

# Fiscal Note

State of Alaska  
2020 Legislative Session

Bill Version:	SCS CSHB 96(FIN)
Fiscal Note Number:	10
(S) Publish Date:	3/23/2020

Identifier: HB096SCSCS(FIN)-DHSS-PH-3-23-2020  
 Title: PIONEERS' HOME AND VETERANS' HOME  
 RATES  
 Sponsor: FIELDS  
 Requester: (S) RLS

Department: Department of Health and Social Services  
 Appropriation: Alaska Pioneer Homes  
 Allocation: Pioneer Homes  
 OMB Component Number: 2671

## Expenditures/Revenues

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

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates					
			FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<b>OPERATING EXPENDITURES</b>								
Personal Services		42,942.2						
Travel		14.7						
Services		19,981.4						
Commodities		2,906.0						
Capital Outlay		95.6						
Grants & Benefits		4.8						
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>65,944.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

1002 Fed Rcpts (Fed)		1,594.2						
1005 GF/Prgm (DGF)	(6,061.5)	25,478.4	(6,061.5)	(6,061.5)	(6,061.5)	(6,061.5)	(6,061.5)	(6,061.5)
1007 I/A Rcpts (Other)	6,061.5	34,640.8	6,061.5	6,061.5	6,061.5	6,061.5	6,061.5	6,061.5
1037 GF/MH (UGF)		2,007.0						
1246 RcdvsmFund (DGF)		2,224.3						
<b>Total</b>	<b>0.0</b>	<b>65,944.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time								
Part-time								
Temporary								

## Change in Revenues

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? no  
 (Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/21

## Why this fiscal note differs from previous version/comments:

Fiscal note has been recalculated to display needs in FY2021 and out years, relative to the FY2021 Governor's Request.

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 Approved By: Sana Efid, Administrative Services Director  
 Agency: Office of Management and Budget

Phone: (907)465-5736  
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REPORTED OUT OF  
SFC 03/23/2020

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2020 LEGISLATIVE SESSION**Analysis**

This bill sets in statute Alaska Pioneer Home rates that are an average of 26% less than the costs of providing Pioneer Home services. Under this legislation, the State will subsidize the cost of services to all residents, including those with private pay ability. This bill also increases the amount of personal income a resident keeps for incidentals, which will increase the cost of care subsidy for residents on payment assistance.

The Pioneer Homes subsidize residents in two distinct ways. First, because no resident is invited to live in the home based on his or her ability to pay, a needs-based payment assistance program is in place to ensure that all elders can celebrate life through its final breath in the homes regardless of their income. Secondly, there is a general fund subsidy which funds the gap between charged rates and the actual cost to provide services. The bill proposes to decrease Pioneer Home rates to a level below the full cost of operating the facilities. As such, an adjustment to both the Payment Assistance Program and the general fund subsidy is needed to fully fund the operations of the Pioneer Homes.

Based on occupancy over the most recent 6 months of FY2020, the division calculates a need for an additional \$5896.1 general fund subsidy to cover the gap between rates charged under HB 96 and the full cost of care, and \$165.4 general fund subsidy to make up for an increase, under HB 96, to the personal allowance a resident may retain, for those on payment assistance. This has been rounded to \$6061.5, total for this fiscal note.

The Pioneer Homes component will expect \$6061.5 less in payments from residents under HB 96 (general fund program receipts), and will make up for that through an increase in draws from the Payment Assistance component (interagency receipts).