

Original sponsor: Health, Welfare &  
Education Committee

Offered: 3/2/70  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 240

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE -- SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the purchase of services by the  
7 Department of Health and Welfare."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 47 is amended by adding a new chapter to read:

10 CHAPTER 40. PURCHASE OF SERVICES.

11 Sec. 47.40.010. PURCHASE OF SERVICES. (a) When the department  
12 purchases services for persons for whom the state has assumed responsi-  
13 bility under the laws of the state, the department shall

14 (1) adopt regulations establishing the levels of care to be  
15 provided;

16 (2) determine the rates of payment for the full cost of  
17 services required;

18 (3) pay all expenses related directly to the full cost of  
19 services at the levels of care required;

20 (4) make the placement of persons in accordance with the  
21 levels of care provided for in the regulations.

22 (b) Services of jails and other penal institutions shall not be  
23 included in services purchased by the state in this chapter.

24 Sec. 47.40.020. LICENSING AND SUPERVISION. Anyone providing  
25 services which are purchased by the department under this chapter shall,  
26 if required by the department, be licensed and supervised in the same  
27 manner as boarding homes, foster homes and other institutions as pro-  
28 vided for in AS 47.35.010 - 47.35.080.

29 Sec. 47.40.030. REQUIRED ACCOUNTING PROCEDURES. Anyone who

1 solicits or receives funds from the department for the cost of services  
2 provided under this chapter

3 (1) shall meet accepted standards of fiscal accountability  
4 for public funds and shall, upon request, submit a complete financial  
5 statement by an independent, certified public accountant to the  
6 department and to the division of legislative audit;

7 (2) shall, upon request before the meetings provided for  
8 in AS 47.05.010(14), demonstrate the actual cost of services offered  
9 using cost accounting procedures as provided for by the department;

10 (3) shall, upon request, furnish the division of legislative  
11 audit all fiscal information, books, records, and accounts pertaining  
12 to services paid for under this chapter.

13 Sec. 47.40.040. DETERMINATION OF FULL COST OF SERVICES. (a) In  
14 this chapter, "full cost" of services shall be determined by the per  
15 person, per day cost in the preceding fiscal year plus a proportionate  
16 share of anticipated cost of living and staff salary increment increases  
17 for the fiscal year for which the full cost of services, determined  
18 to be necessary by the department, is being determined. Child care  
19 costs for foster homes shall be computed in the same manner as for  
20 child care and nursing home institutions except that no salary costs  
21 may be considered.

22 (b) Full cost of services does not include the following:

23 (1) expenses, including salaries and fees, incurred in  
24 raising funds;

25 (2) funds expended for construction, major equipment and  
26 other capital expenditures;

27 (3) depreciation and replacement costs of, and costs of  
28 additions to, major property and equipment;

29 (4) religious training and education; and

1 (5) services provided which are substandard to, or exceed,  
2 the requirements of the department.

3 Sec. 47.40.050. SERVICES. When determining the levels of service  
4 to be required the department shall consider program services as out-  
5 lined within the Catalogue of Functional or Program Service Categories  
6 published by the United Funds and Councils of America, September 1967.

7 Sec. 47.40.060. TEMPORARY PLACEMENT. (a) When anyone places a  
8 person in a borough, city, community or private hospital, institution,  
9 or agency pending establishment of state responsibility for their  
10 care, the department shall not be responsible for the cost of services  
11 purchased until the department officially assumes responsibility for  
12 their care as provided for under the laws of the state.

13 (b) When the department temporarily places a person in a borough,  
14 city, community or private hospital, institution, or agency pending the  
15 determination of their responsibility it shall pay the actual cost of  
16 the services provided rather than the level authorized by regulation.

17 Sec. 47.40.070. PERMANENT PLACEMENT. When the department places  
18 a person for whom it has assumed responsibility in a borough, city,  
19 community or private hospital, institution, or agency it shall, when  
20 offered, purchase a level of care the department considers necessary to  
21 provide that person with reasonable rehabilitation services over and  
22 above the established level of care supplying ordinary safety, comfort  
23 and general welfare.

24 Sec. 47.40.080. DEFINITION. In this chapter "anyone" means any  
25 person, city, organized borough and private or voluntary institution  
26 or agency.

27 \* Sec. 2. AS 47.05.010(14) is repealed and re-enacted to read:

28 (14) each February hold public meetings to review, study,  
29 and propose, the necessary levels of care and the rates it will pay to

1 anyone for the services required during the succeeding year. Before  
2 final adoption by the department the proposed levels of care and the  
3 rates of payment shall be reviewed by the legislature annually while  
4 in session.

5 \* Sec. 3. Notwithstanding the provisions of sec. 2 of this Act, the  
6 meetings already held under AS 47.05.010 (14) shall be used to establish the  
7 rates the department shall pay to anyone for the services required during the  
8 fiscal year starting July 1, 1970.