

FISCAL NOTE

Bill Version: HCS CSSB 73 (FIN)

(H) Publish Date: 4/24/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Revision Date: 04/21/00
Title: An act related to assisted living homes
Increase Daily Rates to \$50, \$60, and \$70
Sponsor(s): Senator Miller
Requestor: (H) FIN

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

COMPONENT SERIAL NO. 2083

EXPENDITURES/REVENUES:	10 months (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	1,040.6	1,713.0	2,177.3	2,177.3	2,177.3	2,177.3
MISCELLANEOUS						
TOTAL OPERATING	1,040.6	1,713.0	2,177.3	2,177.3	2,177.3	2,177.3

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE:	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	204.0	876.4	1731.7	1731.7	1731.7	1731.7
1005 GF/Program Receipts						
1037 GF/Mental Health	445.6	445.6	445.6	445.6	445.6	445.6
OTHER MHTAAR	391.0	391.0				
TOTAL	1,040.6	1,713.0	2,177.3	2,177.3	2,177.3	2,177.3

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 \$50 a day the first year for a period of 10 months, \$60 a day the second year, and \$70 a day the following years. 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.

Prepared by: Dwight Becker
Division: Senior Services

Phone: 269-3674
Date: 04/21/00

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

Date: 4/21/00

DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

#7

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HCS CSSB 73(FIN)

ANALYSIS: (continued)

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

First Year FY 2001 with geographical differential (10 months 9/1/00 thru 6/30/01)

GR Rate	Anchorage	Matsu	Southeast	Northern	Western	N Western	
with Geographical							
<input type="text" value="50"/>	1,423,500.	113,880	109,500	377,775	145,635	151,110	2,321,400
Augmentation Rate	Augmentation Cost for 40 clients						
<input type="text" value="22"/>		321200					321,200
Personal Needs Allowance							144,000
<input type="text" value="100"/>							144,000
Client's Contributions							minus 1,137,840
Current FY 2001 General Relief Budget Request				400,000			minus 400,000
							Grand Total 1,248,760
							TOTAL (10 MONTHS) 1,040,590
							10 months = 83.33% of \$1,248,760

Second Year FY 2002 with geographical differential

GR Rate	Anchorage	Matsu	Southeast	Northern	Western	N Western	
with Geographical							
<input type="text" value="60"/>	1,708,200	136,656	131,400	453,330	174,762	181,332	2,785,680
Augmentation Rate	Augmentation Cost for 40 clients						
<input type="text" value="22"/>		321200					321,200
Personal Needs Allowance							144,000
<input type="text" value="100"/>							144,000
Client's Contributions							minus 1,137,840
Current FY 2000 General Relief Budget Request				400,000			minus 400,000
							Grand Total 1,713,040

FISCAL NOTE

#7

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HCS CSSB 73(FIN)

Page 2 of 4

Third Year FY 2003 and following years with geographical differential							
GR Rate	Anchorage	Matsu	Southeast	Northern	Western	N Western	
with Geographical							
70	1,992,900	159,432	153,300	528,885	203,889	211,554	3,249,960
Augmentation Rate	Augmentation Cost for 40 clients						
22	321200						321,200
Personal Needs Allowance							144,000
100							
Client's Contributions							minus 1,137,840
Current FY 2000 General Relief Budget Request	400,000						minus 400,000
Grand Total							2,177,320

Page 3 of 4

FISCAL NOTE

#7

BILL NO. HCS CSSB 73(FIN)

STATE OF ALASKA
2000 LEGISLATIVE SESSION

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 33% 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 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. MHTA has committed 391.0 for each year 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
			<u>43,800 days</u>

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