

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	CSHB 96(FIN)
Fiscal Note Number:	8
(S) Publish Date:	2/14/2020

Identifier: CSHB096(FIN)-DHSS-PH-1-16-2020
 Title: PIONEERS' HOME AND VETERANS' HOME
 RATES
 Sponsor: FIELDS
 Requester: (H)FIN

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
OPERATING EXPENDITURES								
Personal Services		50,913.5	50,913.5	50,913.5	50,913.5	50,913.5	50,913.5	50,913.5
Travel		14.7	14.7	14.7	14.7	14.7	14.7	14.7
Services		8,164.3	8,164.3	8,164.3	8,164.3	8,164.3	8,164.3	8,164.3
Commodities		3,506.0	3,506.0	3,506.0	3,506.0	3,506.0	3,506.0	3,506.0
Capital Outlay		95.6	95.6	95.6	95.6	95.6	95.6	95.6
Grants & Benefits		4.8	4.8	4.8	4.8	4.8	4.8	4.8
Miscellaneous								
Total Operating	0.0	62,698.9	62,698.9	62,698.9	62,698.9	62,698.9	62,698.9	62,698.9

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)		1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
1004 Gen Fund (UGF)	19,615.5		19,615.5	19,615.5	19,615.5	19,615.5	19,615.5	19,615.5
1005 GF/Prgm (DGF)	(4,658.3)	23,567.0	18,908.7	18,908.7	18,908.7	18,908.7	18,908.7	18,908.7
1007 I/A Rcpts (Other)	(14,957.2)	34,548.2	19,591.0	19,591.0	19,591.0	19,591.0	19,591.0	19,591.0
1037 GF/MH (UGF)		3,083.7	3,083.7	3,083.7	3,083.7	3,083.7	3,083.7	3,083.7
Total	0.0	62,698.9	62,698.9	62,698.9	62,698.9	62,698.9	62,698.9	62,698.9

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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 If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/20**

Why this fiscal note differs from previous version/comments:

Refreshed to SLA2020 form; pushed out regulations date

Prepared By:	Clinton Lasley, Director	Phone:	(907)465-5736
Division:	Alaska Pioneer Homes	Date:	05/06/2019 11:45 AM
Approved By:	Sana Efird, Administrative Services Director	Date:	05/06/19
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION**Analysis**

CSHB096(FIN) sets in statute Alaska Pioneer Home rates, which are 29% less than the costs of providing Pioneer Home services. Under this legislation, the State will continue to subsidize the cost of services to all residents, including those with private pay ability. This will also increase the amount a resident keeps for incidentals which will increase the amount subsidized 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. This subsidy applies to those who have the financial ability to pay more than the rates set by the homes. The bill proposes to increase rates to the Pioneer Homes but not to the level to cover the full cost of operating the facility. 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.

Given the information that Pioneer Homes management has on the financial position of residents, it is anticipated that \$19,615.5 general funds will be required to fund the gap between charged rates and the full cost of services for the residents on private-pay. For the elders who require payment assistance, \$12,384.5 general funds will be required to support the rates as proposed in HB96.