

**ALASKA STATE LEGISLATURE  
HOUSE SPECIAL COMMITTEE ON MILITARY AND  
VETERANS' AFFAIRS**

March 20, 2001

3:38 p.m.

**MEMBERS PRESENT**

Representative Mike Chenault, Chair  
Representative Beverly Masek  
Representative Lisa Murkowski  
Representative Joe Green  
Representative Pete Kott  
Representative Sharon Cissna  
Representative Joe Hayes

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

Representative Richard Foster

**COMMITTEE CALENDAR**

**SENATE JOINT RESOLUTION NO. 10**

Urging the United States Congress to fully fund the operational readiness and recapitalization requirements of the United States Coast Guard.

- MOVED HCS SJR 10(MLV) OUT OF COMMITTEE

**HOUSE BILL NO. 88**

"An Act changing the name of the Alaska Pioneers' Home to the Alaska Pioneers' and Veterans' Home and of the Alaska Pioneers' Homes Advisory Board to the Alaska Pioneers' and Veterans' Home Advisory Board; relating to services for veterans in the home; relating to the advisory board for the home; making other amendments to the statutes relating to the home; making conforming amendments to other statutes; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS ACTION**

BILL: SJR 10

SHORT TITLE:US COAST GUARD FUNDING

SPONSOR(S): SENATOR(S) AUSTERMAN

Jrn-Date	Jrn-Page		Action
01/30/01	0221	(S)	READ THE FIRST TIME - REFERRALS
01/30/01	0221	(S)	STA
01/31/01	0237	(S)	COSPONSOR(S): WILKEN, KELLY, COWDERY
01/31/01	0237	(S)	ELTON, LEMAN
02/13/01		(S)	STA AT 3:30 PM BELTZ 211
02/13/01		(S)	Moved Out of Committee MINUTE(STA)
02/14/01	0367	(S)	STA RPT 5DP
02/14/01	0367	(S)	DP: THERRIAULT, PHILLIPS, PEARCE,
02/14/01	0367	(S)	DAVIS, HALFORD
02/14/01	0367	(S)	FN1: ZERO(S.STA)
02/14/01	0374	(S)	COSPONSOR(S): PEARCE, TAYLOR
02/16/01		(S)	RLS AT 10:45 AM FAHRENKAMP 203
02/16/01	0405	(S)	RULES TO CALENDAR 2/16/01
02/16/01		(S)	MINUTE(RLS)
02/16/01	0410	(S)	READ THE SECOND TIME
02/16/01	0410	(S)	COSPONSOR(S): LINCOLN, WARD
02/16/01	0411	(S)	ADVANCED TO THIRD READING UNAN CONSENT
02/16/01	0411	(S)	READ THE THIRD TIME SJR 10
02/16/01	0411	(S)	PASSED Y15 N- E5
02/16/01	0414	(S)	SJR 10 TRANSMITTED TO (H)
02/19/01	0363	(H)	READ THE FIRST TIME - REFERRALS
02/19/01	0363	(H)	MLV
02/19/01	0363	(H)	REFERRED TO MLV
02/19/01	0375	(H)	CROSS SPONSOR(S): WILSON, STEVENS
03/13/01		(H)	MLV AT 3:30 PM CAPITOL 120
03/13/01		(H)	-- Meeting Canceled --
03/13/01	0579	(H)	CROSS SPONSOR(S): MURKOWSKI
03/20/01		(H)	MLV AT 3:30 PM CAPITOL 120

BILL: HB 88

SHORT TITLE:PIONEERS' AND VETERANS' HOME/ADVISORY BD

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
01/24/01	0155	(H)	READ THE FIRST TIME - REFERRALS
01/24/01	0155	(H)	MLV, STA, FIN
01/24/01	0156	(H)	FN1: ZERO(ADM)
01/24/01	0156	(H)	GOVERNOR'S TRANSMITTAL LETTER
01/24/01	0156	(H)	REFERRED TO MLV
03/20/01		(H)	MLV AT 3:30 PM CAPITOL 120

**WITNESS REGISTER**

SEAN RILEY, Staff  
to Senator Alan Austerman  
Alaska State Legislature  
Capitol Building, Room 417  
Juneau, Alaska 99801

POSITION STATEMENT: Presented SJR 10 on behalf of the sponsor and answered questions.

CLIFFORD J. STONE, Staff  
to Representative Alan Austerman  
Alaska State Legislature  
Capitol Building, Room 417  
Juneau, Alaska 99801

POSITION STATEMENT: Responded to question on SJR 10.

FRANK KELTY, Resource Analyst  
City of Unalaska  
P.O. Box 610  
Unalaska, Alaska 99685

POSITION STATEMENT: Testified in support of SJR 10.

JIM DUNCAN, Commissioner  
Department of Administration  
PO Box 110200  
Juneau, Alaska 99811-0200

POSITION STATEMENT: Presented HB 88 on behalf of the governor.

JIM KOHN, Director  
Division of Alaska Longevity Programs  
Department of Administration  
PO Box 110211  
Juneau, Alaska 99811-0211

POSITION STATEMENT: Answered questions regarding HB 88.

MG PHILLIP OATES, Adjutant General/Commissioner  
Department of Military & Veterans' Affairs

PO Box 5800

Fort Richardson, Alaska 99505-0800

POSITION STATEMENT: Testified that [HB 88] is a great solution that is worthy of full support.

FRANCES PURDY

1741 Westview Circle

Anchorage, Alaska 99504

POSITION STATEMENT: Testified in support of a veterans' home or veterans' homes, but expressed concerns with HB 88.

MARTY MARGESON

1401 West 13th Avenue

Anchorage, Alaska

POSITION STATEMENT: Expressed concerns with HB 88.

### **ACTION NARRATIVE**

TAPE 01-6, SIDE A

Number 0001

CHAIR MIKE CHENAULT called the House Special Committee on Military and Veterans' Affairs meeting to order at 3:38 p.m. Members present at the call to order were Representatives Chenault, Murkowski, Kott, and Hayes. Representatives Masek, Green, and Cissna arrived as the meeting was in progress. Also present was Representative Foster.

### SJR 10 - US COAST GUARD FUNDING

Number 0026

CHAIR CHENAULT announced the first item of business, SENATE JOINT RESOLUTION NO. 10, Urging the United States Congress to fully fund the operational readiness and recapitalization requirements of the United States Coast Guard.

Number 0125

SEAN RILEY, Staff to Senator Alan Austerman, Alaska State Legislature, came forward to present SJR 10 on behalf of the sponsor. He referred briefly to the written sponsor statement, then told members it seems the perfect time to send a clear message to Washington, D.C., that Alaskans have a critical relationship with the U.S. Coast Guard. Mr. Riley suggested that if Alaskans fully support funding the U.S. Coast Guard,

"Washington, D.C., will listen" because the country depends on Alaska, which has unique geography and rich resources.

MR. RILEY reported that the U.S. Coast Guard is facing a \$91 million deficit, "reducing its air and sea patrols by over 10 percent." It is running in the red because of higher-than-expected energy costs and higher pay; its workhorse, the C-130 aircraft that operate out of Kodiak, will soon begin a 33 percent reduction in flight hours. Furthermore, U.S. Coast Guard patrols have already spent 3,000 fewer hours in the air and close to 5,000 fewer hours at sea.

MR. RILEY informed members that the U.S. subcommittee chair of the Department of Transportation has said that lack of adequate resources has seriously weakened the U.S. Coast Guard's ability "to defend our borders and to patrol our waterways from harm." Furthermore, Rear Admiral [Thomas J.] Barrett has said his budget is being squeezed so tightly that missions are having to be delayed. Mr. Riley emphasized that [if legislators] unite in one voice to Washington, D.C., there will be a much better opportunity for the U.S. Coast Guard to be funded. He pointed out that being a resolution, SJR 10 has no fiscal note.

Number 0377

REPRESENTATIVE MURKOWSKI expressed 100 percent support for the U.S. Coast Guard, including "more than adequate funding and full funding." However, "full funding" is subject to different interpretations. She referred to [page 2, beginning at line 27], where it read "fully fund the United States Coast Guard's operational readiness and recapitalization requirements". She asked whether there is a more direct way to say that.

MR. RILEY asked whether Representative Murkowski had a recommendation regarding that language.

REPRESENTATIVE MURKOWSKI said no, clarifying that she was wondering whether the meaning of full funding was discussed in the [Senate].

MR. RILEY offered to get back to her with an answer.

REPRESENTATIVE MURKOWSKI specified that she didn't wish to hold up the resolution [in order to address the meaning of "fully fund"].

Number 0548

REPRESENTATIVE HAYES asked whether this is a supplemental request or is a request for FY02 funding.

MR. RILEY answered, "This is supplemental. Initially, it was not accepted, and now we're going to be going through the second rounds and having another opportunity."

REPRESENTATIVE HAYES asked why, if this is for full supplemental funding in order to make it through this year's budget, that isn't stated in the resolution; it sounds [in SJR 10] as if the request is for the next year's monies.

MR. RILEY said he believed Representative Hayes to be correct. He asked whether Representative Hayes had a suggestion to clarify that language.

REPRESENTATIVE HAYES answered that he would think about it and come up with something.

Number 0703

REPRESENTATIVE MURKOWSKI concurred with Representative Hayes, noting that it reads [beginning on page 2, line 28] "fully fund the ... operational readiness and recapitalization requirements to ensure that this ... remains 'semper paratus' throughout the Twenty-First Century." She commented that it is a pretty broad statement, with which Alaskans probably would agree. She asked, however, whether it is the message the sponsor wants to send. Or is the request more direct, to address the immediate problem with the federal budget?

MR. RILEY responded that he didn't have a problem with rewriting it to be more specific, but he believed it was a figurative, not literal, intent, in order to strengthen [the resolution].

Number 0796

REPRESENTATIVE KOTT remarked that he agreed with the previous speakers. He said he would be curious to have "some conversation with our senior [U.S.] Senator, since he is a powerful individual in Washington, D.C., that controls, to a large extent, what is appropriated around the country; and I know he's a strong supporter of the military."

REPRESENTATIVE KOTT asked whether there was any discussion in previous committees with regard to including the name of Rear

Admiral Barrett in the list of people to receive copies of the resolution. He explained that he always likes to send something to "the most senior individual in the state, to let him know we're behind him."

MR. RILEY deferred to Mr. Clifford Stone.

Number 0874

CLIFFORD STONE, Staff to Representative Alan Austerman, Alaska State Legislature, came forward to respond to Representative Kott's question. He noted that Rear Admiral Barrett has been kept fully informed, and had, in fact, given a full presentation in the Senate State Affairs Standing Committee regarding SJR 10. He explained the reason for the wording in SJR 10:

We drafted the resolution ... in this form to address other concerns, ... in kind of a generic sense, if you will. It seemed to be what the Coast Guard wanted, when we ran this past both Admiral Barrett and his staff. And this was born out of ... the Pacific Fisheries Legislative Task Force, because they could see ... the dollars drifting away from the Coast Guard. And so, the ... task force came up with this generic language, which we tweaked ... [to be] specific to Alaska, and made some recommended changes.  
...

This same resolution, in essence, is going to come from the other states; there [are] about six other states in this task force that are going to send that same resolution back to their congressional leaders and the cabinet members and the Vice President, to address what they feel is a very serious undermining of the ... United States Coast Guard. We did receive ... some input from Admiral Barrett, and we did make those additions in the resolution. ...

Certainly, it could ... be more specific and to the point. ... Senator [Austerman] would certainly entertain ... any language, and we could work on that. We could try and go back, both to our congressional delegation in D.C. and to Admiral Barrett, to see if we can't be a little more specific and if they felt it would make a bigger impact back there in D.C. So, we could certainly work on that before we requested ... it go to the floor for a vote.

Number 1017

REPRESENTATIVE KOTT said he wasn't sure that he would hold it up for that particular purpose, depending on the timeline involved. He suggested that the congressional delegation members are smart enough to figure out what [the legislature] is trying to achieve. He restated, however, that for any resolution dealing with the State of Alaska, as a courtesy, a copy should go to the highest-ranking military official in charge of that operation. As to whether Secretary Principi [Anthony J. Principi, Secretary of Veterans Affairs] should get a copy, that is another argument, he added.

MR. STONE agreed [regarding Rear Admiral Barrett] and stated, "We'll go ahead and get that in there." He also said that perhaps the commander of the Pacific should be added after getting that person's full title.

REPRESENTATIVE MURKOWSKI responded, "Admiral Blair." She then suggested that if this message could be better used by the congressional delegation if [SJR 10] were more specific, then it would be worth asking, even by telephone. If U.S. Senator Stevens comes back and states that it would be helpful to specify that the legislature supports full funding for the supplemental for this budget - even in a specific amount, if desired - that could be done. If, however, he said it didn't make any difference, SJR 10 could be sent to [Congress] as soon as possible, in order to be in [Washington, D.C.] in conjunction with the other states' [resolutions]. She questioned whether it was desirable or appropriate procedurally, however, to make a conceptual amendment that was contingent upon a response to a telephone call.

Number 1283

REPRESENTATIVE MURKOWSKI asked Representative Kott, as chairman of the House Rules Standing Committee, whether an amendment could be added in that committee to conform with the current committee, in order to not hold up [SJR 10].

REPRESENTATIVE KOTT said he would "entertain that option." At that point, it could either be amended in the House Rules Standing Committee or a floor amendment could be prepared. If this current language is best for what is being attempted, that is fine, he added, but he suspects that some language could be used to address the concerns expressed.

Number 1351

REPRESENTATIVE MURKOWSKI made a motion to amend SJR 10 to add both Rear Admiral Barrett and Admiral Blair to the list of individuals who will receive copies. There being no objection, it was so ordered.

Number 1419

FRANK KELTY, Resource Analyst, City of Unalaska, came forward to testify in support of SJR 10. He offered some personal background, noting that he had worked 30 years in the Alaskan seafood industry in the Aleutian Islands, in Unalaska and Dutch Harbor, and was an elected official [mayor] in the community for 18 years.

MR. KELTY explained that the U.S. Coast Guard's mission, both nationwide and in Alaska, is of critical importance. When he first moved to the Aleutians, there were few resources. Many nights, choppers would leave Kodiak to come to the middle of the Bering Sea to assist with a rescue, which took hours. He noted that C-130s had to respond. He had experienced working with vessels that sank and tragedies that occurred, he told members, emphasizing the importance of the U.S. Coast Guard in that regard. In addition to search-and-rescue missions, the U.S. Coast Guard enforces the 200-mile limit and stops incursions into the pollock fishing grounds on the border. The U.S. Coast Guard also conducts high-seas driftnet patrols in order to protect Alaska's salmon returns. The large area that must be patrolled and protected is incredible, he added.

MR. KELTY reminded members that the Bering Sea crab fisheries are the most dangerous in the nation. The U.S. Coast Guard has responded by keeping helicopters at Saint Paul Island during some of the crab [seasons] around the Pribilof Islands, and by keeping helicopters on the 378-foot cutters on patrol, in order to respond to events. For example, this past crab season, three fishing vessels lost their pilothouse windows on one day; the U.S. Coast Guard had to respond and assist those vessels in order for them to get back to port and make repairs.

MR. KELTY noted that Unalaska has a marine safety detachment that does a great job of doing safety inspections of vessels. As a result, there are fewer tragedies, as well as better equipment and training for the fishing fleet. Furthermore, [the U.S. Coast Guard] responds to pollution events such as the

incident a few years ago in which a Japanese tramper went aground; the U.S. Coast Guard rescued the crew and coordinated the cleanup of 40,000 gallons [of fuel] that inundated the community.

MR. KELTY concluded by saying he has seen, firsthand, the work that they do [in spite of] terrible weather conditions out there. He urged the committee to support the U.S. Coast Guard, which definitely needs the tools to do the job, not just for Alaska and the seafood industry, but also for the nation.

Number 1581

CHAIR CHENAULT asked whether there were questions, then thanked Mr. Kelty. He returned the discussion to the committee.

REPRESENTATIVE KOTT remarked that he thinks [SJR 10] is a worthy resolution, and that under the circumstances discussed previously, [members] would look for the sponsor to provide input in order to resolve the funding language.

Number 1605

REPRESENTATIVE KOTT made a motion to move SJR 10, as amended, out of committee with individual recommendations and the zero fiscal note. There being no objection, HCS SJR 10(MLV) was moved out of the House Special Committee on Military and Veterans' Affairs.

HB 88-PIONEERS' AND VETERANS' HOME/ADVISORY BD

CHAIR CHENAULT announced the final order of business, HOUSE BILL NO. 88, "An Act changing the name of the Alaska Pioneers' Home to the Alaska Pioneers' and Veterans' Home and of the Alaska Pioneers' Homes Advisory Board to the Alaska Pioneers' and Veterans' Home Advisory Board; relating to services for veterans in the home; relating to the advisory board for the home; making other amendments to the statutes relating to the home; making conforming amendments to other statutes; and providing for an effective date."

Number 1745

JIM DUNCAN, Commissioner, Department of Administration (DOA), presented HB 88 on behalf of the governor. Commissioner Duncan informed the committee that Alaska has had a long-standing commitment to recognize the commitments veterans have made to

this country and the State of Alaska. However, Alaska is one of two states that does not have a state veterans' home. In 1992 the legislature passed a statute that DOA would establish a veterans' home and would allow application for federal assistance for construction of such a home. The statute clearly said that the operating costs of the home should be paid for by the residents and the federal government. However, nothing materialized as a result of that legislation. In 1998 [DOA] made an amendment to that statute in order to allow nursing homes to provide nursing care [to veterans] in an attempt to increase federal dollars and make state general funds unnecessary. Again, nothing happened. Therefore, [DOA] is present today without a facility or system in place specifically for veterans.

COMMISSIONER DUNCAN explained that due to the lack of action, the governor appointed a cabinet-level task force to review what has been done, where the situation is, and what might be done to recognize the veterans in Alaska. That task force was comprised of the Commissioners of the Department of Administration, the Department of Military & Veterans' Affairs, and the Department of Health & Social Services. The task force evaluated several options before agreeing on this proposal [embodied in HB 88]. The option of a stand-alone veterans' home in Alaska was reviewed. However, it was found to be costly. An 80-bed stand-alone veterans' home would cost about \$24.3 million to construct, of which the state's share would be \$8.5 million and the federal government would provide the remainder. Operation of such an 80-bed home would cost about \$7.2 million a year, of which \$2.4 million would be from the state's general fund. The conclusion was that a stand-alone veterans' home would be costly, and furthermore it would require veterans to move to a central location in the state, away from their community and family.

COMMISSIONER DUNCAN turned to the second option that was evaluated: the Alaska Pioneers' Home system. There are six such homes spread across the state. Commissioner Duncan related his belief that the Alaska Pioneers' Home system is a fine system. That system was evaluated in regard to what could be done to recognize the commitment that veterans have made and how that system could be expanded to recognize veterans as well as to provide a veterans' preference. As a result of this evaluation it became clear that the Alaska Pioneers' Home system provided a system that was already in place, with infrastructure that isn't being fully utilized in that there is unused capacity. Secondly, use of the Pioneers' Home system would be

less expensive than constructing a stand-alone home. Thirdly, because the Pioneers' Homes are located throughout the state, veterans could enter those homes and stay closer to their families and communities while receiving quality care. Therefore, the task force recommended to the governor that [he] proceed with legislation, HB 88, that is before the committee today.

Number 1951

COMMISSIONER DUNCAN explained that HB 88 would accomplish the following. Firstly, it provides recognition to the veterans in this state. Secondly, it provides for a veterans' preference in the Pioneers' Home system. Thirdly, it provides veteran representation on the Pioneers' Home Advisory Board. The recognition is due to the recommendation to change the name from the Alaska Pioneers' Home system to the Alaska Pioneers' and Veterans' Home system. The veterans' preference would be for 125 beds, which amounts to 21 percent of the funded beds, in the current system. Currently, there is a system capacity of 600 beds. Therefore, if there were vacant beds and there were less than 125 veterans in the homes and a bed became available, the next veteran on the list would be admitted. At present, there are 90 veterans in the Pioneers' Homes. Of the 183 persons on the active waiting list, 56 are veterans. Therefore, if the veterans' preference was in place and the beds were fully funded, there would be 90 more beds funded and another 35 veterans could be admitted as well as 50 some people who may or may not be veterans. Commissioner Duncan highlighted that the real benefit of HB 88 would be that it serves veterans and pioneers that are nonveterans. He informed the committee that currently there are 90 vacant beds, which are primarily located in the Anchorage, Palmer, and Sitka Pioneers' Homes.

COMMISSIONER DUNCAN turned to the topic of how the veterans' preference would work in regard to the number of men versus women. He informed the committee that of the 90 veterans already in the homes, 9 are females and 82 are males. Clearly, there are female veterans who would also benefit from this proposal.

Number 2176

COMMISSIONER DUNCAN continued with the veteran representation on the advisory board. The Pioneers' Home Advisory Board is currently a 7-member advisory board and will remain so under HB 88. However, the legislation requires that at least two of the

members of the advisory board will be veterans. Currently, two veterans serve on the advisory board. It would also be required that one of the veterans on the Pioneers' Home Advisory Board would be the chair of the Alaska Veterans Advisory Council.

COMMISSIONER DUNCAN highlighted the fact that the new system [being proposed in HB 88] would not become part of the federal VA (U.S. Department of Veterans Affairs) system. Commissioner Duncan said, "We are not interested in seeing the federal government assume control of this system and our legislation does not provide for that." This point was made clear to the Secretary of the Department of Veterans Affairs. "We want to maintain a state-run system," he said. There is no desire to fall under federal regulations, rules, or requirements because Alaska's residency and age requirements would be impacted.

COMMISSIONER DUNCAN noted that there is no federal funding requested for this system. This legislation does have a fiscal note of about \$5.2 million of which \$2.6 million would come from the general fund and \$2.6 million from Pioneers' Home receipts. That [total of \$5.2] would allow the Pioneers' Homes to hire the staff necessary to fully staff the 90 beds and thus allow the system to operate at capacity. "Without those dollars, we couldn't staff those beds and ... residents could not occupy those beds," he pointed out.

[The tape was reversed to Side B early, and therefore there are approximately 8 minutes of blank tape at the end of Side A. There is approximately 4 minutes of blank tape at the beginning of Side B.]

TAPE 01-6, SIDE B

COMMISSIONER DUNCAN remarked, "But if you look at the benefit of the dollars that are being requested and compare that to what the cost would be if we were to operate a stand-alone home, I think you'll find it's money well-used." Although "we" aren't interested in allowing "our" system to be controlled by the federal government, "we" are interested in working with the VA administration to determine whether Alaska's veterans can receive a waiver in order that the benefits veterans receive in veterans' homes in other states could be accessed under the proposed system. There has been no agreement on that to this point. However, Commissioner Duncan noted that work exploring the possibility of a demonstration program is continuing so that a federal waiver could be obtained in order to allow VA benefits to be used by veterans in the state. Although such a waiver

would be beneficial, it wouldn't impact the general fund request because [the waiver] would allow the benefit to go directly to the veteran to help pay for their cost of care.

COMMISSIONER DUNCAN informed the committee that the Pioneers Advisory Board reviewed HB 88 and recommended support of it. Commissioner Duncan noted that he has reviewed HB 88 and doesn't see a downside; it doesn't do anything that would weaken the present Pioneers' Home system. In fact, he viewed HB 88 as strengthening the current system and allowing full utilization of the system while providing needed care to veterans and pioneers alike.

Number 2081

REPRESENTATIVE GREEN pointed out that the committee packet includes a letter from the governor that says there are 78 on the waiting list while Commissioner Duncan is saying that there are 90 on the waiting list. He asked if the numbers are a "moving target" or are there different sources of data.

COMMISSIONER DUNCAN said that the numbers do change as people enter and leave the home. He specified that he was quoting numbers from January 31 and February 1. Furthermore, a better census of the number of those in the home has been done that has produced a more definitive number for the number of veterans in the Pioneers' Homes [than the original number]. The numbers change on a daily basis.

REPRESENTATIVE GREEN inquired as to why there are waiting lists if there are vacant beds.

Number 2003

JIM KOHN, Director, Division of Alaska Longevity Programs, Department of Administration, explained that currently there are 90 vacant beds that are classified as residential level care. Residential care means that residents would receive assistance with meals, room, heavy housecleaning, and emergency response. However, there was no staffing for that area other than the kitchen crew and some housekeeping staff. Those residential beds have never been staffed with direct care staff. He pointed out that the applicants to the waiting list are all in need of direct care services with most of them requiring 24-hour oversight. Therefore, the lack of direct care staff forces those beds to be vacant and thus the \$5.2 million would provide

sufficient staff to bring in those applicants and serve their needs.

REPRESENTATIVE MURKOWSKI noted that currently in the Pioneers' Home there are attempts to accommodate spouses of those on the waiting list. She related her understanding that the same would be true for veterans' spouses. However, she inquired as how the veteran's spouse would be counted, that is would the spouse be counted as a veteran or nonveteran.

MR. KOHN said that when couples wanted to enter the home at the same time, the home tried to accommodate them. In recent history, one of the spouses typically has Alzheimer's disease or a related disability and the spouse or independent wants to enter the home at the same time. The policy has been to wait until one of the spouses reaches the top of the list and then there is an attempt to accommodate both at the same time. If the beds are open in the varying levels of care at the same time, then it is fairly easy. However, if the beds in the varying level of care aren't open at the same time, it is more difficult. He explained that in such circumstances the policy has been to hold the spouse at the top of the active waiting list [until such time that both individuals could be accommodated].

MR. KOHN informed the committee that he was asked by the Senate State Affairs Committee to draft some regulations. One of the items included in the regulations is to place the aforementioned policy in regulation. He specified, "It wouldn't have anything to do with veterans or nonveterans; it would have to do with spouses." He indicated that the [draft regulations regarding this matter] read as follows: "As one spouse would get to the top of the waiting list - whether they got to the top of the waiting list because they were a veteran or because they [were] waiting in line on their own accord - ... we would then ... would try to accommodate the other spouse at the same time or at least keep the spouse at the top of the waiting list until a bed opened up for that spouse."

Number 1737

REPRESENTATIVE MURKOWSKI expressed concern that she has heard regarding whether a veteran's spouse that enters the home [at the same time as the veteran] would be counted as one of the 125 veterans' beds. If so, the 125 veterans' beds wouldn't necessarily be filled with veterans if the spouse is allowed entrance at the same time and takes a veteran preference bed.

MR. KOHN explained that the presently drafted regulations would not count a nonveteran spouse as part of the 125 [veterans' preference beds]. The regulation that would allow spouses to enter the home at the same time wouldn't be dependent upon whether the spouses were veterans or nonveterans, only that one of the spouses would be at the top of the [waiting] list for whatever reason.

REPRESENTATIVE KOTT said that he was sure Mr. Kohn was familiar with letters that the committee has received from Lisa Caress-Beu, Vice President, Center for Advocacy and Rights of the Elderly (CARING), and Aileen Herring. Both letters contain some strong allegations that he thought should be addressed.

Number 1618

REPRESENTATIVE KOTT then turned to Commissioner Duncan and his testimony that there is ongoing work with the federal Department of Military & Veteran Affairs (DMVA) in order to ensure that Alaska's veterans receive the same monetary amounts that veterans around the country receive. He noticed that the committee packet contains a letter from U.S. Senator Stevens that expresses his support of such a concept and willingness to help with any statutory changes in Congress. He asked if, in order for Alaska's veterans to receive the same benefits as veterans in other states, it would require a statutory change.

COMMISSIONER DUNCAN answered that at this point it isn't clear whether a statutory change would be required. Those discussions are just beginning.

REPRESENTATIVE KOTT returned to his question to Mr. Kohn. He expressed his discomfort in the allegations [contained in the aforementioned letters] that a study was funded and the University of [Southern] California experts were told what "we wanted to hear."

Number 1509

MR. KOHN began by addressing the University of Southern California study. He informed the committee that [those that performed the study] included the Chief of [the Division of] Geriatrics, a world-renowned expert on assisted living, and others. Those folks surveyed the Anchorage Pioneers' Homes and wrote a report that Mr. Kohn offered to share with the committee. That report didn't mention that there were no

nursing level residents in the Pioneers' Homes. Mr. Kohn said, "Of course there are nursing level residents in the Pioneer Homes." Furthermore, the entire country, including the VA is going to assisted living homes for long-term care for the elderly. He pointed out, "In fact, about 80 percent of the elderly in nursing homes are there temporarily .... They are transitioned from acute care, which would be hospital care, into nursing home care for rehabilitation and then out into the community to assisted living homes, their own home with in-home care, or many other options ...." The fact that the VA has only domiciliary care, a type of residential care, in veterans' homes has been noted by U.S. Secretary Principi. Secretary Principi also expressed the need for the VA to catch up with the rest of the nation to move in the direction of assisted living care. Mr. Kohn paraphrased Secretary Principi to have said that since the Pioneers' Homes are assisted living homes, this would be good a opportunity to demonstrate veterans being cared for in assisted living homes and help the VA move in that direction.

MR. KOHN said that the controversy penned in the letters is one that he believes is a national controversy. He explained that over the last 20 years or so the concept of skilled nursing care facilities where elderly lived out their lives has changed. Generally, the elderly don't live out their lives in skilled nursing homes anymore. The current concept is one in which the elderly enter assisted living homes, which provide nurturing care and a social model of care with medical care to support the residents. Mr. Kohn remarked that the Pioneers' Homes are somewhat unlike other assisted living homes in the nation because they have a strong medical model. For example, in pioneers' homes nurses are on staff around the clock, which is usually not the case with assisted living homes. Furthermore, the pioneers' homes do care for individuals who could be nursing level residents.

MR. KOHN turned to one of the concerns expressed in one of the letters regarding the amount of staffing if a pioneers' and veterans' home program was implemented. The \$5.2 million price was developed to take care of the applicants on the waiting list that would fill the approximately 90 beds. That price was based on 4.9 hours [of care] per resident per day. He explained that in the long-term care industry staffing is discussed in terms of the number of hours that can be given to each resident in each 24-hour period. Mr. Kohn said, "We have tried to maintain, and have maintained for the most part, 4.9 hours per resident per day." In the Lower 48, skilled nursing facilities provide an average of 2.5 [hours of care per resident per day].

MR. KOHN informed the committee that the Pioneers' Homes are currently in the process of accrediting the homes with a national group, the Joint Commission on [Accreditation of] Healthcare Organization (JCAHO). That commission certifies hospitals and has done so for maybe 50 or more years and now are certifying assisted living homes. The Alaska Pioneers' Homes will be the first [assisted living homes] to be certified across the state. A couple of months ago, "we" met with a representative of JCAHO who taught a class on what was necessary to achieve certification. After the program, "we" walked through the Anchorage Pioneers' Home and the JCAHO representative remarked that it was a very high medical model assisted living home while also taking in nursing home level residents. Therefore, there have been others in the home besides the University of Southern California that feel the same.

Number 1037

MG PHILLIP OATES, Adjutant General/Commissioner, Department of Military & Veterans' Affairs, testified via teleconference. General Oates remarked that one of the most vexing challenges he has had has been to help craft a solution to provide care to Alaska's veterans. For many reasons, it hasn't been possible to acquire the funding for a stand-alone veterans' home. Furthermore, construction of a stand-alone veterans' home would be in one location. The model that had been considered provided fewer beds in only one location, with a greater cost and thus would have been of less service than the proposal embodied in HB 88. General Oates emphasized the need to do something for Alaska's veterans. He pointed out that Alaska has the second highest per capita number of veterans in the nation. Alaska is one of two states that doesn't have a veterans' home and is the only state that isn't in the process of building one. Therefore, [the proposal in HB 88] is an important step forward in providing some veterans with necessary care. General Oates charged anyone on the committee who had reservations to provide another solution. He specified that there hasn't been a solution thus far because of the dollars involved.

GENERAL OATES explained that [HB 88] will provide, in essence, six veterans' homes across the state and will provide an opportunity to work with the VA in a direction that it desires to move. He related his belief that [HB 88] is a great solution that is worthy of full support. Furthermore, the time is now to move forward. He discussed Alaska's historical ties to the

military. He concluded by saying that [HB 88] will not only solve the problem but also provide a model for the nation.

Number 0771

REPRESENTATIVE MURKOWSKI turned to the difficulties of a stand-alone veterans' facility and noted her agreement that if a combination Pioneers' and Veterans' Home could be achieved, it could be a model that other states could look to. Therefore, she wanted to find a way to make it work. She then pointed out that the veterans' priorities include \$200,000 to perform a study of a stand-alone veterans' home as well as identifying the needs of veterans in Alaska. She inquired as to the status of that funding.

GENERAL OATES explained that the \$200,000 is in the DMVA budget to allow required studies, surveys of the exact care that exists in the state, as well as to work all the needs of all veterans at all levels. He acknowledged that the Pioneers' and Veterans' Home would be for veterans that are 65 and older. There are other veterans with other needs, and therefore he indicated the need to establish the proper database in order to allow the VA to meet the needs of the veterans that won't be met by this study. Also, [there is the need] to provide greater involvement in the Pioneers' Home system with veterans' service officers so that it can be determined what further can be established with the Pioneers' Homes systems. He noted that could mean [providing] veterans' clinics on either a permanent or rotating basis, or making pharmacies available to the veterans' program, or surveying the expansion of the Pioneers' Home in order to determine whether there could be improvements or extensions to those homes without encumbering all the rules of the VA. He echoed earlier testimony that the VA is looking for new and innovative ways to proceed.

Number 0522

REPRESENTATIVE MURKOWSKI noted that she and General Oates had the opportunity to speak with U.S. Secretary Principi regarding his ideas and what may be acceptable to the VA. During that conversation, the term "pilot project" came up. She asked if there is any further discussion or movement in that direction.

GENERAL OATES answered that [the department] has an ongoing dialogue with the VA, although the majority of the work is being done at the state level. He informed the committee of a pending visit to the Pioneers' Homes in order to determine if they are

adequate. He reiterated that U.S. Secretary Principi was highly impressed with the Pioneers' Homes during his visit and commented that the Pioneers' Home system is better than what currently exists in many veterans' homes. Therefore, General Oates felt that the survey would illustrate that the Pioneers' Homes are a high standard and would allow a nontraditional approach.

GENERAL OATES informed the committee that Alaska's congressional delegation has remarked on the importance of the state taking the first step forward. He expressed his confidence that federal assistance will be available. He noted that there has been a pledge of support from U.S. Senator Stevens and Murkowski. He predicted that if the state takes the first step, more federal assistance will be secured while, at the same time, the full support of Alaska's congressional delegation and the VA would be obtained.

Number 0278

FRANCES PURDY testified via teleconference in support of veterans' homes or a veterans' home. She recognized that the Pioneers' Homes afford the ability to have a noncentralized veterans' home. However, she was concerned with the figures provided by the administration. She informed the committee that the \$12.6 million in fees that are to be generated by the 90 beds would average to about \$2,400 a month. However, the current cost of a Pioneers' Home at the Alzheimer's Disease and Related Dementia (ADRD) level is \$4,040 a month and thus the state will have to subsidize those beds. For comprehensive care, the cost is \$4,920 a month and [is projected] to increase to \$6,450 a month. Therefore, she questioned how realistic the underwriting is for these 90 beds. The numbers don't add up.

MS. PURDY informed the committee that the reason there are vacant beds is because, over time, more people enter the homes at a higher level of care such as an enhanced level of care, the ARDR level, or comprehensive care. The Pioneers' Home hasn't been able to maintain the staff to meet the increasing levels [of care]. Although she acknowledged that perhaps the Pioneers' Homes provide 4.9 hours of nursing care a day, the speech therapy, special nutrition needs, and physical and occupational therapy are not provided. "To some degree, we don't actually have the answers from the Pioneer Home, the Department of Administration, [regarding] what the impact is of the higher number of people coming in at the higher level of care."

MS. PURDY informed the committee that the administration also hasn't addressed the issue of the increased number of people on the stipend program. She explained that the stipend program is the state's answer to not placing people on Medicaid.

TAPE 01-7, SIDE A

MS. PURDY continued by pointing out that the stipend is 100 percent state funds. If people were [required] to apply for Medicaid, then the state would only fund 50 percent and the federal government would provide the other 50 percent. However, in order to receive Medicaid, some changes regarding the residency requirement for the Pioneers' Home would have to be made. Ms. Purdy said, "What we appear to be doing with this [HB 88] ..., the financing part of this, is that the state will have an increasingly higher burden financially in order to sustain the services."

Number 0150

MARTY MARGESON testified via teleconference. She read the following testimony:

My father is a veteran and has been a resident in the Anchorage Pioneer Home ADRD unit since 1997; his rates have more than doubled in his 3-year residency. In July he will pay \$4,655 for assisted living. The staffing shortage is so acute that the Pioneer Home is unable to fill its beds and has approximately 45 beds vacant in the Anchorage Home alone. I do not believe this bill will provide enough staffing for the incoming residents because it only staffs to the enhanced assisted living level needs - this level of care continues to be readily available in our community small assisted living homes with rates starting at \$2,000 a month; the Pioneer Home cost is \$4,490 per month for this level of care. Why would a veteran leave a small homey assisted living home and pay double for institutional care?

My dad left his wonderful small assisted living home when he required 24-hour monitoring in the "alarmed" ... ADRD unit in 1997 .... My dad moved [into the ADRD unit] for nursing care. ... although his rates have doubled, the number of nurses has declined. There is no longer a doctor on staff; there is no longer 24-hour RN coverage in the ADRD unit. This is

important, because injuries occur when dementia residents become violent. When my dad was beaten by another resident there was no RN in the building to assess his injuries - the LPN thought she could bandage his wounds. The emergency room doctor required full facial X-rays and stitches. Had I listened to the LPN assessment I would have endangered my dad's health. More RN coverage is needed. During the night you are lucky to have one RN for 200 plus residents.

This bill will encourage veterans needing higher levels of care in the ADRD-Comprehensive units to enter the Pioneer Home, but this bill will not furnish enough staff to cover their needs, and therefore the current residents will suffer more shortages. As an advocate for my father [and] a member of Caring and Anchorage Northside Family Council, I continue to report lack of staffing to feed residents, bath residents, and to provide individual therapeutic activities and exercise programs necessary to the health and dignity of dementia residents. Our shortages are great. How can one physical therapist or one activity specialist who often doubles as a bus driver provide enough stimulation for a 200 plus highly dependent resident population. Our seniors deserve better care, but this bill is not the right approach.

Number 0417

MS. MARGESON continued:

First, this bill will continue to incur state cost. Veterans like my father do not qualify for nursing home or assisted living benefits. To qualify for nursing home benefits, my father would need a 70 percent service-related mental or physical disability. He has none. What percentage of the Pioneer Home veterans meets this disability requirement?

Secondly, although the VA Home is a great idea, the majority of new residents will, like my father, enter at the ADRD-Comprehensive level, which will accelerate the number of people requiring nursing care. This will continue to stretch state coffers. Furthermore, it makes no sense to pull these veterans from nursing

homes where they can receive Medicaid, which is 50 percent federal monies 50 percent state monies, and put them in the Pioneer Home stipend program which costs the state 100 percent for their care. How many residents were on the stipend five years ago? How many are on the stipend today? How many will be on the stipend five years from now? The state can no longer afford 100 percent coverage - we need to look to federal monies. Veterans and pioneers can qualify for Medicaid if they have skilled nursing needs. Pioneer Home residents on feeding tubes, physical therapy, et cetera meet this criteria. Small assisted living homes in our community already take advantage of federal funds through the Medicaid Choice waiver program. Residents with dementia can and do qualify for these federal assistance programs.

I believe the Pioneer Home should reinstate the skilled nursing license to half the home. I believe we, as Alaskans, should welcome federal guidance and oversight, which comes with this money. If our homes have health-safety risks, which place them below federal standards, then we need to upgrade them. Our seniors deserve the best; they at least deserve the care provided by federal guidelines. I understand that federal monies will not be available if we continue the one-year residency requirement. I don't think we can afford to keep this requirement. Certainly, if we're willing to turn our beloved Pioneer Home into a veteran's home, we could be willing to abolish the residency requirement and keep our home's name, the Pioneers' Home.

Number 0602

MS. MARGESON concluded:

I hardly support the building of a VA Home. I do not support this merger which seeks to create additional funding to fill vacant beds, but does not provide enough funding to cover the higher needs ADRD-Comprehensive [unit] and most likely new residents. I do not support the further decline of care which results from higher needs residents not having sufficient staff for feeding, bathing, exercise, and therapeutic activity. I do not support increasing the number of residents on the stipend program - this

would be an inevitable outcome since most residents cannot afford the \$5,000 to \$6,000 a month. I do not support seeking VA federal monies for which few veterans will qualify. I do support seeking federal monies by relicensing for skilled nursing, and abolishing the residency requirement. When our Pioneer Home offered skilled nursing, it was full. Our Anchorage skilled nursing homes have long waiting lists. Filling our vacancies by restoring the nursing license would restore quality care, update and remove our current health-safety hazards, and bring in federal governments monies, which would hopefully abolish the need for the stipend program.

CHAIR CHENAULT announced that Mr. Laddie Shaw, the only remaining witness to testify, could return next Tuesday to testify. [HB 88 was held.]

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 5:15 p.m.