

HOUSE BILL NO. 528

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 2/26/96

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to applications for certificates of need and licensing of nursing
2 homes; amending the standard of review for certificates of need for health care
3 facilities in the state; establishing a moratorium with respect to new applications
4 by prohibiting the issuance of a certificate of need or a license for additional
5 nursing home capacity in the state until July 1, 1998; and providing for an
6 effective date."

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

8 * **Section 1.** FINDINGS. The legislature finds that

9 (1) the current availability of nursing home beds exceeds the actual need for
10 nursing home beds in the state;

11 (2) since 1989, based on national statistics, this state has had one of the lowest
12 statewide occupancy rates for nursing homes in the nation, with a 77.5 percent occupancy rate
13 in 1992 being the second lowest in the nation; in 1995, statistics show that the statewide

1 nursing home occupancy rate in the state was only 85 percent, which is still low by national
2 standards;

3 (3) many nursing home residents would benefit from care that is less intensive
4 and less costly than nursing home care through assisted living facilities or through home care
5 agencies;

6 (4) this state has only recently begun to develop a system for providing long-
7 term care for seniors needing care through home care or assisted living facilities so that the
8 long-term care system is not in balance at the present time;

9 (5) with the unnecessary focus on nursing homes, the long-term care system
10 will remain out of balance until community-based services can be developed;

11 (6) a moratorium on the addition of nursing home beds will encourage the
12 development of home and community-based services, and direct the state's resources toward
13 the services that can best meet the needs of the recipients; and

14 (7) a moratorium on the addition of nursing home beds will facilitate actions
15 to provide a more balanced system of care, more appropriate placement of seniors, and
16 additional client choice, and to avoid new long-term care costs.

17 * **Sec. 2.** AS 18.07.041 is amended to read:

18 Sec. 18.07.041. STANDARD OF REVIEW FOR APPLICATIONS FOR
19 CERTIFICATES OF NEED. The office may [SHALL] grant a sponsor a certificate
20 of need or modify a certificate of need if **the department finds a lack of available**
21 **[THE AVAILABILITY AND QUALITY OF EXISTING] health care resources in the**
22 **state. The office shall consider the most cost-effective means of providing services**
23 **and consider the state and federal financing available for those services before**
24 **determining that a certificate will be granted** [OR THE ACCESSIBILITY TO
25 THOSE RESOURCES IS LESS THAN THE CURRENT OR PROJECTED
26 REQUIREMENT FOR HEALTH SERVICES REQUIRED TO MAINTAIN THE
27 GOOD HEALTH OF CITIZENS OF THIS STATE].

28 * **Sec. 3.** MORATORIUM FOR CERTIFICATE OF NEED. (a) Notwithstanding
29 AS 18.07, the Department of Health and Social Services may not accept an application for a
30 certificate of need under AS 18.07, and the department may not grant a certificate of need
31 based on an application filed before the effective date of this Act, except as provided in (b)

1 of this section, for

2 (1) construction of a health care facility that includes nursing home beds
3 requiring licensure under AS 18.20.020; or

4 (2) conversion of a building or part of a building to include nursing home beds.

5 (b) The Department of Health and Social Services shall consider the findings in sec. 1
6 of this Act when reviewing an application under AS 18.07 that was pending on the effective
7 date of this Act for the addition of nursing home beds or the conversion of existing beds to
8 nursing home beds. The department may grant a pending application only when granting it
9 would be consistent with the policy underlying the findings in sec. 1 of this Act.

10 (c) Notwithstanding AS 18.20, the department may not issue a license for

11 (1) construction of a health care facility that includes new nursing home beds;
12 or

13 (2) additional new nursing home beds in a health care facility.

14 (d) In this section, "nursing home bed" means a bed not used for acute care in which
15 nursing care and related medical services are provided over a period of 24 hours each day to
16 individuals admitted because of illness, disease, or physical infirmity; the term "nursing home
17 bed" does not include acute care beds converted to skilled nursing home beds used for
18 transitional short-term care needs.

19 * **Sec. 4.** Sections 1 and 3 of this Act are repealed July 1, 1998.

20 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).