

FISCAL NOTE

Bill Version: CSHB 258 (HES)

(H) Publish Date: 2/4/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date: _____
Title: An act related to assisted living homes

Department Affected: Administration
BRU: Central Administrative Services
Component: Protection, Community Services, Administration

Sponsor: Rep. James, Rep. Coghill
Requestor: (H) HESS

COMPONENT SERIAL NO. 2083

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	2,409.5	2,409.5	2,409.5	2,409.5	2,409.5	2,409.5
MISCELLANEOUS						
TOTAL OPERATING	2,409.5	2,409.5	2,409.5	2,409.5	2,409.5	2,409.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,572.9	2,018.5	2,409.5	2,409.5	2,409.5	2,409.5
1005 GF/Program Receipts						
1037 GF/Mental Health	445.6	0	0	0	0	0
OTHER MHTAAR	391.0	391.0	0	0	0	0
TOTAL	2,409.5	2,409.5	2,409.5	2,409.5	2,409.5	2,409.5

Estimate of any current year (FY 2000) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill would require the Department of Administration to increase the rate paid to assisted living homes under the existing general relief assistance program for 120 clients to a base rate of \$75 a day beginning July 1, 2000. This fiscal note would include a geographical cost of living differential. An augmentation rate of \$22 a day would be paid for 40 (33%) clients out of the total client population of 120 clients. A personal needs allowance would be paid at \$100 a month per client. The requested increase in the monthly personal needs allowance from \$75 to \$100 is needed for clients because they have increasing copayments to make for medical coverage, and the costs of personal items clients normally purchase are no longer affordable at the \$75 rate. DSS and DMHDD are jointly asking that this \$75 rate be increased to \$100 at this time.

Recommendation: This bill is consistent with the existing general relief assistance program objective to provide financial assistance to eligible vulnerable adults who are in need of assisted living resources. The current base rate of \$30 a day is not adequate to meet rising costs of providing assisted living care. A rate increase is overdue. This bill would require substantial funding which has not been approved by OMB. This bill would allow for improving the current system of general relief payment by increasing rates to an adequate amount based on the Alaska Rate Study Report completed December 1998. This analysis continues past practice of applying a regional geographic differential to rates paid across the state. An analysis without the geographical is also included on page 4.

Prepared by: Dwight Becker
Division: Senior Services

Phone: 269-3674
Date: 1/31/00

Approved by Commissioner: Robert Poe, Jr.
Agency: Department of Administration Date: 2/1/00

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FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 258

2000 LEGISLATIVE SESSION

ANALYSIS: (continued)

Calculation of General Relief Payment by State
(including geo differential)

First Year FY 2001 and following years with geographical differential

GR Rate	Anchorage	Mat-su	Southeast	Northern	Western	N Western	
with Geographical							
75	2,135,250	170,820	164,250	566,662.50	218,452.50	226,665	3,482,100
Augmentation Rate	Augmentation Cost for 40 clients						
22		321,200					321,200
Personal Needs Allowance							144,000
100							
Client's Contributions							Less (1,137,840)
Current FY 2000 General Relief Budget Request			400,000				Less (400,000)
							Grand Total \$2,409,460

The Mental Health Trust Authority has agreed to provide funding in the amount of 391.0 for each of two years, FY 2001 and FY 2002.

In addition the Mental Health Trust Authority has approved 445.6 in GF Mental Health funds.

The current FY 2001 Division of Senior Services GR budget is 400.0.

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 258

2000 LEGISLATIVE SESSION

The general relief payment made by the state is the amount needed to supplement the client's contribution to meet the base rate indicated in the specific geographic region. An estimated 33% of the clients have higher needs and require augmented rates. The augmented rate is calculated at \$22.00 over the base rate multiplied by the index. The average contribution of the clients is the adult public assistance payment standard of \$862.00 per month or \$28.34 per day. Emergency protective service placements make up about one month or 1/12th of the total of 32,850 days which are paid by the by the state at the full rate without any contribution by clients because of the time needed to investigate and resolve client financial issues. The current budget request for FY2000 is \$400.0. The MHTA has committed 391.0 of MHTAAR funds for FY2001 and FY2002.

Days of Service provided by General Relief Program

120 clients per month x 365 days = 43,800 days of service per year

Days of Service by Region

Anchorage	65%	of 43,800 days =	28,470 days
Palmer/Wasilla	5%	=	2,190
Southeast	5%	=	2,190
Northern	15%	=	6,570
Western	5%	=	2,190
N/Western	5%	=	2,190
			43,800 days

Client Contribution Towards Payment for Assisted Living

\$862 payment standard per mo. x 11 mo. x 120 clients = \$1,137,840

Cost Calculation for Geographical Differential

Region	Index
Anchorage	1.00
Palmer/Wasilla	1.04
Southeast	1.00
Northern	1.15
Western	1.33
N. Western	1.38

Personal Needs Allowance for all Clients

\$100 x 120 clients x 12 months = \$144,000

Augmentation Calculation

\$22 a day x 40 clients x 365 day = \$321,200

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 258

2000 LEGISLATIVE SESSION

Calculation of General Relief Payment by State
(including no geo differential)

First Year FY2001 and following years	Place numerical entries in white boxes to the left.	Total
GR Rate with No Geographical		
<input type="text" value="75"/>		3,285,000
Augmentation Rate	Augmentation Cost for 40 clients	
<input type="text" value="22"/>	321,200	321,200
Personal Needs Allowance		
<input type="text" value="100"/>		144,000
Client's Contributions	853,380	Less (1,137,840)
Current FY 2000 General Relief Budget Request	400,000	less (400,000)
		Grand Total 2,212,360