

# FISCAL NOTE

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

No. 2  
Bill Version: SB 73  
(S) Publish Date: 3-30-99

Revision Date: \_\_\_\_\_  
Title: An act related to assisted living homes  
Sponsor: Senator Mike Miller  
Requestor: (S) HES

Department Affected: Administration  
BRU: Senior Services  
Component: Protection, Community Services, Administration  
COMPONENT SERIAL NO. 2083

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	1,526.8	1,526.8	1,526.8	1,526.8	1,526.8	1,526.8
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1,526.8</b>	<b>1,526.8</b>	<b>1,526.8</b>	<b>1,526.8</b>	<b>1,526.8</b>	<b>1,526.8</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
J04 GF	1,526.8	1,526.8	1,526.8	1,526.8	1,526.8	1,526.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
<b>TOTAL</b>	<b>1,526.8</b>	<b>1,526.8</b>	<b>1,526.8</b>	<b>1,526.8</b>	<b>1,526.8</b>	<b>1,526.8</b>

Estimate of any current year (FY 97) cost: \$ \_\_\_\_\_

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

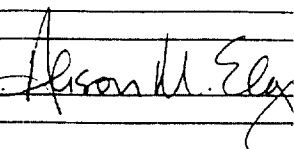
**ANALYSIS: (Attach a separate page if necessary.)**

This bill would require the Department of Administration to increase the rate paid to assisted living homes under the existing general relief assistance program to a base rate of \$70 a day. An assisted living home rate schedule is attached which describes the rates which this bill would require the state to be paid in the six regions of the state with a base rate of \$70 a day in Anchorage. The six regions are paid according to geographical cost of living differentials. Taking into account geographical cost differentials and a system with augmented rates for higher needs clients a budget of \$1,926.8 is needed annually to fund this bill.

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.

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Phone: 269-3674  
Date: \_\_\_\_\_

Approved by Commissioner: Robert Poe Jr.   
Agency: Department of Administration

Date: 3/4/99

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STATE OF ALASKA

BILL NO. SB 73

99 LEGISLATIVE SESSION

#2

ANALYSIS: (continued)

**Calculation of General Relief Payment by State**

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 20% of the clients have higher needs and require augmented rates. The augmented rate is calculated at \$22 over the base rate multiplied by the index. The average contribution of the clients is the adult public assistance payment standard of \$862 per month or \$28.34 per day. Emergency protective service placements make up about 20% 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.

Days of Service provided by General Relief Program

90 clients per month x 365 days = 32,850 days of service per year

Days of Service by Region

Anchorage	65%	of 32,850 days	=	21,354 days
Palmer/Wasilla	5%		=	1,642
Southeast	5%		=	1,642
Northern	15%		=	4,928
Western	5%		=	1,642
N/Western	5%		=	1,642
				<u>32,850 days</u>

Client Contribution Towards Payment for Assisted Living

\$2 payment standard per mo. x 12 mo. / 365 days = \$28.34 per day  
 20% of the days are not contributed towards due to emergency adult protective placements)  
 80% of 32,850 days x \$28.34 per day = \$744,755

Cost Calculation for Non-augmented Clients (80%)

Region	Index	Regular Rate	x 80% of days	Cost
Anchorage	1.00	70.00	17,083	\$1,195,810
Palmer/Wasilla	1.04	72.80	1,314	95,659
Southeast	1.00	70.00	1,314	91,980
Northern	1.15	80.50	3,942	317,331
Western	1.33	93.08	1,314	122,307
N.Western	1.38	96.58	1,314	126,906
			<u>26,281</u>	<u>1,949,993</u>

Cost Calculation for Augmented Clients (20%)

Region	Index	Augmented Rate	x 20% of days	Cost
Anchorage	1.00	92.00	4,270	392,840
Palmer/Wasilla	1.04	95.68	328	31,383
Southeast	1.00	92.00	328	30,176
Northern	1.15	105.80	987	104,424
Western	1.33	122.36	328	40,134
N.Western	1.38	126.96	328	41,642
			<u>6568</u>	<u>640,599</u>

Personal Needs Allowance for all Clients

\$75 x 90 clients x 12 months = \$81,000

The General Relief Assistance payment by the State as required by this bill

\$1,949,993	Non-augmented cost
640,599	Augmented Cost
81,000	Personal Needs Allowance
<u>2,671,592</u>	Sub-Total Cost
(744,755)	Clients Contributions
<u>(400,000)</u>	Current FY 2000 Budget Request
<u>526,837</u>	Total Cost to State