

CS FOR HOUSE BILL NO. 528(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 3/18/96
Referred: Finance

Sponsor(s): HOUSE FINANCE COMMITTEE

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, 1997; establishing a working
6 group to study and issue a report about long-term care; and providing for an
7 effective date."

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

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

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

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

1 in 1992 being the second lowest in the nation; in 1995, statistics show that the statewide
2 nursing home occupancy rate in the state was only 85 percent, which is still low by national
3 standards;

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

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

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

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

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

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

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

29 * **Sec. 3.** MORATORIUM FOR CERTIFICATE OF NEED. (a) Notwithstanding
30 AS 18.07, the Department of Health and Social Services may not accept an application for a
31 certificate of need under AS 18.07, and the department may not grant a certificate of need

1 based on an application filed before the effective date of this Act, except as provided in (b)
2 of this section, for

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

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

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

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

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

13 or

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

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

20 * **Sec. 4. WORKING GROUP; REPORT.** (a) There is established a six-member working
21 group to analyze issues regarding long-term care services in the state. The members of the
22 group are

23 (1) two individuals appointed by the governor who are involved in providing
24 long-term care services;

25 (2) two individuals appointed by the governor who are receiving long-term care
26 services, at least one of whom must be at least 60 years of age;

27 (3) the commissioner of administration, or the commissioner's designee; and

28 (4) the commissioner of health and social services, or the commissioner's
29 designee.

30 (b) The working group established under this section may select a presiding officer
31 from among its members.

1 (c) After gathering information through methods considered appropriate by the group,
2 the working group established under this section shall prepare a report that includes the
3 following:

4 (1) a description of the current status and costs of the state's system for long-
5 term care services;

6 (2) the projected number of state residents who will be needing long-term care
7 services through the year 2000, the year 2005, the year 2010, and the year 2015;

8 (3) the projected costs to the state, based on the projection of needs under (2)
9 of this subsection, if no changes are made to the state's present system of long-term care
10 services;

11 (4) an estimated number of state residents who are currently receiving care in
12 nursing facilities that could more appropriately be receiving home- and community-based care
13 outside of nursing facilities;

14 (5) a description of the alternative methods available to provide nursing care
15 for state residents and the relative cost to the state for these methods; and

16 (6) recommendations for principles that should be used to guide the
17 development of the state's long-term care system, including principles that should guide the
18 certificate-of-need process under AS 18.07.

19 (d) The working group shall deliver its report to the governor by the first day of the
20 First Regular Session of the Twentieth Alaska State Legislature and notify the legislature that
21 the report is available.

22 * **Sec. 5.** Section 4 of this Act is repealed on the first day of the First Regular Session of
23 the Twentieth Alaska State Legislature.

24 * **Sec. 6.** Sections 1 and 3 of this Act are repealed July 1, 1997.

25 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).