee health benefits under a self-insured plan to approximately 7,000 ASEA members and an additional 10,000 dependents of these members under provisions of the union's collective bargaining agreement with the State.

I am a relatively new Trustee, having been elected to this responsibility in November 2004 by fellow union members. I ran for this seat because I felt that by virtue of 1) the experience and knowledge I have gained in 12 years of working in policy and program development at the Department of Health & Social Services and 2) my master's degree in public administration, earned in 1999 from the University of Alaska Southeast, I could contribute to the long-term success of the Trust. In the total of 20 years I have worked as a state employee I have relied on the health benefits provided to state employees to take care of my family's health care needs. I am now doing my part to make sure future state employees who are members of Local 52 can continue to count on a good benefits package at a reasonable out-of-pocket cost.

I am here to express my concern that the requirements on self-funded government plans proposed in HB147 will increase the Trust's administrative costs without

HB 147			
	TRUST	MEWA	INSURER
Certificate of Authority		X	X
Deposit		200,000	300,000
Capital & Surplus	30% Claim Liability	0	Up to 5.2 Million
Risk Based Capital Analysis			X
Reserves	Statute 21.18	Statute 21.18	Statute 21.18
Audited Annual Statement	Traditional	Yes - 21 pages	Yes - 120 pages
Non-Audited Quarterly	X	X	X
Biographical Affidavits		X	X
Premium Tax		X	X
Fees			\$2,350
Fidelity Bond	10% of Claim Liability	ERISA	X

CORRECTION

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



Rev. 6/98

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

Mr. Chairman:

My name is Patricia Nault. I am here today as a Trustee of the ASEA Health Benefits Trust which I will refer to in my remarks as "the Trust". The Trust is one of the entities that would be subject to the requirements proposed in Sections 28 & 29 of HB 147. By definition in the Trust Agreement, Trustees are members of ASEA Local 52, so I am also a union member and beneficiary of the Trust.

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I am here to express my concern that the requirements on self-funded government plans proposed in HB147 will increase the Trust's administrative costs without

improving its financial solvency or the accountability of the Trust to its beneficiaries.

I understand the fiduciary responsibilities I have assumed for the benefit of my fellow ASEA members. I made it my business to satisfy myself to the extent possible at the beginning of my tenure that the Trust operates in a financially responsible manner. It appears to me that the Trustees who have served before me and those who currently serve with me have been diligent in operating the health benefits plan according to a responsible and objective set of standards, that being those established by ERISA, even though the Trust is not among the types of plans covered by that federal legislation. Annual audits by an accounting firm qualified in employee benefit plans confirms that the Trust is financially sound.

Administrative costs are kept to a minimum. The Trust has set an example for other state plans with its "positive enrollment" policy which requires members to document that those they are claiming as dependents do indeed meet the plan definition; the Department of Administration is currently considering adopting the Trust's documentation standard for state-administered health benefit plans.

At a time when the Legislature is grappling with a \$5 billion shortfall in employee pension plans administered by the State, it is clear that oversight by a state agency holds no guarantee of solvency for employee benefit plans. Section 28 & 29 will increase the Trust's administrative costs, which will require the Trust to either reduce coverage for health care benefits or increase out-of-pocket costs for our beneficiaries.

HB 147			
	TRUST	MEWA	INSURER
Certificate of Authority		X	X
Deposit		200,000	300,000
Capital & Surplus	30% Claim Liability	0	Up to 5.2 Million
Risk Based Capital Analysis			X
Reserves	Statute 21.18	Statute 21.18	Statute 21.18
Audited Annual Statement	Traditional	Yes - 21 pages	Yes - 120 pages
Non-Audited Quarterly	X	X	X
Biographical Affidavits		X	X
Premium Tax		X	X
Fees			\$2,350
Fidelity Bond	10% of Claim Liability	ERISA	X

HOUSE BILL 147

A. FILING REQUIREMENTS

1. Contribution Rates : Adequate to pay claims
2. Plan Description : To participants so know what is covered
3. Administrative Services : Qualified handling of claims
4. Financial Audit : Solvency Analysis
5. Actuarial Opinion : Reserves for claims, Stop Loss Coverage for plan protection, recommendations for financial condition
6. Number of employees & dependents covered

B. ADDITIONAL REQUIREMENTS

1. Scope of Insurance Code
2. Director Authority for Hearings and Orders
3. Managed Care – Internal and External Review/Judgement such as utilization or pre-authorization
4. Records
5. Reserve requirements
6. Trade Practices
7. Group Life
8. Mandates
9. Group Health – Federal Requirements such as HIPPA
10. Rehabilitation & Liquidation
11. Definitions



⊕ **2 AAC 39.900. Exemption from group health and life insurance coverage for state bargaining units**

⊕ (a) A bargaining unit of the executive branch of the state may be exempted from the coverage of the group insurance policy or policies covering state employees, their spouses, and eligible dependents by entering into a collective bargaining agreement that meets the requirements of (b) and (c) of this section, and if the commissioner of administration approves the exemption

(b) A collective bargaining agreement exempting a bargaining unit from the coverage of a group policy or policies as provided in (a) of this section must provide for the indemnification of the state for liability for any consequence, loss, injury, or claim arising from the exemption.

(c) An alternative insurance program implemented as a result of an exemption permitted under this section must comply with all applicable federal and state law and regulations, and, beginning July 1, 2004, meet the requirements of mandatory coverage set out in AS 39.30.090 (a)(2), and the requirements of 2 AAC 39.910 and 2 AAC 39.915.

⊕ **History:** Eff. 6/9/89, Register 110; am 7/1/2003, Register 166

⊕ **Authority:** AS 39.30.090



Sec. ~~39.30.090~~. Procurement of group insurance.

(a) The Department of Administration may obtain a policy or policies of group insurance covering state employees, persons entitled to coverage under AS 14.25.168 , AS 22.25.090 , AS 39.35.535 or former AS 39.37.145, employees of other participating governmental units, or persons entitled to coverage under AS 23.15.136 , subject to the following conditions:

(1) A group insurance policy shall provide one or more of the following benefits: life insurance, accidental death and dismemberment insurance, weekly indemnity insurance, hospital expense insurance, surgical expense insurance, dental expense insurance, audiovisual insurance, or other medical care insurance.

(2) Each eligible employee of the state, the spouse and the unmarried children chiefly dependent on the eligible employee for support, and each eligible employee of another participating governmental unit shall be covered by the group policy, unless exempt under regulations adopted by the commissioner of administration.

(3) A governmental unit may participate under a group policy if

(A) its governing body adopts a resolution authorizing participation, and payment of required premiums;

(B) a certified copy of the resolution is filed with the Department of Administration; and

(C) the commissioner of administration approves the participation in writing.

(4) In procuring a policy of group health or group life insurance as provided under this section or excess loss insurance as provided in AS 39.30.091, the Department of Administration shall comply with the dual choice requirements of AS 21.86.310 , and shall obtain the insurance policy from an insurer authorized to transact business in the state under AS 21.09, a hospital or medical service corporation authorized to transact business in this state under AS 21.87, or a health maintenance organization authorized to operate in this state under AS 21.86. An excess loss insurance policy may be obtained from a life or health insurer authorized to transact business in this state under AS 21.09 or from a hospital or medical service corporation authorized to transact business in this state under AS 21.87.

(5) The Department of Administration shall make available bid specifications for desired insurance benefits or for administration of benefit claims and payments to (A) all insurance carriers authorized to transact business in this state under AS 21.09 and all hospital or medical service corporations authorized to transact business under AS 21.87 who are qualified to provide the desired benefits; and (B) to insurance carriers authorized to transact business in this state under AS 21.09, hospital or medical service corporations authorized to transact business under AS 21.87, and third-party administrators licensed to transact business in this state and qualified to provide administrative services. The specifications shall be made available at least once every five years. The lowest responsible bid submitted by an insurance carrier, hospital or medical service corporation, or third-party administrator with adequate servicing facilities shall govern selection of a carrier, hospital or medical service corporation, or third-party administrator under this section or the selection of an insurance carrier or a hospital or medical service corporation to provide excess loss insurance as provided in AS 39.30.091 .

(6) If the aggregate of dividends payable under the group insurance policy exceeds the governmental unit's share of the premium, the excess shall be applied by the governmental unit for the sole benefit of the employees.

4

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 147
(H) Publish Date: 2/14/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: Omnibus Insurance RDU: Insurance (116)
Component: Insurance Operations
Sponsor: Rules
Requester: By Request of the Governor Component No.: 354

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	35.0	36.0	37.0	38.0	40.0	41.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	1.0	0.0	0.0	0.0	0.0	0.0
Supplies	2.5	0.0	0.0	0.0	0.0	0.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	38.5	36.0	37.0	38.0	40.0	41.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	38.5	36.0	37.0	38.0	40.0	41.0
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	38.5	36.0	37.0	38.0	40.0	41.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

A Consumer Services Specialist will need to be added to respond to additional inquiries from the public on the union health trust fund provisions.

Prepared by: Linda S. Hall, Director Phone 907 269 7900
Division: Insurance Date/Time 2/14/05 9:48 AM
Approved by: Edgar Blatchford, Commissioner Date 2/14/2005
Agency: Commerce, Community & Economic Development

HB

150

Rep. LeDoux



FAILS 24

Conceptual Amendment #II

exempt techs working under
Licen^{direct} supervision of a licenced
practitioner

FAILS 2-4

Conceptual Amendment III

LeDoux

exempt technicians working
in small Comm under ~~the~~
people off road systems
within ~~the~~^{oo} miles of a
road system

ALASKA STATE HOUSE OF REPRESENTATIVES

716 W. 4th Ave
Anchorage, AK 99501
Room 610



Phone (907)-269-0265
Fax# (907)-269-0264

Representative Tom Anderson

FACSIMILE

To: Legislative Legal Fax: 2029

From: Josh Applebee Date: 3/20/2005

Re: HB 150

CC:

Urgent For Review Please Comment Please Reply Please Recycle

Good Afternoon,

Please prepare a Committee Substitute for HB 150 incorporating the attached amendment #1 (24-LS0470\Y.5 Mischel). I would like the bill in final form, no draft is necessary. We are in Room 408. Thanks!

-Josh Applebee

465-4954

Adopted

24-LS0470\Y.5
Mischel
3/18/05

AMENDMENT #1

OFFERED IN THE HOUSE
TO: HB 150

BY REPRESENTATIVE ANDERSON

1 Page 2, following line 2:

2 Insert new paragraphs to read:

3 "(1) a licensed practitioner;

4 (2) a dental hygienist or dental assistant who uses equipment emitting
5 radiation on humans under the direct supervision of a licensed practitioner;"

6

7 Renumber the following paragraphs accordingly.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 150
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Licensing Radiologic Technicians RDU Occupational Licensing (117)
 Component Occupational Licensing
 Sponsor Anderson
 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 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	25.2	25.2	25.2	25.2	25.2	25.2
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	6.0	6.0	6.0	6.0	6.0	6.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	6.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	38.2	32.2	32.2	32.2	32.2	32.2

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

CHANGE IN REVENUES (1156)	70.4	0.0	64.4	0.0	64.4	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	38.2	32.2	32.2	32.2	32.2	32.2
TOTAL	38.2	32.2	32.2	32.2	32.2	32.2

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time	1	1	1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 150 establishes licensure for occupations relating to radiologic technology. The division was advised that approximately 380 to 400 individuals will seek licensure under this bill. This fiscal note is based on the assumption there will be at least 400 licensees.

An explanation of the costs shown above are attached.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
 Division: Occupational Licensing Date/Time 2/23/05 2:02 PM
 Approved by: Edgar Blatchford, Commissioner Date 2/23/2005
 Agency: Commerce, Community, and Economic Development

FISCAL NOTE

**STATE OF ALASKA
2005 LEGISLATIVE SESSION**

BILL NO. HB 150

ANALYSIS CONTINUATION

HB 150: Licensing Radiologic Technicians

Total PERSONAL SERVICES: \$25.2

- Occupational Licensing Examiner I position PPT, Range 13

This fiscal note provides funding for half of an Occupational Licensing Examiner I position to provide support to this licensing program. Last year, the division had a half time position in support of another licensing program that could have been made to full-time with this funding to support this program as well; however, that option is no longer available since that position has been assigned to support other new licensing programs. Therefore, this fiscal note identifies funding for half of a position and a corresponding position count.

Total TRAVEL: \$0

Total CONTRACTUAL SERVICES: \$6.0

- Printing, postage, communication, and advertising costs, \$3.0
- Regulations-related costs to establish education criteria and standards, and other requirements, including AAG time, \$3.0

Information has been received that licensure examinations are available from The American Registry of Radiologic Technologists. The division will seek to make arrangements with that organization for use of the licensing examinations.

Total SUPPLIES: \$1.0

To fund daily operating supplies of the program.

Total EQUIPMENT (one-time costs): \$6.0

TOTAL FISCAL NOTE: \$38.2

REVENUE: Revenue will be generated by individuals who seek license under this bill. Based on 400 licensees, each licensee can be expected to pay approximately \$176.00 biennially (\$70.4 divided by 400) in direct costs; in addition to indirect costs of approximately \$100.00 per person, for an approximate initial licensing fee of \$276.00 biennially. Licensing fees will be adjusted at the first renewal based on actual costs and numbers of licensees.

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 150

BY REPRESENTATIVE ANDERSON

1 Page 2, following line 2:

2 Insert new paragraphs to read:

3 "(1) a licensed practitioner;

4 (2) a dental hygienist or dental assistant who uses equipment emitting
5 radiation on humans under the direct supervision of a licensed practitioner;"

6

7 Renumber the following paragraphs accordingly.

I am a PA from Wasilla Medical Clinic. I am the President-elect of the Alaska Academy of Physician Assistants, but I am testifying today as a clinic owner and business person. I am co-owner of 2 clinics, one in Wasilla, and one in Anchorage. Both clinics have an x-ray unit in office. The following is a typical scenario for our office and for doctor's offices and clinics that have x-ray available for their patients:

The machines are regularly maintained and certified to ensure safe operation. Our staff is required to wear a radiation detection badge when taking an x-ray. The staff has had training in the proper technique of positioning the patient and the safe operation of the equipment. The x-ray rooms were evaluated by a radiation physicist before any x-rays were ever taken. The rooms have lead and double drywall layers where required, and are sealed by solid wood doors. Our films are initially interpreted on site by the attending provider at the time of service, and then sent to a radiologist for a final interpretation. If the attending provider has any question as to the interpretation of the film, the patient is treated ^{using a repeat film process} for a fracture until the final report is received, typically within a few days. The radiologist will refuse to read a poor quality film.

So I am not sure what has prompted IIB 150. I have been told it is a safety issue. We all know that the dose of radiation from an x-ray study is minimal. For example, a chest x-ray dose is nearly equal to the amount of radiation one receives flying on a typical airline and nearly equal to the amount of radiation we all receive from natural background radiation every couple of days. There is no scientific evidence supporting any health problems with commercial pilots and flight attendants who essentially have x-rays taken of themselves every day they fly. The effect on a patient who may have a few x-rays done in a year is therefore not a concern or safety issue. In the five years of our operation, our staff has never had a radiation exposure as demonstrated by consistently negative readings on our monthly exposure badges. I have asked in the past for someone to come forward with evidence that modern, maintained office x-ray equipment has harmed a patient. I am still waiting. This is not a safety issue.

I have had some people ask why I am so against some sort of standardization and minimum requirements for x-ray personnel. The simple answer is that I am not. There should be absolute standards for the personnel using ionizing radiation in large doses, such as CT scans, ~~MRI's~~ and nuclear medicine procedures, and I am not opposed to standards for just x-rays. What I am opposed to is your cart before the horse type of approach. No where in the bill does it define the length, type, location, or cost of training that will be required, nor does it define the amount of continuing education and fees involved. It simply says "pay the fee" multiple times. These costs are unknown and can prevent small clinics like ours from providing x-rays and complete point of care for our patients. As a business owner, you are asking me to accept an unknown increase in my operational costs. I would consider accepting these costs if they were known and only if there were clear evidence that it would improve patient care or safety.

An example of a typical patient will go like this: a 5 year old with a sore, swollen arm after a fall will need to initially wait to see me. I think he might have a fracture and decide I need an x-ray. Mom has to drive him across town, wait at the x-ray office (which in the Valley will either be Alaska Open Imaging, West Valley Medical Campus, or Valley Hospital), have the x-ray taken, drive him back to my office with the x-ray, wait to see me again, and finally then I can finish his care with a splint or cast, and

prescribe any needed medication. I have seen many patients with significant fractures that require specialized care the same day and are then sent on to the emergency room.

In 24
To additional time to be
 There are several obvious problems with this type of patient care. One is the unnecessary delay in treatment for the patient, who must travel back and forth, crying and in pain to get the x-ray. Until I have that x-ray, I cannot provide correct and complete care to him. Another problem is the cumbersome patient flow bottleneck my office will experience with patients continually coming and going multiple times a day. Simple economics necessitate that small family practice clinics rely on volume to remain open. We are not specialists, and cannot do a few large procedures on a few patients a day to make a profit. In addition, an x-ray unit is an important source of income for small clinics which are barely profitable in the era of increasing managed care and deep cuts in insurance reimbursement.

One can also imagine the bottleneck and wait at one of the few x-ray facilities in my area. These problems will only be magnified farther in the remote villages. Consider the cost of sending all patients that require x-rays to Anchorage or Fairbanks, consider the time involved, and most importantly consider the frankly poor care that patient will receive.

Our clinics take anywhere from 1 to 7 x-rays daily on average. It is simple too costly for small private clinics to staff and maintain x-ray techs. I am not opposed to standardization and training requirements, but this bill will do nothing but drive up the cost of healthcare, and drive down the quality of care for the patient. This bill will not only affect medical clinics, but dental and chiropractic offices as well.

Some have answered my concerns saying that PAs, MDs, Dental Hygienists, etc will be exempt under this bill. Read it carefully. It does not specifically say that. The language is too vague and open for misinterpretation. A letter from the medical board would exempt us, but nowhere in the current Alaska Statutes for doctors and PAs does it say that our scope of practice includes taking x-rays. And what if we were exempt? This would mean that we need to take the pictures ourselves. I will tell you openly that I have far less training in the taking of x-rays than my staff, and the presence of ~~my~~ credentials does not mean that neither I nor any of my colleagues are qualified to take that x-ray. Having a PA, MD, or Nurse Practitioner actually take the picture is a waste of that professional's time in a busy clinic. In addition to increasing clinic wait time, it is cost prohibitive for that level of a professional to stop seeing patients and take the x-ray. *or supervise someone who will.*

I ask that someone please tell me the rationale for this bill's existence. Someone tell me the problem that we are trying to fix. It is clearly not a safety concern. It is also clearly not to improve health care quality. The only reason left is that the bill serves some special interest or group, such as whoever will run the new x-ray training program or perhaps the hospitals and large groups who will be able to afford to continue providing x-ray services.

Please step back and reevaluate this bill. I am all for improving patient care and safety, but this is not the answer. There is no way that this bill will do anything for the patient. In its current form the bill is unnecessary. It is an onerous bill to small businesses that have always provided excellent, safe, and complete care.

I would ask that you consider rewriting or amending the bill for the reasons I have mentioned. Many of my fellow PAs and many doctors share the same concerns.

Representatives from the Alaska Academy of Physician Assistants and I are willing and interested in helping you draft language that would be more acceptable.

Don Smith PA-C
1700 E. Parks Hwy #200
Wasilla AK 99654
373-6055 (W)
373-6077 (FAX)
357-6060 (H-C)

UAA UNIVERSITY of ALASKA ANCHORAGE

Community and Technic College
Medical Imaging Sciences

March 2, 2005

Committee Members:

As Program Director of the Radiologic Technology program at the University of Alaska Anchorage, I support this bill in full.

Our approach to training technologist and non imaging professionals (limited imagers) is two fold. We have and associate of applied science degree at UAA which trains students to become radiologic technologists.

We are also currently delivering the first phase of our 3 part limited curriculum which is being delivered, and will continue to be delivered distance. We are delivering this semester to YKHC in Bethel. This curriculum will be available state wide in Fall 2005 and will be a distance delivered program.

Both of these curriculums satisfy a great need for Alaska Medical Community. While it is my preference to educate people in a full radiography program, I realize that there is currently a need to educate rural Alaskans - specifically those nurses, community health aids and CNA's that are taking x-rays without any formal training.

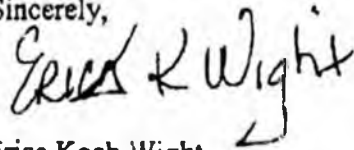
Lack of formal training is a detriment and serious health risk to the community at large. Over radiating, and exposing people to radiation, can cause long term carcinogenic effects. The risk is especially higher with untrained workers who are taking x-rays blind or without training. It is like driving a car without ever reading the manual.

We are willing as a University program to provide training. Through this training the students can take the national examination. **However, limited radiographers, cannot take a national examination and be certified without a state licensure in place.**

To summarize, the following are the points I wish to share with the committee:

1. Failure to pass this bill will hinder the progress of the limited students as they will not be nationally recognized.
2. Failure to pass this bill will leave the community open to biological effects and overexposure to ionizing radiation.
3. UAA provides both training programs. The limited curriculum is being delivered distance on the web. This bill would not limit or restrict any health care institution, from locating a qualified employee to image patients.

Sincerely,



Erica Kech Wight

**ASHNHA Position on HB 150
Presented by Rod Betit, President
Before House Labor & Commerce Committee
March 18, 2005**

The Alaska State Hospital and Nursing Home Association (ASHNHA) supports HB 150 requiring licensure of occupations relating to radiologic technology, radiation therapy, and nuclear medicine technology.

Over the last year ASHNHA has worked with the sponsor and other interested parties to resolve our memberships' concerns with earlier versions of this legislation. These concerns have been addressed to our satisfaction in HB 150.

My membership now believes the legislation's goal of strengthening the quality of imaging services provided throughout the State can be achieved without creating a workforce crisis for our smaller hospitals.

We have appreciated the sponsor's willingness to reach a workable compromise on this piece of legislation.

ASHNHA supports moving this legislation out of House Labor & Commerce.



LEGAL SERVICES

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

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FAX (907) 465-2029
Mail Stop 3101


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

MEMORANDUM

March 5, 2005

SUBJECT: Radiologic Technology (HB 150 (Work Order No. 24-LS0470Y))

TO: Representative Tom Anderson
Attn: Jon Bittner

FROM: Jean M. Mischel
Legislative Counsel 

You have asked whether an exception to the radiologic technologist license and technologist assistant permit requirements imposed by HB 150 covers physician assistants and dental hygienists and unlicensed staff working under them. I find nothing in the bill that would exempt unlicensed staff from the bill's effect. On the contrary, the bill addresses the employment of another person to use radioactive materials or equipment by expressly requiring those people to be licensed at page 1, lines 12 - 14. With respect to licensed personnel, the answer depends directly upon the scope of practice licensed for that person.

Section 1 of the bill at page 2, lines 1 through 5, provides:

The licensing or permit requirement in (a) of this section does not apply to a person who is

(1) licensed under another provision of state law if the license authorizes the person to use radioactive materials or equipment emitting radiation on a human for diagnostic or therapeutic purposes . . .

The scope of practice for a physician assistant and for a dental hygienist is described in the relevant licensing statutes and regulations for those licensees. To the extent that an ambiguity exists, an opinion of the relevant board, a change to existing regulations, or an amendment to the bill may be appropriate.

A physician assistant is generally authorized, under AS 08.64.170(a)(1), to examine, diagnose, or treat persons under the supervision, control, and responsibility of either a physician licensed under this chapter or a physician exempted from licensing under AS 08.64.370. In addition, a physician assistant is specifically authorized to perform other functions, including pronouncing a death under AS 08.08.089, withdrawing blood under AS 18.15.310, supplying proof of a disability for purposes of vehicle license registration and licensing under AS 28.10.130, and certifying the need for emergency treatment and commitment under AS 47.37.180. It is my opinion that under these

authorizations, the physician assistant's scope of licensed practice includes the use of radioactive materials or equipment for purposes of diagnosing, examining, and treating a person under the supervision, control, and responsibility of a physician.

A person licensed in the state as a dental hygienist also appears to be authorized to use radioactive materials or equipment in the dental hygienist's practice if delegated to do so by a dentist under AS 08.32.110. That section provides:

Sec. 08.32.110. Scope of work of dental hygienists. (a) The role of the dental hygienist is to assist members of the dental profession in providing oral health care to the public. A person licensed to practice the profession of dental hygiene in the state may

(1) remove calcareous deposits, accretions, and stains from the exposed surfaces of the teeth beginning at the epithelial attachment by scaling and polishing techniques;

(2) apply topical preventive agents;

(3) apply pit and fissure sealants;

(4) perform root planning and periodontal soft tissue curettage;

(5) perform other dental operations and services delegated by a licensed dentist if the dental operations and services are not prohibited by (c) of this section; and

(6) if certified by the board and under the direct or indirect supervision of a licensed dentist, administer local anesthetic agents.

(b) The board shall specify by regulation those additional functions that may be performed by a licensed dental hygienist only upon successful completion of a formal course of instruction approved by the board. The board shall adopt regulations specifying the education requirements, evaluation procedures, and degree of supervision required for each function.

(c) This section does not authorize delegation of

(1) diagnosing, treatment planning, and writing prescriptions for drugs; writing authorizations for restorative, prosthetic, or orthodontic appliances;

(2) operative or surgical procedures on hard or soft tissues except as allowed in (a)(4) of this section; or

(3) other procedures that require the professional competence and skill of a dentist.

(d) This section does not prohibit a dental assistant from applying topical preventive agents or pit and fissure sealants when those duties have been delegated to the assistant by a dentist licensed under AS 08.36 or by a dentist exempt from licensure under AS 08.36.350(a)(2).

The list of delegable duties under the regulations pertaining to dentistry specifically prohibits the delegation of the use of laser devices. 12 AAC 28.710 provides that

Representative Tom Anderson

March 5, 2005

Page 3

(a) The use of laser devices in the practice of dentistry must be in compliance with the radiation protection requirements of 18 AAC 85.670 - 18 AAC 85.730.

(b) Laser devices may be used only by a person who holds a valid license to practice dentistry under AS 08.36.

(c) Advertising that the use of laser devices in the practice of dentistry is painless, heals faster, or provides better results than other procedures is considered fraudulent, false, deceptive, and misleading and is grounds for disciplinary sanctions under AS 08.36.315(3).

(d) Failure to comply with the requirements in this section is grounds for disciplinary sanctions under AS 08.36.315.

On the other hand, it does appear that the dental board regulations authorize the use of radiologic equipment by a dental hygienist, at least for treatment purposes, as implied in 12 AAC 28.730. That section provides, in relevant part, that

In evaluating whether a person has engaged in the practice of dentistry under AS 08.36.360, the board will consider that a person "exercises control over professional dental matters or the operation of dental equipment" if the person determines, interprets, specifies, limits, prescribes, regulates, or otherwise controls by policy, lease, or other arrangement

(1) the use of dental equipment or material while the equipment or material is being used for the provision of dental treatment, **whether the treatment is provided by the dentist, a dental hygienist, or a dental assistant;**

2) the selection of a course of treatment for the patient, the procedures, or materials to be used as part of the course of treatment and the manner in which the course of treatment is carried out by the dentist. . .

HB 150 relies upon the various licensing authorities to determine whether a license issued by that authority includes the use of radioactive materials or equipment emitting radiation on humans. A licensee may need to clarify the authority conferred under their own license before relying on the exemption in HB 150. Alternatively, the exemption could be redrafted to contain a list of those licensees exempt from additional licensing under the bill for the use of the radioactive materials.

If I may be of further assistance, please advise.

JMM:jad
05-141.jad



UNIVERSITY *of* ALASKA ANCHORAGE

Community and Technical College
Medical Imaging Science

Limited Radiography

The three course (and one optional course) offered at the University of Alaska Anchorage in limited imaging are designed to provide knowledge and cognitive skills required to radiograph selected anatomic regions (chest, extremities, etc.) for limited practice. This content represents a limited portion of content developed for general radiography through the ARRT (American Registry of Radiologic Technologists). It is the philosophy of the University and ARRT that an individual educated under at limited scope radiography possess the same knowledge and cognitive skills as a radiographer in the limited capacity. The limited curriculum provides knowledge and cognitive skill in the basic areas of radiation protection, equipment operation, image production and evaluation, and patient care. The courses covered detail the above topics. Students complete these courses via distance delivery at their own pace but not in less than four weeks. They may start a new course immediately after finishing a course. Students must have a mentor (Physician, PA or Registered radiology technologist) at their specific site. Familiarity with internet technology is mandatory. This curriculum is specifically designed to meet the needs of rural communities, communities having difficulty recruiting registered radiographers, providing skills to nurses and other allied health professionals who may want imaging skills in order to provide quality care to patients.



UNIVERSITY of ALASKA ANCHORAGE

Community and Technical College
Medical Imaging Science

Limited Radiography

Suggested sequence and coursework

Course Descriptions

Radiation Protection and Biology for Non-Imaging Professionals 3credits

This course is designed to prepare non-radiographers with a foundational understanding of radiation protection and radiation biology necessary to perform limited radiography under direct supervision of a qualifying professional. Areas of instruction include radiation physics, radiographic technique, darkroom processing and film handling, radiation health, safety and protection, and radiation biology. Basic radiographic terminology is also presented. This training will consist of a minimum of 60 clock hours. Student is required to have internet access and the ability to transmit information to the University for evaluation by the professor.

Principles of Radiography for Limited Practice I. - 3 credits

The course may be taken concurrently with Clinical Training for Non Imaging Professionals II.

This course provides an opportunity for the student to apply the concepts of technique selection, radiographic accessories, exposure and processing, and radiation protection in a clinical setting. Radiographic anatomy, patient care skills, body mechanics, and radiographic positioning skills will be emphasized. This is defined as "hands on" clinical participation in the production of radiographs on patients. This competency based course will include positioning of the chest, abdomen and upper and lower extremities. This training will consist of a minimum of 60 clock hours and include competency in each examination outlined in the specialty area.

Student(s) must have a mentor to assist in evaluation of radiographic quality for diagnosis. This can be a registered, radiologist, physician or physician's assistant. Student must also have internet access and the ability to transmit radiographs to the University for evaluation by the professor.

Principles of Radiography for Limited Practice II - 3

The course may be taken concurrently with Principles of Radiography for Limited Practice I.

Limited spinal procedures and basic trauma radiography – This course provides an opportunity for the student to apply the concepts of technique selection, radiographic accessories, exposure and processing, and radiation protection in a clinical setting. Radiographic anatomy, patient care skills, body mechanics, and radiographic positioning skills will be emphasized. This competency based course will include positioning of the pelvic girdle and spinal column. Student must have a mentor to assist in evaluation. This can be a registered technologist, radiologist, physician or physician's assistant. This training will consist of a minimum of 60 clock hours and include competency in each examination outlined in the specialty area. Student must also have internet access and the ability to transmit radiographs to the University for Evaluation by the professor.

Specialty I Training for Non Imaging Professionals 1 Credit

Skull and sinuses - This competency based course will include positioning of the chest, abdomen and upper and lower extremities. Student must have a mentor to assist in evaluation. This can be a registered, radiologist, physician or physician's assistant. This training will consist of a minimum of 20 clock hours and include competency in each examination outlined in the specialty area. Student must also have internet access and the ability to transmit radiographs to the University for evaluation by the professor.

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE COMMITTEE, CHAIRMAN
ADMINISTRATION REGULATION REVIEW COMMITTEE, CHAIRMAN
JUDICIARY COMMITTEE, VICE-CHAIR

website: <http://www.akRepublicans.org/Anderson.htm>



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Representative Tom Anderson

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Intent of HB 150

HB 150 is aimed at protecting Alaskans from excessive exposure to Radiation. This Bill is congruent with nationwide efforts of the Institute for Health Care Improvement, an organization in Boston, Massachusetts which has set a goal of reducing the number of iatrogenic deaths by 100,000 by June 14, 2006. This effort is supported by efforts of the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) which is the national accreditation body for 4,000 hospitals, the American Medical Association (AMA), American Nurses Association (ANA), Centers for Medicare and Medicaid Services (CMS), the Veterans Administration, and others because iatrogenic deaths are those caused by healthcare worker errors. It is a serious, national problem that occurs in Alaska as well.

The Bill is congruent with that effort, and consistent with the latest declaration of the U.S. Department of Health and Human Services (HHS) that radiation is identified as a carcinogen with lethal consequences. This declaration by the Health and Human Services was published just weeks ago. A report prepared for HHS by the National Toxicology Program (NTP) at the National Institute of Environmental Health Sciences, said x-radiation and gamma-radiation were listed "because human studies show that exposure to these kinds of radiation causes many types of cancer including leukemia and cancers of the thyroid, breast and lung. The report added that exposure to x-radiation and gamma radiation has been shown to cause cancer of the salivary glands, stomach, colon, bladder, ovaries, central nervous system and skin. It also stated that 55 percent of worldwide exposure is from low-dose medical diagnosis such as bone, chest and dental x-rays."

This is consistent with another study that showed approximately 1% of cancers in the U.S. are caused by exposure to diagnostic x-rays. Keep in mind that this 1% figure is an average, with some states having lower rates and others higher. States with no requirement for formal training of operators, including Alaska, would understandably be among those with higher rates.

This is in addition to other data showing that operators had breast cancer at three times the general population rate prior to licensure, but the rate is consistent with the general population subsequent to the implementation of licensure in most states.

In addition evidence that education in proper use of radiation is an effective deterrent comes from the comparison of radiologists who are trained in using fluoroscopy versus injury rate of non-radiologists who use fluoroscopy is profound. Nearly every case in the FDA record of extreme radiological injury due to misuse of radiation was caused by those not educated in proper use of the modality.

Note also the study in California that showed a reduction in costs in radiology relative to overall costs of healthcare following implementation of licensure in that state. This was a ten year study with substantial evidence that licensure in that state reduced costs, reduced exposures to patients and operators, reduced waste in medical supplies, technologist and patient time, and wear on the imaging equipment from improper use.

A Michigan study found that following implementation of their "radiological improvement" program which required specific educational standards for operators there was a 35% reduction in the image failure rate.

Another study showed 53% of children diagnosed with osteoporosis were normal. This rate compares with the flip of a coin. Medical imaging should be of a quality that is better than the flip of a coin, but without formal training of operators there is no mechanism to improve that statistic.

An additional study demonstrated diminished intellectual capacity among infants exposed to diagnostic levels of ionizing radiation. Although Alaska was not specifically named in the study it would be prudent to expect that if any state supports that failure of the health system, Alaska with it's lack of training for those using the x-ray equipment would most likely be among the most vulnerable.

This Bill is not about protecting personal friendships or a political agenda. It is about protecting Alaskans. That means "all" Alaskans; patients, operators, the unborn baby, and the general public.

Clyde E. Pearce, RHS II, Chief
Radiological Health Program
Section of State Laboratories
State of Alaska, Department of Health and Social Services
4500 Boniface Parkway
Anchorage, AK 99507

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clyde_pearce@health.state.ak.us

Mr. Chairman and members of the committee, my name is David Harwell and I represent the American Society of Radiologic Technologists, a national professional organization founded for the express purpose of enhancing through education, the proper and safe delivery of medical imaging and therapy services. The Alaska Society of Radiologic Technologists is an affiliate society of the ASRT. ASRT represents more than 350 radiologic technologists in Alaska. We welcome the opportunity to appear before you today during this hearing and commend the Alaska legislature for its attention to this very important subject.

Radiation Risk from Radiologic Procedures

We have all heard considerable concern regarding risks from radiation exposure and the recent listing of x-rays as a carcinogen by the National Institute of Environmental Health and Safety. Ninety percent of public exposure to man-made ionizing radiation results from medical procedures, primarily diagnostic x-ray examinations. The FDA Bureau of Radiologic Health has estimated that 30% of exposures to man-made radiation are unnecessary, and 5% to 10% of the unnecessary exposures may be attributed to repeated x-ray examinations. For this important reason persons performing medical imaging, planning and delivering radiation therapy should meet state and federal education and credentialing standards.

Why Licensure is Needed

Regretfully improper utilization and production of excessive and unnecessary medical radiation exposure is a widespread practice throughout Alaska. Over utilization, as well as improper utilization, of radiation in the practice of medicine are a genuine and ever-increasing health hazard to the public and must be dealt with now. As the law currently stands, a physician using x-ray equipment in his practice is under no obligation to ascertain or require any credential or specific education of the person he or she employs to operate the equipment. Literally, anyone off of the street can be hired this morning and be operating this potentially dangerous equipment this afternoon. Radiation is not detected by the senses of sight, hearing, touch, smell or taste. Without sufficient knowledge of its application, the operator has the potential to produce biological damage not only to the patient, but to himself or herself as well.

Cost Implications

There are 41 states that have developed minimum standards or adopted regulatory processes for radiologic technologists. One of the 41 states—California, submitted a report to their legislature after 10 years of requiring licensure for radiologic technologists. The report showed that for the 10-year period, overall medical fees increased 92.7% throughout the state, while fees for radiology services only increased 59.2%. Certification has not caused increases in the costs of radiology services, but rather has helped to reduce in increasing costs of health care through knowledgeable radiologic technologists; competent in reducing not only radiation exposure to the consumer-patient, but also in reducing waste of medical supplies, technologist and patient time and the wear of radiologic equipment from improper use.

Access to Care

There are more than 500 radiologic technologists, radiation therapists and nuclear medicine technologists practicing in Alaska that have demonstrated their competency through education and voluntary certification through the American Registry of Radiologic Technologists, Nuclear Medicine Technology Certification Board and other organizations. This equates to approximately 1 technologist per 1300 Alaskans which does not differ far from the national statistic of 1 technologist per 1100 Americans. There is no way of knowing how many people with minimal training and no certification are currently operating x-ray, radiation therapy and other medical imaging equipment in Alaska and administering potentially harmful ionizing radiation to human beings without having demonstrated scientific knowledge, technical understanding, clinical competency or professional responsibility for the practice of proper radiological procedures.

Limited X-ray Machine Operators

ASRT does not support the use of limited x-ray machine operators. Registered radiologic technologists are highly educated members of the health care team who are able to perform the complete scope of medical imaging on patients, not just specific limited x-ray procedures. However Alaska is a rural state with patients needing care who may not have access to a medical center or even a hospital. Access to health care and provision of quality services is a delicate balance, and for Alaska's patients access is paramount, provided that the limited x-ray machine operator meets state mandated education requirements and passes successfully a competency

assessment exam such as the ARRT limited-scope examination. A limited x-ray machine operator's education does not cover contrast media procedures or advanced radiologic procedures like CT scans, fluoroscopy and mammography.

We commend the Alaska legislature for its interest and timely concern with respect to the potential health hazards of medical diagnostic x-rays resulting from the lack of proper safeguards and qualifications of persons operating ionizing radiation equipment. We believe that this legislative area demands prompt and effective action. We urge the Alaska legislature to continue its effort to seek a sound legislative solution to this problem which we believe is essential to protect the rights of the people of Alaska to properly performed radiologic examinations and from the potential hazards of excessive and unnecessary medical imaging examinations and radiation therapy procedures. Thank you.

Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

March 18, 2005

Honorable Tom Anderson
Alaska House of Representatives
State Capitol, Room 408
Juneau, Alaska, 99801

Re: HB 150 Licensure, Radiologic Technologists

Dear Representative Anderson:

The Alaska State Medical Association (ASMA) represents physicians statewide and is primarily concerned with the health of all Alaskans.

ASMA has historically supported and advocated for the best health care for our ill patients. HB 150 provides for a system for the licensure of radiologic technicians. ASMA supports this effort to attempt to provide for safe, quality care. However, ASMA is concerned with an unintended consequence that may detract from timely access to care.

Rural physicians and small practices may have x-ray capabilities to provide for the occasional x-ray. However, the volume of that service is not sufficient to be able to hire fully certified radiologic technicians. Physicians in small practices have historically trained other clinic staff to do those uncomplicated x-rays. HB 150 would eliminate that mode of practice. Keeping in mind the employing physician is ultimately responsible legally for the acts of the employee who takes the x-ray. To eliminate this current practice will certainly slow down the care provided and probably add to the cost.

Perhaps an alternative would be to provide a registration system (as opposed to a full licensing system) for such people providing x-ray service when in the employ of a physician. This would allow the current practice to continue, but yet provide for State oversight.

Sincerely,



By: Paul Worrell, MD, President
For: The Alaska State Medical Association

cc: House Labor and Commerce Committee
Representative Pete Kott
Representative Gabrielle LeDoux
Representative Bob Lynn
Representative Norm Rokeberg
Representative Harry Crawford
Representative David Guttenberg

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

SPONSOR STATEMENT FOR HB 150

BY: Representative Tom Anderson

TITLE: "An Act requiring licensure of occupations relating to radiologic technology, radiation therapy, and nuclear medicine technology; and providing for an effective date."

The Radiologic Health Science professionals in the State of Alaska are dedicated to the preservation of life and health as well as the prevention and treatment of disease. The use of x-rays and other medical imaging disciplines is the most acceptable method for discovering and treating many conditions that might not otherwise be observed until it is too late for treatment.

The unregulated practice of Radiologic Technology, Nuclear Medicine Technology and Radiation Therapy by unqualified individuals represents a serious health risk to the citizens of Alaska. The Alaska Society of Radiologic Technologists has consistently supported the enactment of state standards for the education and credentialing of Radiologic Technologists, Radiation Therapists and Nuclear Medicine Technologists as a means of protecting Alaskans from the harmful effects of excessive and unnecessary exposure to medical radiation.

Any radiology procedure is only as effective as the person performing it. An underexposed chest x-ray cannot reveal pneumonia or a malignant lesion, just as an inadequate mammography technique cannot detect breast cancer. No matter what the procedure, the Radiologic Technologist's knowledge of anatomy, careful application of radiation and skillful operation of sophisticated medical equipment are the keys to its success. Patients have long benefited from Alaska's wisely implemented Radiology equipment performance standards but those benefits can easily be negated by under trained operators of the equipment. To be clinically useful, diagnostic imaging exams must be accurate. To stop invasive cancers, radiation therapy treatments must be precise.

To ensure that the citizens of the State of Alaska receive maximum protection practicable from the harmful effects of excessive and improper exposure to ionizing radiation, licensure must be passed to establish standards.

Establishing state standards will ensure that Alaskans will have access to safe and high quality radiologic care. Licensure for Radiologic Technologists, Radiation Therapists and Nuclear Medicine Technologists will establish radiation protection measures as well as education and credentialing standards that will ensure the competency of persons operating medical equipment emitting radiation.

I urge your support of this important piece of legislation.

Alaska State Legislature

House of Representatives



Official Business

State Capitol
Juneau, AK 99801-1182

Sectional Analysis for HB 150 BY: Representative Tom Anderson

Section 1. Amends AS 08 is amended to add a new section

Sec. 08.89.100 defines who needs to acquire a Radiological Technician license under this bill. Also provides exemptions for the license.

Sec. 08.89.110 limits the titles a person can use if they do not hold a license.

Sec. 08.89.120 defines the minimum requirements to receive a license

Sec. 08.89.130 describes how the Department of Health and Social Services shall approve licensure programs.

Sec. 08.89.140 describes the radiological licensure examinations.

Sec. 08.89.160 defines the qualifications for a limited radiological imager license

Sec. 08.89.160 describes how the Department of Health and Social Services shall approve limited radiological licensure programs.

Sec. 08.89.170 provides for the application and scope of a temporary permit for practice of radiology and allows a person to receive such a permit if they can prove they were performing radiological work before the passage of HB 150

Sec. 08.89.180 defines the license renewal process

Sec. 08.89.190 states that a licensee must keep their license or a copy of their license on file at their place of employment

Sec. 08.89.200 states that the licensee must notify the Department of a name or address change within 30 days

Sec. 08.89.210 states that a person whose license is revoked for a reason other than late payment of fees must wait 24 months before reapplying for a license.

Sec. 08.89.220 directs the Department to set fees for various aspect of the licensure process.

Sec. 08.89.300 limits the use of radiological equipment on a patient without a prescription.

Sec. 08.89.310 defines a civil penalty for practicing radiology without a license.

Sec. 08.89.320 defines a criminal penalty for a person who obtains or attempts to obtain a license through fraudulent means.

Sec.08.89.330 defines the grounds for disciplinary actions or denial of license.

Sec. 08.89.340 defines under what situations the Department may impose sanctions on a licensee.

Sec. 08.89.900 states that for the purposes of 08.01.065, all persons who hold a radiological license are considered to be engaged in the same occupation.

Sec. 08.89.990 outlines various definitions for terms in HB 150.

Section 2. Amends AS 44.64.030(a)(6)

This allows the Board of Radiological Technicians to conduct disciplinary hearings.

Section 3. The uncodified law of the State of Alaska is amended

Directs the Department of Commerce, Community and Economic Development and the division of occupational licensing to begin the process of adopting and implementing the regulations created by HB 150.

Section 4. The uncodified law of the State of Alaska is amended

Details revisors' instructions for reconciliation of sec. 2 of this bill with sec. 82, ch. 163, SLA 2004.

Section 5 Effective date of this act except as provided by sec. 6 and 7

Section 6. Effective date of AS 08.89.100 and AS 08.89.310

Section 7. Effective date of Section 3

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 150
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: Licensing Radiologic Technicians RDU: Occupational Licensing (117)
Component: Occupational Licensing
Sponsor: Anderson
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 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	25.2	25.2	25.2	25.2	25.2	25.2
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	6.0	6.0	6.0	6.0	6.0	6.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	6.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	38.2	32.2	32.2	32.2	32.2	32.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156)	70.4	0.0	64.4	0.0	64.4	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	38.2	32.2	32.2	32.2	32.2	32.2
TOTAL	38.2	32.2	32.2	32.2	32.2	32.2

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time	1	1	1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 150 establishes licensure for occupations relating to radiologic technology. The division was advised that approximately 380 to 400 individuals will seek licensure under this bill. This fiscal note is based on the assumption there will be at least 400 licensees.

An explanation of the costs shown above are attached.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
Division: Occupational Licensing Date/Time 2/23/05 2:02 PM
Approved by: Edgar Blatchford, Commissioner Date 2/23/2005
Agency: Commerce, Community, and Economic Development

FISCAL NOTE

**STATE OF ALASKA
2005 LEGISLATIVE SESSION**

BILL NO. HB 150

ANALYSIS CONTINUATION

HB 150: Licensing Radiologic Technicians

Total PERSONAL SERVICES: \$25.2

- Occupational Licensing Examiner I position, PPT, Range 13

This fiscal note provides funding for half of an Occupational Licensing Examiner I position to provide support to this licensing program. Last year, the division had a half time position in support of another licensing program that could have been made to full-time with this funding to support this program as well; however, that option is no longer available since that position has been assigned to support other new licensing programs. Therefore, this fiscal note identifies funding for half of a position and a corresponding position count.

Total TRAVEL: \$0

Total CONTRACTUAL SERVICES: \$6.0

- Printing, postage, communication, and advertising costs, \$3.0
- Regulations-related costs to establish education criteria and standards, and other requirements, including AAG time, \$3.0

Information has been received that licensure examinations are available from The American Registry of Radiologic Technologists. The division will seek to make arrangements with this organization for use of the licensing examinations.

Total SUPPLIES: \$1.0

To fund daily operating supplies of the program.

Total EQUIPMENT (one-time costs): \$6.0

TOTAL FISCAL NOTE: \$38.2

REVENUE: Revenue will be generated by individuals who seek license under this bill. Based on 400 licensees, each licensee can be expected to pay approximately \$176.00 biennially (\$70.4 divided by 400) in direct costs; in addition to indirect costs of approximately \$100.00 per person, for an approximate initial licensing fee of \$276.00 biennially. Licensing fees will be adjusted at the first renewal based on actual costs and numbers of licensees.

3200 Providence Drive
P O Box 196604
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99519-6604

Tel 907.562.2211



February 22, 2005

The Honorable Tom Anderson
Alaska State House of Representatives
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Anderson:

I know you are aware that many interested parties have worked for quite some time to come to agreement on legislation for the licensure of occupations relating to radiological technology, radiation therapy, and nuclear medicine technology. I'm pleased to inform you that as a result of those efforts, and the tremendous effort put forth by you and your staff, Providence Health System in Alaska supports HB 150.

I appreciate your willingness to work with Providence and all other interested parties to come up with a piece of legislation that reflects a commitment to quality improvement in this facet of Alaska's health care delivery. Thank you for giving us the opportunity to work on this legislation and our sincere appreciation goes to you for your patience.

Sincerely,

Laurie Herman
Regional Director, Government Affairs

February 22, 2005

Representative Tom Anderson
Alaska State House of Representatives
State Capitol
Juneau, AK 99801

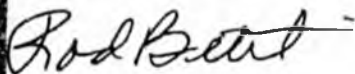
Dear Representative Anderson:

The Alaska State Hospital and Nursing Home Association (ASHNHA) supports HB 150 requiring licensure of occupations relating to radiologic technology, radiation therapy, and nuclear medicine technology.

Over the last couple of years ASHNHA has worked with the other interested parties on this issue to come to agreement on this legislation. Recent modifications made to the legislation addressed our final, allowing our 31 member facilities to endorse the changes being proposed.

We appreciate the opportunity to work with you and the others interested in this legislation to address quality improvement in this important area of health care delivery.

Sincerely,



Rod L. Betit
President/CEO

The question of a shortage of Radiologic-based professionals

By Clyde E. Pearce

Dept of H&SS, Div. Of Public Health, Radiologic Health

03/23/2004

Another question that I understand has been raised concerns the subject of the supply of qualified technologists in Alaska. There has been a nationwide shortage of this category of worker, however there are important changes that are significantly reducing this as a concern. **It is not justifiable to reduce the safety of medical imaging by utilizing inadequately trained operators.** It is also improper to allow naïve health care workers to expose themselves to what has been classified as a toxic agent by the National Institutes of Health. Taking advantage of worker and customer ignorance is not a civilized approach to cutting healthcare costs.

Qualified applicants are increasing in number as evidenced by:

National publications, such as RT Image, the Journal of the American Society of Radiologic Technologists, and Advance For Medical Imaging Professionals have all experienced significant declining numbers of advertisements for technologists in the past year.

These same publications have run more advertisements recently that announce an opening requiring specific attributes, such as "3 years experience required" and "Must have at least five years experience in the specialty". They are not just advertising for someone with the general qualifications, because they can afford to be more selective. In addition, I have noted lower sign-on bonuses in many cases, and increasingly the elimination of any mention of a bonus to attract candidates.

The American Registry of Radiologic Technologists presents examination statistics on their website that show steady increases in the number of qualified examinees for the past two years. The amounts of increase have ranged from 9% to increases as much as 48% per year. In addition, schools nationwide turned away nearly 26,000 qualified applicants this past year due to lack of sufficient clinical training sites. The demand is there and growing for persons seeking to enter the field of radiologic technology.

The University of Alaska Anchorage has a new radiologic technology program that now accepts 15-20 students per year, with the number of clinical sites continuing to increase. Students have just begun graduating from this program. They have developed a short course limited scope program as well.

If the Bill to protect patients and operators from excessive exposure to radiation were adopted today, there would be a period of delay before it could be implemented. In addition, the Bill provides a grandfather clause that allows two years for those who lack formal training to obtain limited scope training. During that time the amount of training is analogous to what is already required of full scope operators in other states for continuing education to maintain competency. This means that full implementation of the Bill would not have significant impact on staffing for two and a half to three years from the date it is adopted. During that same period of time the UAA

radiologic technology program can expect to graduate between 40 and 60 full scope technologists, in addition to the limited scope candidates. The short nature of the limited scope training could allow for several courses to be offered during any given year so that the total number of limited scope operators is potentially higher than the full program. Also, this program can be completed by distance education so that limitations of travel need not be a barrier to achieving competence for limited scope operators.

An important observation to note is that the U.S. Food and Drug Administration requires fully trained operators to perform mammography, regardless where that service is offered. It is offered in many rural and Bush communities in Alaska, and in spite the fact that the FDA does not make exceptions those facilities are staffed with an appropriately trained operator to perform those procedures. This is true in Nome, Kotzebue, Bethel, Kodiak, Sitka, Wrangell, Barrow, and similar communities throughout the state. In other words, when radiation safety and quality of care are truly a concern the implementation of a professional standard need not translate into shortages of availability for vital health care services.

Thus it can be seen that there is no justification for forcing lower quality medical care on Alaskans based on geographic location.

WHY LICENSE?

- ▶ *Voluntary actions have failed*
- ▶ *The risk of injury is significant*
- ▶ *The extent of risk is not readily evident to the users of the system*
- ▶ *The costs include lost of quality of life as well as possible loss of life*
- ▶ *Risks can be minimized via education*



WHO IS AT RISK?

- ▶ *Patients*
- ▶ *Family members of patients*
- ▶ *The general public*
- ▶ *The unborn baby*
- ▶ *The operator of the device*



WHAT ARE THE RISKS?

- ▲ *High exposures that cause acute radiation injury (biological effects)*
- ▲ *Excessive exposures that lead to later development of cancer (biological effects)*
- ▲ *Radiation induced genetic and congenital effects (biological effects)*
- ▲ *Inadequate images that lead to a missed diagnosis (health care failure)*
- ▲ *Inappropriate images that lead to a misdiagnosis (health care failure)*
- ▲ *Delayed treatment, pathology, litigation*



“Harmful” effects....

In addition to the acute and chronic (latent) effects of excessive radiation exposure, Alaskans are harmed ...

- *when their treatment is delayed due to lack of timely administration of appropriate care, held up by poor images.*
- *Whenever they endure prolonged pain because an examination must be repeated.*
- *every time they pay twice for the same procedure.*
- *every time they become one of those 1% to 3% who get cancer from diagnostic x-ray examinations (Lancet article, Jan. 2004).*
- *an Alaskan operator develops breast cancer at three times the state rate for non-operators, due to using methods and procedures of the 1940's and 1950's because she has not been formally trained in the new ways to prevent such occurrences (ASRT longitudinal Survey).*



“I have operated an x-ray machine and gotten good pictures. It’s not difficult”

- ▲ *It’s actually deceptive! Almost anyone can operate an x-ray machine and may even obtain what appears to be a “good picture”. BUT... Medical imaging is not about getting pretty pictures. Medical imaging is about creating **DIAGNOSTIC** images with minimal radiation exposure, without further harm to the patient.*



The Purpose of Regulation is:

- ▲ *To protect patients*
- ▲ *To protect operators*
- ▲ *To protect the public*
- ▲ *To protect the unborn baby*
- ▲ *To protect the community at large*

In a word... "Protection"



What about Alaska?

- ▶ *Alaska regulations do not require certification, licensure, or registration of operators*
- ▶ *Alaska has no requirements for trainer qualifications*
- ▶ *Alaska has no standards to measure the knowledge or skill of operators*
- ▶ *There is no mechanism to track those who expose humans to radiation, identify problems, or enforce remedies in Alaska*



Inspection Findings in Alaska

Actual radiation misuse recorded in Alaska

- ✦ *Failure to restrict beam to area of clinical interest*
- ✦ *Failure to shield the patient*
- ✦ *Failure to monitor exposures to operator*
- ✦ *Failure to post warning signs or control access to room by public*
- ✦ *Failure to use appropriate technique charts*
- ✦ *Failure to conduct processor quality control*
- ✦ *Frequent repeated exposures*



Inspection Findings in Alaska

- ▶ *No repeat analysis of spoiled images*
- ▶ *No training, or “trained” by unqualified individual who provided incorrect instruction*
- ▶ *Using incompatible screens and film*
- ▶ *Operators exposing each other for practice*
- ▶ *Incorrect use of Bucky grid*
- ▶ *Unable to identify fundamental procedures for reducing radiation exposure*



Inspection Findings in Alaska

- ▲ *Failure to wear protective apron during radiography when operator must be in room*
- ▲ *Inability to recognize why images are not diagnostic or how to correct the error(s)*
- ▲ *Misalignment of x-ray beam and localizer*
- ▲ *Failure to conduct machine calibrations and performance checks*
- ▲ *Misuse of exposure factors that destroyed a \$16,500 x-ray tube*
- ▲ *Five incidents in seven months where entire film bin was exposed to light, causing loss of at least \$4,000, all in the same facility (which uses uncertified operators)*



Acute Diagnostic X-ray Injury



Acute Diagnostic X-ray Injury



Acute Diagnostic X-ray Injury



...and others?

- ▲ *Moderate doses of x-ray exposure may cause nervous system tumors, according to the J Natl Cancer Inst 2002;94:1555-1563*
- ▲ *Some cancers may be due to diagnostic x-rays... Lancet 2004;363:340-341,345-351*
- ▲ *Radiation induced cancers do not become manifest disease until after a latent period of up to as much as 35 years post exposure*

