

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 3
Bill Version: CSSB 73(FIN)
(S) Publish Date: 3-15-00

Revision Date/Time (Note if correction): 11:20am Mar. 9, 2000 Dept. Affected: Health and Social Services
Title: An Act Related to Assisted Living Homes BRU: Community Mental Health Grants
Component: Gen Community Mental Hlth Grants
Sponsor: Senator Mike Miller COMPONENT SERIAL NO. 307
Requestor: Senate (FIN) See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)
Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	711.5	1,143.6	1,143.6	1,143.6	1,143.6	1,143.6
MISCELLANEOUS						
TOTAL OPERATING	711.5	1,143.6	1,143.6	1,143.6	1,143.6	1,143.6

CAPITAL EXPENDITURES						
CHANGES IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health	252.5	684.6	1,143.6	1,143.6	1,143.6	1,143.6
1092 MHTAAR	459.0	459.0				
TOTAL	711.5	1,143.6	1,143.6	1,143.6	1,143.6	1,143.6

Estimate of any current year (FY2000) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Assisted Living Homes (formerly known as Adult Residential Care) are a cost-effective alternative to institutional care for individuals choosing to remain in their home communities. The FY 2000 budget is \$622.2. 7AAC 47.450-470 governs the fee structure for Assisted Living Homes and has not been revised since 1982. The lack of cost of care adjustments to the ALH's fee structure jeopardizes the health and safety of residents and the future of ALH's options. This bill would require the Department of Health & Social Services, Division of Mental Health & Developmental Disabilities (DMHDD) to increase the rate paid to ALHs under the existing general relief assistance program for 131 consumers to a base rate of \$42.25/day in FY 2001, then \$51.00/day in FY 2002. The number of individuals receiving support for ALH services varies each year. This fiscal note would include a geographic cost of living differential. An augmented rate of \$35/day would be paid for 26 (20%) of consumers from the total population of 131 consumers. The augmented rate covers care of consumers with increased service needs. A personal needs allowance would be paid at \$100/month for all consumers. Both DMHDD and the Division of Senior Services are requesting this increase from \$75/month.

Prepared by: Anne Henry Phone: 465-4852
Division: Mental Health & Dev. Disabilities Date/Time: 3/9/00 2:10 PM
Approved by Commissioner: Karen Perdue, Commissioner Date: 3/14/00
Agency: Department of Health & Social Services

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CALCULATIONS, ALH Fiscal Notes (with geographic index applied)				
location	% of service	geographic index	RATE	
			\$42.25/day	\$51.00/day
Anchorage	77%	1.00	\$1,555,541	\$1,877,695
Palmer/Wasilla	5%	1.04	\$105,050	\$126,805
Southeast	5%	1.00	\$101,009	\$121,928
Northern	7%	1.15	\$162,625	\$196,304
Western	5%	1.33	\$134,342	\$162,165
N/Western	1%	1.38	\$27,879	\$33,652
Cost of Providers' Standard Service:			\$2,086,446	\$2,518,550
client contrib of \$862 std rate x 11 mo x 131 clients (11 mo adjusts for vacancies, hospitalizations, 1st time eligibility funding lag)			\$1,242,142	\$1,242,142
less: proposed pers needs allowance \$100/mo x 12 mo x 131 clients			\$157,200	\$157,200
Portion of Costs Paid by Clients			\$1,084,942	\$1,084,942
Proposed State's Portion of Costs			\$1,001,504	\$1,433,608
current state costs budgeted			\$622,200	\$622,200
Proposed Increase to Current State Costs			\$379,304	\$811,408
AUGMENTATION, \$35/day x 26 clients x 365 days			\$332,150	\$332,150
Proposed Increase Including Augmentation			\$711,454	\$1,143,558
in thousands			\$711.5	\$1,143.6

DAILY RATE, with geographic index applied			
current rate	TOTAL		daily
	client portion	$[(\$862 \text{ std monthly allowance} \times 11 \text{ mo}) - (\$75 \text{ pers needs} \times 12 \text{ mo})] / 365 \text{ days}$	\$36.52
	state portion	budgeted \$622,200 / 365 days / 131 clients	\$23.51
			\$13.01
proposed \$42.25/day	TOTAL	total indexed cost of providers' std svc @ \$42.25 / 365 days / 131 clients	\$43.64
	client portion	$[(\$862 \text{ std monthly allowance} \times 11 \text{ mo}) - (\$100 \text{ pers needs} \times 12 \text{ mo})] / 365 \text{ days}$	\$22.69
	state portion	difference	\$20.95
proposed \$51.00/day	TOTAL	total indexed cost of providers' std svc @ \$51.00 / 365 days / 131 clients	\$52.67
	client portion	$[(\$862 \text{ std monthly allowance} \times 11 \text{ mo}) - (\$100 \text{ pers needs} \times 12 \text{ mo})] / 365 \text{ days}$	\$22.69
	state portion	difference	\$29.98