

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 SL&C 12629

25-LS1092\K  
Luckhaupt  
2/4/08

**CS FOR SENATE BILL NO. 196(L&C)**

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

**TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE LABOR AND COMMERCE COMMITTEE**

**Offered:  
Referred:**

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

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to establishing a controlled substance prescription database."**

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

3 **\* Section 1. AS 08.80.030(b) is amended to read:**

4 (b) In order to fulfill its responsibilities, the board has the powers necessary  
5 for implementation and enforcement of this chapter, including the power to

6 (1) elect a president and secretary from its membership and adopt rules  
7 for the conduct of its business;

8 (2) license by examination or by license transfer the applicants who are  
9 qualified to engage in the practice of pharmacy;

10 (3) assist the department in inspections and investigations for  
11 violations of this chapter, or of any other state or federal statute relating to the practice  
12 of pharmacy;

13 (4) adopt regulations to carry out the purposes of this chapter;

14 (5) establish and enforce compliance with professional standards and  
15 rules of conduct for pharmacists engaged in the practice of pharmacy;

1 (6) determine standards for recognition and approval of degree  
2 programs of schools and colleges of pharmacy whose graduates shall be eligible for  
3 licensure in this state, including the specification and enforcement of requirements for  
4 practical training, including internships;

5 (7) establish for pharmacists and pharmacies minimum specifications  
6 for the physical facilities, technical equipment, personnel, and procedures for the  
7 storage, compounding, and dispensing of drugs or related devices, and for the  
8 monitoring of drug therapy;

9 (8) enforce the provisions of this chapter relating to the conduct or  
10 competence of pharmacists practicing in the state, and the suspension, revocation, or  
11 restriction of licenses to engage in the practice of pharmacy;

12 (9) license and regulate the training, qualifications, and employment of  
13 pharmacy interns and pharmacy technicians;

14 (10) issue licenses to persons engaged in the manufacture and  
15 distribution of drugs and related devices;

16 (11) establish and maintain a controlled substance prescription  
17 database as provided in AS 17.30.200.

18 \* Sec. 2. AS 17.30 is amended by adding a new section to read:

19 **Article 4A. Controlled Substance Prescription Database.**

20 **Sec. 17.30.200. Controlled substance prescription database.** (a) The  
21 controlled substance prescription database is established in the Board of Pharmacy.  
22 The purpose of the database is to contain data as described in this section regarding  
23 every prescription for a schedule IA, IIA, IIIA, IVA, or VA controlled substance under  
24 state law or a schedule I, II, III, IV, or V controlled substance under federal law  
25 dispensed in the state to a person other than an inpatient in a licensed health care  
26 facility. The Department of Commerce, Community, and Economic Development  
27 shall assist the board and provide necessary staff and equipment to implement this  
28 section.

29 (b) The pharmacist-in-charge of each licensed or registered pharmacy,  
30 regarding each schedule IA, IIA, IIIA, IVA, or VA controlled substance under state  
31 law or a schedule I, II, III, IV, or V controlled substance under federal law dispensed

1 by a pharmacist under the supervision of the pharmacist-in-charge, and each  
2 practitioner who directly dispenses a schedule IA, IIA, IIIA, IVA, or VA controlled  
3 substance under state law or a schedule I, II, III, IV, or V controlled substance under  
4 federal law other than those dispensed for an inpatient at a health care facility, shall  
5 submit to the board, by a procedure and in a format established by the board, the  
6 following information for inclusion in the database:

7 (1) the name of the prescribing practitioner and the practitioner's  
8 federal Drug Enforcement Administration registration number or other appropriate  
9 identifier;

10 (2) the date of the prescription;

11 (3) the date the prescription was filled and the method of payment;

12 (4) the name and address of the person for whom the prescription was  
13 written;

14 (5) the name and national drug code of the controlled substance;

15 (6) the quantity and strength of the controlled substance prescribed or  
16 dispensed;

17 (7) the name of the drug outlet dispensing the controlled substance;

18 (8) the name of the pharmacist or practitioner dispensing the controlled  
19 substance and other appropriate identifying information; and

20 (9) other relevant information as required by the board.

21 (c) The board shall maintain the database in an electronic file or by other  
22 means established by the board to facilitate use of the database for identification of

23 (1) prescribing practices and patterns of prescribing and dispensing  
24 controlled substances;

25 (2) practitioners who prescribe controlled substances in an  
26 unprofessional or unlawful manner;

27 (3) individuals who receive prescriptions for controlled substances  
28 from licensed practitioners and who subsequently obtain dispensed controlled  
29 substances from a drug outlet in quantities or with a frequency inconsistent with  
30 generally recognized standards of dosage for that controlled substance; and

31 (4) individuals who present forged or otherwise false or altered

1 prescriptions for controlled substances to a pharmacy.

2 (d) The database and the information contained within the database are  
3 confidential, are not public records, and are not subject to public disclosure. The board  
4 shall undertake to ensure the security and confidentiality of the database and the  
5 information contained within the database. The board may allow access to the  
6 database only to the following persons, and in accordance with the limitations  
7 provided and regulations of the board:

8 (1) personnel of the board regarding inquiries concerning licensees or  
9 registrants of the board or personnel of another board or agency regarding license  
10 inquiries concerning a practitioner;

11 (2) authorized board personnel or contractors as required for  
12 operational and review purposes;

13 (3) a licensed practitioner having authority to prescribe controlled  
14 substances, to the extent the information relates specifically to a current patient of the  
15 practitioner to whom the practitioner is prescribing or considering prescribing a  
16 controlled substance;

17 (4) a licensed or registered pharmacist having authority to dispense  
18 controlled substances, to the extent the information relates specifically to a current  
19 patient to whom the pharmacist is dispensing or considering dispensing a controlled  
20 substance;

21 (5) federal, state, and local law enforcement authorities may receive  
22 printouts of information contained in the database pursuant to a search warrant,  
23 subpoena, or order issued by a court establishing probable cause for the access and use  
24 of the information; and

25 (6) an individual who is the recipient of a controlled substance  
26 prescription entered into the database may receive information contained in the  
27 database concerning the individual on providing evidence satisfactory to the board that  
28 the individual requesting the information is in fact the person about whom the data  
29 entry was made and on payment of a fee set by the board under AS 37.10.050 that  
30 does not exceed \$10.

31 (e) The failure of a pharmacist-in-charge, pharmacist, or practitioner to submit

1 information to the database as required under this section is grounds for the board to  
2 take disciplinary action against the license or registration of the pharmacy or  
3 pharmacist or for another licensing board to take disciplinary action against a  
4 practitioner.

5 (f) The board may enter into agreements with tribal and military dispensers  
6 and practitioners in this state to submit information to and access information in the  
7 database subject to this section and the regulations of the board.

8 (g) The board shall notify the president of the senate and the speaker of the  
9 house of representatives if, at any time after the effective date of this Act, the federal  
10 government fails to pay the costs of the controlled substance prescription database.

11 (h) An individual who has submitted information to the database in  
12 accordance with this section may not be held civilly liable for having submitted the  
13 information. Nothing in this section requires or obligates a dispenser or practitioner to  
14 access or check the database before dispensing, prescribing, or administering a  
15 medication, or providing medical care to a person. Dispensers or practitioners may not  
16 be held civilly liable for damages for accessing or failing to access the information in  
17 the database.

18 (i) A person who intentionally discloses information in the database without  
19 authority or allows an unauthorized person access to the database commits a class A  
20 misdemeanor. A person who intentionally obtains unauthorized access to the database  
21 or alters or destroys information in the database without authority commits a class C  
22 felony.

23 (j) In this section,

24 (1) "board" means the Board of Pharmacy;

25 (2) "database" means the controlled substance prescription database  
26 established in this section;

27 (3) "pharmacist-in-charge" has the meaning given in AS 08.80.480.

# ALASKA STATE LEGISLATURE



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Senator\_Lyda\_Green@legis.state.ak.us

*Session:*

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-6600  
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Toll Free: 1-877-465-6601

**SENATOR LYDA GREEN**  
PRESIDENT OF THE SENATE

February 5, 2008

Senator Ellis, Chair  
Senate Labor and Commerce Committee

As requested by the Senate Labor and Commerce Committee I am happy to provide the following intent statement to be included with Senate Bill 196 as it continues to the next committee.

I would offer:

"It is the intent of the Legislature that the Alaska Prescription Drug Monitoring Program be funded with federal grants and state appropriations. It is not the intent of the Legislature that the professional users of the database absorb the costs of managing this public program through their license fees or other fee structure."

Sincerely,

A handwritten signature in cursive script that reads "Lyda Green".  
Lyda Green

# ALASKA STATE LEGISLATURE



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**SENATOR LYDA GREEN**  
PRESIDENT OF THE SENATE

Toll Free: 1-877-465-6601

February 5, 2008

Senator Ellis, Chair  
Senate Labor and Commerce Committee

Thank you for everyone's interest and participation in making this a better piece of legislation. Please contact my office if you have further comments or suggestions as this bill continues through the legislative process during the next weeks.

The following table describes the changes shown in version K of SB 196.

<b>SB 196 Version C</b>	<b>SB 196 CS (L&amp;C) Version K</b>
Page 1	No changes
Page 2	Note: it had been recommended to revisit the requirement for schedule I through V controlled substances to require only II through IV. <ul style="list-style-type: none"><li>• Schedule I is included because of Alaska's statutory designation for schedule I drugs.</li><li>• Schedule V remains because some of the low-dose drugs listed here are known to be taken with other controlled substances to create a more significant effect. In Alaska statute, schedule V includes certain cough syrups and steroids.</li></ul>
Page 3, Line 12	(4) was rewritten to remove the requirement to collect and report data on the person picking up the prescription
Page 3, Line 17 version C	(7) version C was eliminated because it duplicated the information collected under subsection (6) Following subsections were renumbered.
Page 4, Lines 3-5	Addition language added: "The board shall undertake to ensure the security and confidentiality of the database and the information contained within the database." Note: Specific data security requirements will be at the discretion of the Board of Pharmacy. It is generally recommended that the data

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follow NASPER standards for interoperability. The vendor contract for data collection should include approved standards, encryption, and internet security provisions as well as accountability and liability for data security. NASPER: National All Schedules Prescription Electronic Reporting Act of 2005

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Page 4, Line 20

Line 21 This paragraph was changed slightly to better represent the law enforcement access to the data.

Note: It had been requested that Medicaid (and potentially other government agencies) have access to the database. Medicaid will be able to access the data through the same means as other law enforcement by requesting a report from the Board of Pharmacy. Many concerns were voiced regarding allowing an investigative unit to have direct access. Access by request through the Board would be available for all government entities who regulate controlled substances as part of their regular duties.

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Page 5, Line 5

(f) version C has been replaced with:

"The board may enter into agreements with tribal and military dispensers and practitioners in this state to submit information to and access information in the database subject to this section and the regulations of the board."

Note: Currently, tribal and military providers are not required to follow the state's program because they follow federal mandate which supersedes state law.

The states of Maine, Oklahoma, Michigan, Oregon, and others have been approached by tribal or military health providers to request to be included in the PDMP.

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Page 5, Line 8

(g) version C has been moved to (i). (g) now reads:

"The board shall notify the president of the senate and the speaker of the house of representatives if, at any time after the effective date of this Act, the federal government fails to pay the costs of the controlled substance prescription database."

Note: This allows the legislature to plan for other means for funding without assuming the board would automatically increase license fees to database users. It is the intent of the legislature that this database be implemented as a tool for improving public service and that cost should not be assessed to prescribers and dispensers.

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Page 5, Line 11

Replaces version C subsection (f) with:  
"An individual who has submitted information to the database in accordance with this section may not be held civilly liable for having submitted the information. Nothing in this section requires or obligates a dispenser or practitioner to access or check the database before dispensing, prescribing, or administering a medication, or providing medical care to a person. Dispensers or practitioners may not be held civilly liable for damages for accessing or failing to access the information in the database."

Note: Although querying the database is not mandated, it is assumed that most prescribers and dispensers will find the information invaluable in evaluating the health care for their client. There may be instances in Alaska where a medical provider may not have access to the database to query information prior to treating an individual. E.g., Iditarod emergency.

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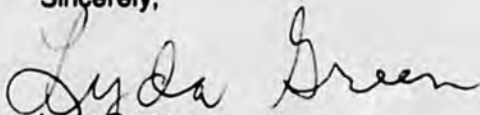
Page 5, Line 18

Originally subsection (g) in version C remains same language but is moved to subsection (i) in version K.

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We were asked to include some other drugs to the controlled substance list but have not recommended the changes in this legislation. SB 38 by Senator Therriault requests to include another drug to the controlled drug list. Other drugs may be best included in this bill rather than SB 196 that is dealing with a drug monitoring database.

Sincerely,

  
Lyda Green

# ALASKA STATE LEGISLATURE



**Interim:**

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**Session:**

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## SENATOR LYDA GREEN SENATE DISTRICT G

January 25, 2008

To All Those Interested,

This letter is written in response to general concerns I've received in the past week regarding Senate Bill 196 "The Prescription Drug Monitoring Program" and database.

### Additional Information Gathering Requirements

Concerns regarding collecting information of the individual who actually picks up the prescription is certainly up for discussion when the bill is heard in committee. The requirement to include this information was added under recommendation by other states who have implemented a PDMP. Other states have found great success in reducing prescription drug diversion by collecting information on the person who picks up the prescription.

I am aware that there may be concerns by individuals such as home health aides, respite workers and family members who are assisting home-bound individuals. I do not want to create a sense of fear or privacy invasion for those who are legitimately trying to be helpful. I also do not want to increase the workload for pharmacies.

### Continued Funding

Concerns are certainly valid when it comes to stable funding for state and federal programs. We are confident that the funding for Alaska's Prescription Drug Monitoring Program would be paid for out of the Harold Rogers federal grant and that Alaska would soon realize significant savings in the Medicaid program, by health insurers and for investigation costs. The Harold Rogers federal grant has been available for seven years.

The first phase of a PDMP is eligible to receive a \$50,000 federal grant. The Department of Commerce, Community and Economic Development has already received phase one grant funding and has used the grant for the professional licensing investigator to learn more about PDMP for Alaska.

The second phase is implementing a PDMP and Alaska can apply for a \$400,000 Harold Rogers federal grant. The cost of managing a PDMP is estimated to be less than \$300,000 annually for Alaska while the first year may be more expensive. The program cost will include the computer programming and data storage and security costs with no cost incurred by the dispensers or other data users. We believe that the savings and improved health care for Alaskans would fully support continued state funding in the event federal

funds were no longer available. We do not anticipate any costs being passed on to the system users. A fiscal note will accompany the legislation.

Initial year costs are typically greater than continuing years. We anticipate that purchasing software licenses and the initial contracts will be more expensive in the first year. Program maintenance costs should not exceed \$300,000. Costs to implement and manage this program in the first year are approximately:

\$125,000	One FTE range 18 investigator
\$10,000	Travel
\$250,000	Contractual (computer contracts plus office misc.)
\$5,000	Supplies
<u>\$10,000</u>	<u>Lease / Capital Outlay</u>
<b>\$400,000</b>	<b>Total</b>

**Additional Provision Requested to be Considered:**

I have been asked about protection of doctors and pharmacists if they do not use the database for every or any patient. I am looking into language that may be considered regarding liability for a doctor who may not use the database in every circumstance. Similar language was included in PDMPs for the states of Ohio, Oklahoma and Alabama.

“Nothing shall require or obligate a dispenser or prescriber to access or check the information in the drug monitoring program prior to dispensing, prescribing, or administering medications or as part of their professional practice. Dispensers and prescribers shall not be liable to any person for any claim of damages as a result of accessing or failing to access the information in the drug monitoring program and no lawsuit may be predicated thereon.”

**Tribal and Military Health Agency Reporting:**

Although we would like tribal and military health entities to report, they are exempt from state law through the Indian Health Service and Veterans' Administration respectively. Several states have negotiated agreements with the tribes and military facilities to voluntarily report to the state PDMPs. (WV, OH and KY military and WY and OK tribal)

The bottom line is that they can voluntarily report but no federal agency has required state reporting so far. With the federal attention to prescription drug diversion, reporting may be coming.

## **HIPAA requirements for patient confidentiality**

A few individuals and organizations have expressed concern regarding patient confidentiality and the federal requirements for HIPAA. The following is a copy from the Electronic Code of Federal Regulations and addresses the exception from HIPAA rules. Senate Bill 196 restricts accessibility to the data to individuals who are approved by the Alaska State Board of Pharmacy and the Alaska Board of Pharmacy will certainly develop the database with data integrity and security as a key component.

*"Department of Health and Human Services, Office for Civil Rights  
Notice of Address for submission of requests for preemption exception determinations*

*This notice advises that, in accordance with the requirements of 45 CFR 160.204(b), a request to except a provision of state law from preemption by a federal standard, requirement, or implementation specification adopted under the Administrative Simplification title of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, must be submitted in writing.*

### ***General Rule and Exceptions.***

*A standard, requirement, or implementation specification adopted under this subchapter that is contrary to a provision of State law preempts the provision of State law. This general rule applies, except if one or more of the following conditions is met:*

*(a) a determination is made by the Secretary under CFR 160.204 that the provision of State law*

*(1) is necessary:*

*(i) to prevent fraud and abuse related to the provision of or payment for health care;*  
*(iv) for purposes of serving a compelling need related to public health, safety, or welfare, and, if a standard, requirement, or implementation specification under part 164 of this subchapter is at issue, if the Secretary determines that the intrusion into privacy is warranted when balanced against the need to be served; or*

*(2) has as its principal purpose the regulation of the manufacture, registration, distribution, dispensing, or other control of any controlled substances (as defined in 21 USC 8802) or that is deemed a controlled substance by State law."*

## **In Closing**

Prescription drug data will continue to be available only to entities that **ALREADY** have the right to obtain it under state law. This database is a tool that will assist in prescribing and dispensing practices and to improve health care for Alaska's citizens.

If you have further concerns or suggestions for improvement, please do not hesitate to contact me or Ginger Blaisdell in my office and we'll be happy to talk with you.

Sincerely,

*Lyda Green*

## **Ohio's Prescription Drug Monitoring Program (PDMP)**

**Name of Program:** Ohio Automated Rx Reporting System (OARRS)

**Overseeing Agency:** Ohio State Board of Pharmacy

**Year Original Program Established:** 2006

**Schedules Monitored:** Schedules II, III, IV, and V, + Carisoprodol and Tramadol

**Number of Prescriptions Collected Annually:** 18 million

**Number of Controlled Substances Dispensers:** 2,846

**Data Collection:** Twice per month

**Requests for Reports:** 2,000 per week

**Who Requests Reports:** 68% Prescribers  
24% Pharmacists  
8% Law Enforcement

**Operating Costs:** Not available

### **Harold Rogers Prescription Drug Monitoring Program Grants Awarded:**

(Administered by the Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice)

Fiscal Years 2003, 2005, and 2006

**Contact:** Danna Droze, PMP Administrator

(614) 466-4143

info@ohiopmp.gov

**Website:** <http://www.ohiopmp.gov/>

### **Statute & Regulation Citation:**

OHIO REV. CODE ANN. §§ 4729.75 to 4729.84 (West 2006).

OHIO ADMIN. CODE §§ 4729-37-02 to 4729-37-10 (2006).

Ohio's program started initial data collection in May 2006 and allowed 24/7 access to reports from the database in October 2006. In March 2007, the program will implement security and reliability enhancements and begin electronic communication with clients in May 2007. During 2007-2009, OARRS will participate in a data sharing project.

© 2007 NATIONAL ALLIANCE FOR MODEL STATE DRUG LAWS. 700 North Fairfax Street, Suite 306, Alexandria, VA 22314. Phone: (703) 836-6100. The numbers reported in this summary are estimates based on available information. Research current through March 12, 2007.

This project was supported by grants awarded (Awards No. 2003-PM-BX-K001 and 2005-PM-BX-K014) to the National Alliance for Model State Drug Laws through the Harold Rogers Prescription Drug Monitoring Grant Program administered by the Bureau of Justice Assistance, Office of Justice Programs.

**OHIO Automated Rx Reporting System**  
77 South High Street, Room 1702; Columbus, OH 43215-6126

-Equal Opportunity Employer and Service Provider-

TEL: 614/466-4143 E-MAIL: [info@ohiopmp.gov](mailto:info@ohiopmp.gov) FAX: 614/644-8556  
TTY/TDD: Use the Ohio Relay Service: 1-800/750-0750 URL: <http://www.ohiopmp.gov>

**Patient Rx History Report**

**JOHN TESTDATA**

DATE: 1/29/08  
Page 1 of 2

Search Criteria: (Last Name = 'TestData' And First Name = 'John') And (D.O.B. = '1/1/1960') And Zip = '43215' And State = 'OH' and Request Period = '1/1/2007 12:00:00AM' to '1/29/2008 12:00:00AM'

**Prescriptions**

Date	Drug	QTY	UNIT	PRESCRIBER	DATE	PHARMACY	INSURANCE	PHARMACY	REFILL
8/27/2007	OXYCONTIN 80 MG TER	90	30 1291	REH SA	8/27/2007	2009633	N	ACME08	M2
8/17/2007	APAP/OXYCODONE 325 MG-5 MG TAB	15	3 1285	GOD HE	8/17/2007	00653012	N	CVS3355	M2
7/11/2007	ENDOCET 325 MG-10 MG TAB	120	30 1288	MUN MU	7/11/2007	02030456	N	W-G2694	M1

N/R: N=New R=Refill

Pay: I=Insurance C=Cash M1=Medicare M2=Medicaid WC=Workers Comp CI=Commercial PBM Insurance U=Unknown

5

**Prescribers for prescriptions listed**

GOD HE HEATHER GODALE R; , 447 MALVERN RD., AKRON OH 44303  
MUN MU MUHAMMAD MUNIR AHMED, MD; DEPT OF ANESTHESIA, 231 ALBERT SABIN WAY, ML 531, CINCINNATI OH 45219  
REH SA SAIF REHMAN UR, MD; , 224 WEST EXCHANGE STREET, SUITE 310, AKRON OH 44302

**Pharmacies that dispensed prescriptions listed**

ACME08 THE FRED W ALBRECHT GROC CO; , DBA: ACME PHARMACY 6, 3200 GREENWICH ROAD, NORTON OH 44203, PHONE (330) 825-2573  
CVS3355 REVCO DISCOUNT DRUG CTRS, INC; , DBA: CVS/PHARMACY #3355, 4195 S. CLEVELAND-MASSILLON ROAD, NORTON OH 44203, PHONE (330) 825-2436  
W-G2694 WALGREEN CO.; DBA: WALGREENS # 02694, 385 NORTHLAND BLVD., SPRINGDALE OH 45246. PHONE (513) 825-6446

**Patients that match search criteria**

1285 JOHN TESTDATA, DOB 1/1/1960; 456 SOUTH AVE, COLUMBUS OH 43215  
1288 JOHN TESTDATA, DOB 1/1/1960; 123 MAIN ST, COLUMBUS OH 43215  
1290 JOHN TESTDATA, DOB 1/1/1960; 234 BOULEVARD ST, PICKERINGTON OH 43147  
1291 JOHN TESTDATA, DOB 1/1/1960; 345 NORTH RD, REYNOLDSBURG OH 43068

**Disclaimer:** The State of Ohio does not warrant the above information to be accurate or complete. The Report is based on the search criteria entered and the data entered by the dispensing pharmacy. For more information about any prescription, please contact the dispensing pharmacy or the prescriber.

# OHIO Automated Rx Reporting System

77 South High Street, Room 1702; Columbus, OH 43215-6126

-Equal Opportunity Employer and Service Provider-

TEL: 614/466-4143

E-MAIL: [info@ohiopmp.gov](mailto:info@ohiopmp.gov)

FAX: 614/644-8568

TTY/TDD: Use the Ohio Relay Service: 1-800/750-0750

URL: <http://www.ohiopmp.gov>

## Patient Rx History Report

**BETTY TESTPATIENT**

DATE: 1/29/08

Page 1 of 1

Search Criteria: (Last Name = 'TestPatient' And First Name = 'Betty' ) And D.O.B. = '1/1/1970' And Zip = '43215' And State = 'OH' and Request Period = '1/1/2007 12:00:00AM' to '1/29/2008 12:00:00AM'

### Prescriptions

9/5/2007	ALPRAZOLAM 1 MG TAB	120	30	1287	BAR	9/5/2007	04077535	N	RALEY	C
9/5/2007	ALPRAZOLAM 1 MG TAB	120	30	1287	BAR	9/5/2007	04077535	N	RALEY	C
7/12/2007	ALPRAZOLAM 1 MG TAB	120	30	1287	BAR	7/12/2007	04076995	N	RALEY	C
7/12/2007	ALPRAZOLAM 1 MG TAB	120	30	1287	BAR	7/12/2007	04076995	N	RALEY	C

NR: N=New R=Refill

Pay: I=Insurance C=Cash M1=Medicare M2=Medicaid WC=Workers Comp CI=Commercial PBM Insurance U=Unknown

### Prescribers for prescriptions listed

ANT DE DENNIS ANTHONY M, MD; , 5971 GOLF CLUB LANE,, HAMILTON OH 45011

BAR BARBERTON HEALTH SYSTEM, LLC; DBA BARBERTON CITIZEN; HOSP, DEPT OF PHARMACY, 155 FIFTH STREET, NE, BARBERTON OH 44203

### Pharmacies that dispensed prescriptions listed

HUGHES HUGHES PHARMACY; , 302 MAIN ST,, HAMILTON OH 45013, PHONE (513) 868-1199

RALEY RALEY DRUG STORE, INC; , 1760 GOODYEAR BLVD,, AKRON OH 44305, PHONE (330) 784-3527

W-G2694 WALGREEN CO ; DBA: WALGREENS # 02694, 385 NORTHLAND BLVD,, SPRINGDALE OH 45246, PHONE (513) 825-6446

### Patients that match search criteria

1287 BETTY TESTPATIENT, DOB 1/1/1977; 123 BROADWAY, COLUMBUS OH 43215

1289 BETTY TESTPATIENT, DOB 1/1/1970; 234 WEST ST, WESTERVILLE OH 43081

**Disclaimer:** The State of Ohio does not warrant the above information to be accurate or complete. The Report is based on the search criteria entered and the data entered by the dispensing pharmacy. For more information about any prescription, please contact the dispensing pharmacy or the prescriber.

Testimony of Patricia Senner MS, RN, ANP  
Alaska Nurses Association  
SB 196  
January 26, 2008

Members of the Senate Labor and Commerce Committee, my name is Patricia Senner, and I am a Nurse Practitioner and chair of the Alaska Nurses Association's Legislative Committee.

Over the last several years the Nurses Association Legislative Committee and other nurses have been debating the pro's and con's of establishing a controlled substance prescription database. Outlined below are some of our thoughts.

We see the positive side of a controlled substance prescription database being that it can help prevent individuals from becoming addicted to prescription-controlled substances, especially pain medications. At present, when a patient comes to an office seeking help in controlling their pain, a health-care practitioner has no way of knowing from whom the individual has previously obtained pain medications. We have to rely on the history given to us by the patient, which in the case of addicts, is frequently incorrect. A controlled substance prescription database would allow health-care providers to confirm the information provided to them by the patient and so avoid unknowingly contributing to a patient's addiction.

Our main concerns about the establishment of a controlled substance database are related to the loss of a patient's confidentiality concerning their personal health and treatments they are receiving. How can safeguards be put in place to keep inappropriate individuals from accessing this database and going "fishing" for information about individuals they are not currently treating? Licensed health-care professionals often use unlicensed health care workers to collect data about patients for them. What is to keep a person from going to look for prescription data on someone famous, or perhaps a family member or colleague? Even more alarming is the prospect of someone going fishing on the database so they would know into which homes to enter and obtain controlled substances.

Another question is what criteria are going to be used to determine whether a health-care provider is abusing his or her prescriptive privileges. I prescribe almost no controlled substances, yet many of my Nurse Practitioner colleagues are involved in hospice care and pain management. Will health-care providers be afraid to adequately treat the pain experienced by their patients because of fear of being accused of prescribing too much medication?

Testimony of Patricia Senner MS, RN, ANP  
SB 196  
January 29, 2008  
Page Two

We also have concerns about including information in the database about who picks up medications. Will family members be reluctant to pick up pain medications for relatives for fear of being labeled drug seekers? Each year I pick up more pain medication for the patients I work with than I prescribe, because the nearest pharmacy is two miles away from where I work. What about the individuals who pick up medications for assistive living homes or the Pioneer's Home? How can you tell when someone is misusing the medications they are picking up for someone else?

In order to address some of the concerns I have expressed about privacy, I recommend that the data available to private health-care providers be minimal. Just knowing that a patient has recently received a prescription for a controlled substance from another health care provider is enough data to alert me to be cautious. I don't necessarily need to know what was prescribed, just by whom and when. That way if I want more information I can get a release of information from the patient. An important piece of information to include in the database is whether the patient is on a pain contract with a health-care provider.

If done properly, the controlled substance prescription database could be a valuable tool in curbing the abuse of prescription drugs. We look forward to working with the Legislature to develop a system that helps prevent addictions and protects the privacy of the individual patients.



## Alaska Pharmacists Association

January 21, 2008

Senator Lyda Green  
State Capitol Rm. 111  
Juneau, AK 99801

Dear Senator Green,

The Alaska Pharmacists Association represents over 200 licensed pharmacists and pharmacy technicians in the State of Alaska. We appreciate your efforts and concerns regarding prescription drug misuse and diversion of controlled substances in Alaska. Everyday pharmacists across the state make hundreds of calls and interventions to verify the authenticity and appropriateness of prescribed medications. Most of these calls are in an effort to prevent drug misuse and promote appropriate use. The implementation of a controlled substance database in Alaskan as suggested by SB 196 could aid Alaskan pharmacists in their efforts but we have concerns about the bill as currently written.

First, we understand that federal funding will cover the initial start-up costs, however we remain concerned that the on-going costs for administration of the program by the Board of Pharmacy will be borne by the registrants (i.e. pharmacies and personnel). We would specifically like to see this on-going funding issue addressed in the legislation.

Secondly, the legislation in section 17.30.200(b)(3) specifies that the name and address of the person picking up the prescription be included in the database. Currently, most pharmacy software dispensing systems have the ability to capture a signature of the person picking up the prescription but no link to a name/address except to that of the patient. To require pharmacies to provide this data would mean a mountain of additional paperwork at both the pharmacy and Board of Pharmacy level. We oppose this requirement, as we know of no other monitoring program with this mandate.

Thirdly, the legislation in section 17.30.200(b) specifies that each licensed or registered pharmacy will report to the database. Does this requirement mean that even federally affiliated pharmacies (e.g. military and native health) with D.E.A. licenses will report data? Without said pharmacies reporting there will be a significant number of prescriptions not being tracked and therefore the database will not be all-inclusive.

E-mail: [akpharmacy@alaska.net](mailto:akpharmacy@alaska.net)

---

4107 Laurel Street, Suite 101 • Anchorage, Alaska 99508 • (907) 563-8880 • (907) 563-7880

Please be assured that our association is supportive of efforts to prevent prescription drug misuse/abuse in Alaska and nationally. As mentioned in your power point presentation on SB 196, we are most appreciative of initiatives that "are aimed at upholding statutory mandates in a manner that is most supportive of and least disruptive to medical and pharmacy practice."

We look forward to addressing our concerns with you on this legislation and once again we appreciate your past support of pharmacy in Alaska.

Sincerely,

*Barry Christensen, RPh*

Barry Christensen, Pharmacist

Co-Chair Legislative Committee

CC: Nancy Davis, Executive Director  
Dirk White, Co-Chair

E-mail: [akpharmacy@alaska.net](mailto:akpharmacy@alaska.net)

4107 Laurel Street, Suite 101 • Anchorage, Alaska 99508 • (907) 563-8800 • (907) 563-7800

**SB**

**2009**

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 1/16/08

FURTHER: Finance

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 2/21/08

Labor and Commerce Committee considered SENATE BILL NO. 209

**SB 209 EXTEND ALASKA COMMISSION ON AGING**

"An Act extending the termination date of the Alaska Commission on Aging; and providing for an effective date."

and recommends:

- be replaced with  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

<b>SENATE BILL:</b>
<input type="checkbox"/> Same Title
<input type="checkbox"/> New Title
<hr/>
<b>HOUSE BILL:</b>
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change
<input type="checkbox"/> New Title w/ SCR # _____

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Index	Zero	FN#
DHSS	2/17/08	✓			

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Index	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	Bunde	✓			
B DAVIS	DAVIS	✓			
CHAIR: <i>[Signature]</i>	ELIIS	✓			

# Alaska State Legislature

Interim: (May - Dec.)  
716 W. 4<sup>th</sup> Ave  
Anchorage, AK 99501  
Phone: (907) 269-0144  
Fax: (907) 269-0148



Session: (Jan. - May)  
State Capitol, Suite 30  
Juneau, AK 99801-1182  
Phone: (907) 465-3822  
Fax: (907) 465-3756  
Toll free: (800) 770-3822

Senator Bettye Davis@legis.state.ak.us  
<http://www.akdemocrats.org>

## Office of Senator Bettye Davis

January 23, 2008  
Senator Johnny Ellis, Chair  
Senate Labor & Commerce Committee  
State Capitol Building, Room 9  
Juneau, Alaska 99801

### RE: REQUEST FOR HEARING:

**Senate Bill 209 "An Act extending the termination date of the Alaska Commission on Aging; and providing for an effective date."**

Dear Senator Ellis,

Senator Davis respectfully requests a hearing in the Senate Labor & Commerce Committee concerning SB 209 to extend the termination date of the Alaska Commission on Aging. Attached is the following information:

1. Sponsor Statement
2. Current version of SB 209 [25-LS1240\A]
3. Additional documentation:
  - a. Table of Contents and Executive Summary of Alaska State Plan for Senior Services FY 2008-FY2011.
  - b. Letter of Approval of four-year Alaska State Plan for Senior Services by Frank Appel, Chair, Alaska Commission on Aging, dated May 3, 2007.
  - c. Letter of Approval of four-year Alaska State Plan for Senior Services by Karleen K. Jackson, Commissioner, Alaska Department of Health & Social Services dated May 3, 2007
  - d. Letter of Approval of four-year Alaska State Plan for Senior Services by Josephina G. Carbonell, Assistant Secretary, Office of the Administration on Aging, US Department of Health & Human Services, dated June 26, 2007.

Please let me know if you require additional information.

  
Thomas S. Obermeyer  
Legislative Administrative Assistant

# Alaska State Legislature

*Interim: (May - Dec.)*  
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Senator\_Betty\_Davis@legis.state.ak.us  
<http://www.akdemocrats.org>

## Office of Senator Bettye Davis

### Sponsor Statement

**Senate Bill 209 "An Act extending the termination date of the Alaska Commission on Aging; and providing for an effective date."**

---

SB 209 extends the termination date of the Alaska Commission on Aging until June 30, 2016. Established under AS 44.21.200 in 1982, the Alaska Commission on Aging provides needed services and advocates for senior citizens through state policy, public and private partnerships, state/federal projects, and citizen involvement. Charged with planning, advocacy, and education on behalf of the needs and concerns of seniors and their caregivers, the Alaska Commission on Aging is comprised of an 11-member board staffed by an executive director, two planners, an administrative assistant, and during FY 2007, a student intern. Administered under the Alaska Department of Health and Social Services, the Commission is directed by statute to make recommendations to the Governor, the administration, and the legislature with respect to legislation, regulations, and appropriations for programs and services benefiting older Alaskans; to develop a comprehensive state plan for senior services as required for states receiving funding under the Older Americans Act of 1965; and to advise and work with the Alaska Mental Health Trust Authority and Trust beneficiary boards to identify issues, propose projects, and recommend funding. Grant funds of the Older Americans Act are administered by the Division of Senior & Disabilities Services.

The purpose of the Alaska Commission on Aging is to improve the quality of life, services, and support for seniors as they age. Objectives include helping seniors attain and maintain personal and financial independence at the highest level for as long as possible and promoting their physical, mental, spiritual, and emotional health. In addition, the Commission tries to help seniors remain in their own homes or chosen communities in the least restrictive settings, while keeping them connected to their families and informed and helpful in their communities.



STATE OF ALASKA

OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT Health & Social Services	DIVISION Senior & Disability Services	BILL NUMBER SB 209	SPONSOR DAVIS
SHORT TITLE OF BILL EXTEND ALASKA COMMISSION ON AGING			
DEPARTMENT POSITION Support			
PREPARED BY Joanne Gibbens	DATE 01/16/2008	COMMISSIONER'S SIGNATURE Karleen Jackson	DATE 02/17/2008

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Alaska Commission on Aging	CONSTITUENT GROUP(S) AFFECTED BY BILL Seniors
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL none known

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

**BACKGROUND/LEGISLATIVE INTENT**  
 Under Alaska statute 44.66.050, a number of boards and commissions have expiration dates. The Alaska Commission on Aging (ACoA) has an expiration date of June 30, 2008. In accordance with Alaska Statutes as part of the legislative oversight responsibility, the Division of Legislative Audit conducted a sunset review of the commission during 2007. The purpose of this review was to assess the demonstrated public need for the continuation of the Commission.

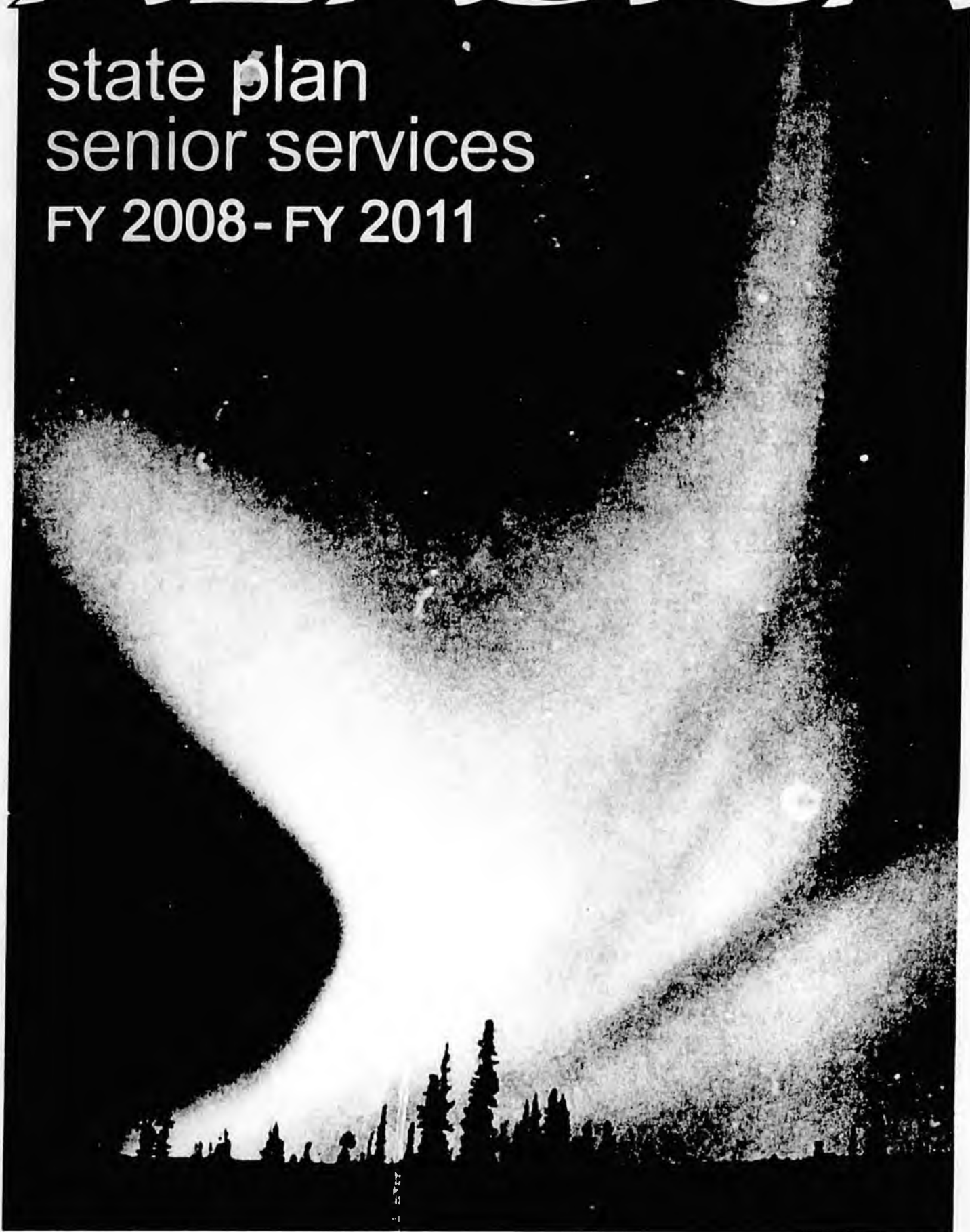
**ANALYSIS OF BILL/PROGRAM EFFECTS**  
 The Division of Legislative Audit determined that the ACoA is "helping older Alaskans lead dignified, independent, and productive lives." The audit recommended the legislature adopt legislation extending ACoA's termination date to June 30, 2016. SB 209 makes that amendment.  
  
 Section 306(a)(D) of the Older American's Act (OAA) requires the establishment of an advisory council consisting of older individuals who are participants or who are eligible to participate in programs assisted under this Act. Federal funding, made available to the State under OAA, is contingent on satisfying this requirement. ACoA satisfies this federal requirement. The department supports SB 209 in that it will enable the ACoA to continue its function as an advisory council that plans, educates and advocates for Alaska's seniors.

**AMENDMENTS PROPOSED**

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

# ALASKA

state plan  
senior services  
FY 2008 - FY 2011



**State of Alaska  
Department of Health & Social Services**

**ALASKA COMMISSION ON AGING  
State Plan for Senior Services**

**FY 2008 – FY 2011  
(July 1, 2007 – June 30, 2011)**

**Sarah Palin, Governor  
State of Alaska**

**Karleen K. Jackson, Ph.D., Commissioner  
Alaska Department of Health & Social Services**





**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Office of the Assistant Secretary  
Administration on Aging

Washington D.C. 20201

JUN 26 2007

The Honorable Sarah Palin  
Governor of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0001

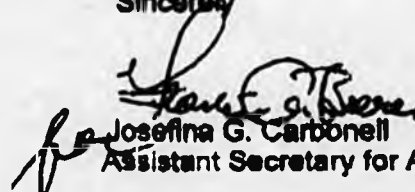
Dear Governor Palin:

It is my pleasure to inform you that the four-year Alaska State Plan for Senior Services beginning July 1, 2007 through June 30, 2011 is approved. It is a comprehensive document that integrates Older Americans Act requirements with the extensive, collaborative plans produced by the inter-agency State Plan Advisory Committee.

I am particularly pleased by the efforts of the Alaska Commission on Aging in involving seniors, the public and providers as well as state agencies in the development and public review of the plan. This proactive strategy will enhance Alaska's continuing development of its service delivery system with an emphasis on choices for older individuals.

The Regional Office staff of the U.S. Administration on Aging in Seattle and I look forward to working with you in the implementation of the State Plan. If you have questions of concerns, please do not hesitate to contact us. I appreciate your dedication and commitment toward improving the lives of older persons in Alaska.

Sincerely

  
Josefina G. Carbonell  
Assistant Secretary for Aging

**ALASKA  
DEPARTMENT OF HEALTH & SOCIAL SERVICES  
STATE PLAN FOR SENIOR SERVICES  
APPROVAL**

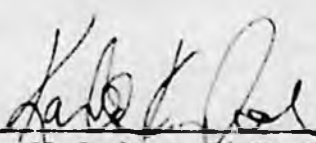
The Alaska Department of Health & Social Services (DHSS) hereby submits the Alaska State Plan for Senior Services for the period of July 1, 2007 through June 30, 2011 (State fiscal years 2008 through 2011). Governor Sarah Palin has designated the Department of Health & Social Services as Alaska's sole state agency on aging. The Alaska Commission on Aging within DHSS has been authorized by Alaska Statute [(AS 47.45.240(a) (1))] to develop the state plan on aging in accordance with the provisions of the Older Americans Act and its amendments. The plan, as submitted, documents the needs of older Alaskans and establishes direction for the coordination of all State activities related to seniors, with an emphasis on those efforts related to the Older Americans Act, including the development of a comprehensive and coordinated system for the delivery of supportive services.

The Plan, as submitted, has been developed in accordance with all federal statutory and regulatory requirements.

*The State Plan for Senior Services is hereby approved by the Commissioner of the Department of Health & Social Services, as the Governor's designee, and constitutes authorization to proceed with activities under the Plan upon approval by the Assistant Secretary for Aging.*

*I hereby approve this State Plan and am pleased to present it to Alaskans.*

5/3/07  
Date

  
\_\_\_\_\_  
Karleen K. Jackson, Ph.D., Commissioner  
Alaska Department of Health & Social Services


**ALASKA COMMISSION ON AGING  
STATE PLAN FOR SENIOR SERVICES  
APPROVAL**

*The State Plan for Senior Services is hereby approved by the Alaska Commission on Aging, as the agency authorized by the Commissioner of the Department of Health & Social Services and by Alaska Statute [(AS 47.45.240(a)(1))] to develop the state plan on aging in accordance with the provisions of the Older Americans Act and its amendments.*

**Frank Appel, Chair**  
**Michael Black, Designee, Department of Commerce, Community & Economic Development**  
**Lillian Boen-Kasnick**  
**Patricia Branson**  
**Sharon Howerton-Clark**  
**Betty Keegan**  
**Banarsi Lal**  
**Rod Moline, Designee, Department of Health & Social Services**  
**Iver Malutin**  
**Paula Pawlowski**  
**Edward Zastrow**

Date

3/07

  
Frank Appel, Chair  
Alaska Commission on Aging

**Alaska's State Plan for Senior Services,  
FY 2008 – FY 2011  
May 1, 2007**

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## Executive Summary

As the state with the highest proportion of baby boomers (32%), Alaska will find its senior population growing faster than almost any other state as that group reaches its senior years. While in the past many Alaskans chose to leave the state after retirement, more and more retirees now prefer to remain here. By 2030, the proportion of seniors 65+ will double to comprise 13% of the Alaska population, with those age 60+ making up 17%. The oldest group of seniors, those age 85+, is expected to almost triple during the next 25 years, vastly increasing the number of Alaskans living with Alzheimer's disease and related disorders (ADRD).

While census data do not show high levels of poverty among Alaska seniors, the census does not consider differences in cost of living among different areas of the country. The most financially vulnerable groups of seniors typically include widowed and divorced women, Alaska Natives and other racial minorities, high-school dropouts, people not eligible for Social Security benefits (perhaps due to a subsistence lifestyle), those with a limited work history, and the oldest seniors (whose fixed incomes have taken a beating from inflation over the years).

Surprisingly to some who may view seniors as a liability to the state, retired Alaskans constitute one of the largest and healthiest sectors of Alaska's economy. In 2004, according to the University of Alaska Institute for Social and Economic Research, retired Alaskans age 60 and older contributed almost \$1.5 billion to the state's economy, primarily from retirement income and health care spending. This was roughly ten times the total cost of State programs targeting seniors. Senior spending provides a large economic multiplier effect in local communities, and many other advantages, including a high volume of local spending, a diverse job mix, a low level of seasonality, stability from year to year (not dependent on fluctuating world market conditions), an environmentally benign footprint, compatibility with other industries, non-enclave location (not concentrated in remote rural areas), and economies of scale which reduce costs for all Alaskans, particularly in health care services.

Alaskan seniors have a lower age-adjusted death rate than U.S. seniors overall. While more older Alaskans smoke, drink heavily, and binge drink, as a group they are more likely to eat plenty of fruits and vegetables, engage in physical activity, and describe themselves as being in good health. Falls are the leading cause of non-fatal injuries requiring hospitalization for every age group in Alaska, but serious injuries from falls increase dramatically in the senior population. Sadly, suicide rates among older Alaskans are considerably higher than national averages, though suicide does not constitute a leading cause of death here. Top causes of death in the older age groups in Alaska include cancer, heart disease, cerebrovascular disease, chronic lower respiratory disease, and Alzheimer's disease.<sup>1</sup>

Challenges on the horizon for older Alaskans include income insecurity, the

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<sup>1</sup> Alaska Bureau of Vital Statistics

need for more reliable access to health care and long-term care supports, a looming physician shortage, absence of geriatric education among providers, a shortage of a sufficient senior services and health care services workforce to meet future needs, the need for emergency preparedness for a wide range of potential disasters, and soaring energy and utility costs.

The State of Alaska provides a wide range of programs and services addressed to seniors, spanning multiple divisions and departments. Funds from the Older Americans Act as well as State general funds and resources from the Alaska Mental Health Trust Authority and other federal, State, and non-governmental sources help to pay for these services, many of which are provided through grant agreements with local non-profit service agencies. While the services and benefits available to Alaska seniors are impressive, increasing strain on the state's services system from the burgeoning senior population is inevitable, and demands advance planning (in particular the creation of a long-term care strategic plan) as well as a coordinated advocacy effort to obtain increased funding for senior needs.

This state plan focuses on six overall goals, with their respective objectives and recommended strategies. The goals cover keeping seniors healthy, active, and involved in their communities; ensuring access to an integrated array of health and social supports along the continuum of care; supporting families in their efforts to care for loved ones at home and in the community; providing a range of adequate, accessible, secure and affordable housing options for seniors; supporting a stable senior services and health care workforce as well as a range of attractive employment opportunities for seniors; and ensuring that older Alaskans are safe from catastrophic events and protected from personal exploitation, neglect, and abuse. For each year of the plan's coverage, an annual implementation plan will be created by all interested senior organizations, with each committing to work on specific strategies outlined in the plan.

While similar weighting factors (total number of seniors, seniors age 80+, minority seniors, poverty-level seniors, and rural seniors) have been used in the funding framework for this state plan as in the previous (FY 2003 – FY 2007) plan, seniors' demographic patterns have shifted substantially since the 2000 census. While no region of the state is seeing an actual decrease in its number of seniors, some regions are growing at a much faster rate than others. Railbelt census areas (those along the central rail corridor of the state, especially the Kenai Peninsula Borough, the Matanuska-Susitna Borough, Anchorage, and Fairbanks North Star Borough) are experiencing an influx of seniors from out-of-state and from more rural, remote regions of Alaska. Older Alaskans may move to more populated areas to obtain services or to be closer to relatives. In order to avoid the shock of a dramatic fund shift for some regions in the first year of this plan and to give those regions slated for a loss of funding the opportunity to seek other resources, the State will continue to use the FY 2003 – FY 2007 funding allotments during FY 2008 and FY 2009; in FY 2010, allocations will reflect 50% of the change dictated by the new funding framework, and by FY 2011 100% of the fund shifts will be implemented.

**The coming quarter-century will usher in a dramatic period of growing need for senior services in Alaska. Nevertheless, seniors' many contributions to the state and its economy are recognized, and the State considers it a privilege to plan for and provide the services needed to preserve their quality of life. Alaska's State Plan for Senior Services, FY 2008 – FY 2011 presents a wide-ranging, inclusive vision to guide the effort to provide those services in a respectful manner that upholds the dignity and independence of older Alaskans.**



**SB**

**230**

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 1/25/08

FURTHER: Finance

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 2/14/08

Labor and Commerce Committee considered SPONSOR SUBSTITUTE FOR SENATE BILL NO. 230

**SB 230 FILM OFFICE/ FILM PRODUCTION TAX CREDIT**

"An Act establishing the film office in the Department of Commerce, Community, and Economic Development; and creating a transferable tax credit applicable to certain film production expenditures incurred in the state."

and recommends:

- be replaced with  SCS or  CS SSSB 230 (LTC)
- adopt previous  SCS or  CS \_\_\_\_\_ (\_\_\_\_)
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

<b>SENATE BILL:</b>	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<b>HOUSE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Index	Zero	FN#
DOR	2/04/08		✓		
DCCED	2/04/08	✓			

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Index	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	Burke			✓	
<i>[Signature]</i>	DAVIS	X			
<i>[Signature]</i>	STEWART	X			
<i>[Signature]</i>	Hoffman	✓			
CHAIR: <i>[Signature]</i>	ELLIS	X			

# ALASKA STATE LEGISLATURE

Senate Labor and Commerce  
Committee, Chair

•  
Legislative Budget and Audit  
Committee

•  
Senate Rules Committee

•  
Committee on Committees



*While in Session*  
State Capitol, Rm. 9  
Juneau, AK 99801  
(907) 465-3704  
Fax: (907) 465-2529

*While in Anchorage*  
716 W. 4<sup>th</sup> Ave, Ste. 440  
Anchorage, AK 99501  
(907) 269-0169  
Fax: (907) 269-0172

**SENATOR JOHNNY ELLIS**  
**SENATE MAJORITY LEADER**

## **Sponsor Statement** **SB 230: Alaska Film Incentive Program**

Senate Bill 230 would make Alaska competitive with other states and countries by creating the Alaska Film Incentive Program and re-establishing the Alaska Film Office. Alaska is one of only five states without an incentive program, which is necessary to attract the billions of dollars spent annually on film and television productions around the world. States with innovative and aggressive incentives have been able to diversify their economies and create new high-paying private sector jobs, while benefiting from an infusion of investment dollars. These projects also bring millions of dollars worth of marketing and promotion for Alaska businesses, products, and tourism.

In Alaska, we have seen the enormous benefits for the crab industry associated with the television show "The Deadliest Catch." The production of "Into the Wild" employed hundreds of Alaskans and spawned a new tourist attraction. These two successes show the potential of the film and television industry in Alaska, but without an incentive program, Alaska will continue to miss out on the vast majority of productions. To give just a few examples of productions set in Alaska but filmed elsewhere from recent years, Columbia's "30 Days of Night" (\$32 million production budget) was shot in New Zealand, Touchstone's "The Guardian" (\$80 million) was shot in Louisiana, Buena Vista's "Mystery, Alaska," (\$28 million) and "Snow Dogs" (\$33 million) in Alberta, and Warner Bros.' "Insomnia" (\$46 million) and the ABC TV show "Men in Trees" in British Columbia.

The Film Incentive Program would establish a transferable tax credit of 25% of qualified spending with an additional 10% for local hire, 1% for shooting in rural Alaska and 1% for working in the winter months. Eligible productions could use the credit or sell it to any company with a corporate income tax liability. Tax credits would only be issued after the production has completed filming in Alaska and an independent audit has been completed.

The Film Office would administer the Incentive Program and provide assistance to productions interested in filming in Alaska. From the founding of the office in 1982 throughout the 1990s, the Film Office provided assistance with permits, location scouting, workforce development, and connecting Outside film producers with local talent and suppliers. They also marketed Alaska as a filming location to film and television producers. These duties provided valuable support for Alaska's film companies, and are necessary for a viable industry.

Alaska is the most photogenic location in the world, but it is not on film producers' map because there is no incentive program. SB 230 will bring our state positive attention, substantial investment and a strong and diversified economy.

# LEGAL SERVICES

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

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

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

## MEMORANDUM

January 24, 2008

**SUBJECT:** Sectional summary of SSSB 230 (Work Order No. 25-LS1275\M)

**TO:** Senator Johnny Ellis  
Attn: Max Hensley

**FROM:** Alpheus Bullard *ALB*  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** Adds a new section to AS 43 (Revenue and Taxation) directing the Department of Revenue, in cooperation with the Department of Commerce, Community, and Economic Development, to provide a transferable income tax credit that may be used or transferred in whole or in part to certain film producers.

**Section 2.** Adds new sections to AS 44.33 (Department of Commerce, Community, and Economic Development (department)) related to the establishment of an Alaska film office and the administration of a film production incentive program in the state.

**Sec. 44.33.231.** Establishes new duties for the department relating to (1) the promotion, expansion, and development of the film production industry and (2) administration of a film production incentive program.

**Sec. 44.33.232.** Directs the department, in cooperation with the Department of Revenue, to administer a film production incentive program.

**Sec. 44.33.233.** Provides criteria for a film production's eligibility for a tax credit.

**Sec. 44.33.234.** Directs how a film producer may qualify for a film production tax credit.

**Sec. 44.33.235.** Establishes how the department will determine the amount of a tax credit awarded and further provides that the department will not seek recourse against a film producer or later holder of a tax credit awarded under the section.

**Senator Johnny Ellis**  
**January 24, 2008**  
**Page 2**

**Sec. 44.33.236.** Provides what qualified preproduction, production, and postproduction expenditures may be used in determining the amount of the tax credit awarded to a film producer.

**Sec. 44.33.237.** Allows the department to establish an Alaska film production internship training program on a cooperative basis with the University of Alaska.

**Sec. 44.33.238.** Allows the department to adopt regulations necessary to carry out its functions under secs. 44.33.231 - 44.33.239.

**Sec. 44.33.239.** Adds definitions.

**If you have questions, please do not hesitate to contact me.**

**TLAB:med**  
**08-036.med**

25-LS12750  
Bullard  
2/13/08

**CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 230(L&C)**

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

**TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE LABOR AND COMMERCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): SENATORS ELLIS, Stevens, Davis, Dyson**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing the film office in the Department of Commerce, Community, and**  
2 **Economic Development; and creating a transferable tax credit applicable to certain film**  
3 **production expenditures incurred in the state."**

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

5 **\* Section 1. AS 43.98 is amended by adding a new section to read:**

6 **Sec. 43.98.030. Film production tax credit. (a) In cooperation with the film**  
7 **office in the Department of Commerce, Community, and Economic Development, the**  
8 **department shall provide a transferable film production tax credit to a producer, as**  
9 **defined in AS 44.33.239, for qualified production expenditures under AS 44.33.231 -**  
10 **44.33.239.**

11 **(b) A tax credit provided under (a) of this section may be sold, assigned,**  
12 **exchanged, conveyed, or otherwise transferred in whole or in part.**

13 **(c) A taxpayer acquiring a transferable credit may use the credit or a portion of**  
14 **the credit to offset taxes imposed under AS 43.20 (Alaska Net Income Tax Act). Any**

1 portion of the credit not used may be used at a later period or transferred under (b) of  
2 this section.

3 (d) The department shall adopt regulations necessary for the administration of  
4 this section.

5 \* Sec. 2. AS 44.33 is amended by adding new sections to read:

6 **Article 2A. Film Office.**

7 **Sec. 44.33.231. Duties.** (a) There is created a film office in the Department of  
8 Commerce, Community, and Economic Development. The film office shall

9 (1) cooperate with organizations in the private sector for the expansion  
10 and development of film production industries in the state;

11 (2) promote Alaska as an appropriate location for film production;

12 (3) provide production assistance through connecting film directors,  
13 makers, and producers with Alaska location scouts and contractors, including  
14 contractors providing assistance with permit applications;

15 (4) certify Alaska film production internship training programs and  
16 promote the employment of program interns by eligible productions; and

17 (5) in cooperation with the Department of Revenue, administer the  
18 Alaska film production incentive program.

19 (b) The film office shall make available to the legislature, within 30 days after  
20 the start of each regular session, a report of the activities conducted by the film office  
21 under AS 43.33.231 - 43.33.239. The report must include

22 (1) the number of applications received under AS 44.33.234;

23 (2) the number of applications approved by the film office; and

24 (3) the number of, and amount of, tax credits disbursed under  
25 AS 44.33.232.

26 **Sec. 44.33.232. Alaska film production incentive program.** Subject to  
27 appropriations for the purpose, the film office shall administer in cooperation with the  
28 Department of Revenue the Alaska film production incentive program to provide a tax  
29 credit under AS 43.98.030 for certain film production expenditures incurred in the  
30 state.

31 **Sec. 44.33.233. Eligibility.** (a) A film production is eligible for a tax credit

1 under AS 43.98.030, if the

2 (1) producer has \$50,000 or more in qualified expenditures under  
3 AS 44.33.236;

4 (2) production is approved by the film office.

5 (b) The following productions are not eligible, regardless of the production  
6 costs:

7 (1) news, weather, or current events programming;

8 (2) a financial, talk, or game show;

9 (3) a production produced primarily for industrial, corporate, or  
10 institutional purposes, and for internal use;

11 (4) a sports event or sports program;

12 (5) a gala presentation or awards show;

13 (6) an infomercial or any production that solicits funds;

14 (7) a political advertisement; or

15 (8) a production that is determined by the film office to contain  
16 sexually explicit conduct as defined in 18 U.S.C. 2256.

17 **Sec. 44.33.234. Qualification for film production tax credit.** (a) A film  
18 producer may apply for the film production tax credit under AS 43.98.030 by  
19 submitting an application to the film office on a form provided by the film office. The  
20 application must include

21 (1) a script or synopsis of the production;

22 (2) the names of the producer, director, and proposed cast;

23 (3) estimated start, completion, and filming dates; and

24 (4) other information the film office may require to determine the  
25 producer's eligibility for a credit and the estimated amount of the credit.

26 (b) If the film office approves an application submitted under (a) of this  
27 section, the film office shall issue a preliminary certificate to the producer. The  
28 certificate must include a determination by the film office of the estimated film  
29 production tax credit for which the production qualifies.

30 **Sec. 44.33.235. Award of film production tax credit.** (a) The film office shall  
31 determine the amount of the tax credit under AS 43.98.030 available to a producer

1 who has obtained a preliminary certificate under AS 43.33.234(b), based on the  
2 qualified expenditures of the production under AS 44.33.236.

3 (b) The base amount of a tax credit awarded under this section is equal to 30  
4 percent of the qualified expenditures of the production.

5 (c) In determining the amount of the tax credit, the percentage provided by (b)  
6 of this section shall be increased by the film office based on the following criteria:

7 (1) an additional 10 percent of qualified expenditures that are wages  
8 paid to Alaska residents;

9 (2) an additional two percent of qualified expenditures made in a rural  
10 area; and

11 (3) an additional two percent of qualified expenditures made in the  
12 state between October 1 and March 30.

13 (d) After completion of the production, the producer shall provide the film  
14 office with a production cost report detailing the qualified expenditures of the  
15 production, with verification by an independent certified public accountant that the  
16 costs claimed in the report are qualified expenditures under AS 44.33.236.

17 (e) The film office, in cooperation with the Department of Revenue, shall  
18 issue a tax credit under AS 43.98.030 based on the information provided under (d) of  
19 this section.

20 (f) The film office may not seek recourse against a producer or a taxpayer who  
21 has acquired a tax credit under AS 43.98.030(b) for any portion of the credit that may  
22 be subsequently disqualified.

23 **Sec. 44.33.236. Determination of qualified expenditures.** (a) Expenditures  
24 made by a production company in connection with a film production approved by the  
25 film office that shall be considered qualified expenditures include preproduction,  
26 production, and postproduction expenditures directly incurred in this state that are  
27 directly used in the production, including

28 (1) costs of set construction and operation;

29 (2) costs of wardrobes, make-up, accessories, and related services;

30 (3) costs associated with photography and sound synchronization;

31 (4) costs of lighting and related services and materials;

- 1 (5) costs of editing and related services;
- 2 (6) rental of facilities and equipment;
- 3 (7) leasing of vehicles;
- 4 (8) costs of food and lodging;
- 5 (9) costs of digital or tape editing, film processing, transfer of film to
- 6 tape or digital format, sound mixing, and special and visual effects;
- 7 (10) the total aggregate payroll for services performed in Alaska,
- 8 including all salaries, wages, compensation, and related benefits provided to
- 9 producers, directors, writers, actors, and other personnel;
- 10 (11) the costs of the use of an Alaska payroll company;
- 11 (12) costs of music, if performed, composed, or recorded by an Alaska
- 12 musician, or released or published by an Alaska-domiciled company;
- 13 (13) airfare, if purchased through an Alaska-based travel agency or
- 14 travel company;
- 15 (14) insurance costs or bonding, if purchased through an Alaska-based
- 16 insurance agency;
- 17 (15) costs relating to the design, construction, improvement, or repair
- 18 of a film, video, television, or digital production or postproduction facility or related
- 19 property, infrastructure, or equipment, except commercial exhibition facilities, as
- 20 determined by the film office; or
- 21 (16) other similar production expenditures as determined by the film
- 22 office.
- 23 (b) Production costs that may not be considered qualified expenditures include
- 24 (1) the cost of a report or examination prepared for eligibility for the
- 25 film production tax credit;
- 26 (2) postproduction expenditures for marketing and distribution;
- 27 (3) expenditures not directly attributable to the production;
- 28 (4) amounts that are later reimbursed, resulting in a reduction in
- 29 production costs;
- 30 (5) amounts that are paid to a person or entity as a result of
- 31 participation in profits from the exploitation of the production;

1 (6) costs related to the transfer or use of a film production tax credit  
2 under AS 43.98.030.

3 Sec. 44.33.238. Regulations. The film office may adopt procedures and  
4 regulations to carry out its functions under AS 44.33.231 - 44.33.239.

5 Sec. 44.33.239. Definitions. In AS 43.33.231 - 43.33.239,

6 (1) "film" includes television, commercials, and videos;

7 (2) "film office" means the film office created under AS 44.33.231;

8 (3) "producer" means a person who arranges financing for or  
9 supervises the production of a film, video, commercial, or television production or  
10 pilot;

11 (4) "rural area" means a community with a population of 1,500 or less  
12 or a community with a population of 5,500 or less that is not connected by road or rail  
13 to Anchorage or Fairbanks.

25-LS1275\L

Bullard

2/12/08

**CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 230(L&C)****IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTY-FIFTH LEGISLATURE - SECOND SESSION****BY THE SENATE LABOR AND COMMERCE COMMITTEE****Offered:****Referred:****Sponsor(s): SENATORS ELLIS, Stevens, Davis, Dyson****A BILL****FOR AN ACT ENTITLED**

1 **"An Act establishing the film office in the Department of Commerce, Community, and**  
2 **Economic Development; and creating a transferable tax credit applicable to certain film**  
3 **production expenditures incurred in the state."**

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7 **office in the Department of Commerce, Community, and Economic Development, the**  
8 **department shall provide a transferable film production tax credit to a producer, as**  
9 **defined in AS 44.33.239, for qualified production expenditures under AS 44.33.231 -**  
10 **44.33.239.**

11 **(b) A tax credit provided under (a) of this section may be sold, assigned,**  
12 **exchanged, conveyed, or otherwise transferred in whole or in part.**

13 **(c) A taxpayer acquiring a transferable credit may use the credit or a portion of**  
14 **the credit to offset taxes imposed under AS 43.20 (Alaska Net Income Tax Act). Any**

1 portion of the credit not used may be used at a later period or transferred under (b) of  
2 this section.

3 (d) The department shall adopt regulations necessary for the administration of  
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13 makers, and producers with Alaska location scouts and contractors, including  
14 contractors providing assistance with permit applications;

15 (4) certify an Alaska film production internship training program; and

16 (5) in cooperation with the Department of Revenue, administer the  
17 Alaska film production incentive program.

18 (b) The film office shall make available to the legislature, within 30 days after  
19 the start of each regular session, a report of the activities conducted by the film office  
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25 **Sec. 44.33.232. Alaska film production incentive program.** Subject to  
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29 state.

30 **Sec. 44.33.233. Eligibility.** (a) A film production is eligible for a tax credit  
31 under AS 43.98.030, if the

1 (1) producer has \$50,000 or more in qualified expenditures under  
2 AS 44.33.236;

3 (2) producer employs interns from the Alaska film production  
4 internship training program certified by the film office, when interns are available; and

5 (3) production is approved by the film office.

6 (b) The following productions are not eligible, regardless of the production  
7 costs:

8 (1) news, weather, or current events programming;

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11 institutional purposes, and for internal use;

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