

Introduced: 4/3/72
Referred: Health, Welfare
and Education

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE BILL NO. 396

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act concerning the purchase of services by the
7 Department of Health and Social Services."

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

9 * Section 1. AS 47.40.010(a) is amended to read:

10 (a) When the department purchases services for persons for whom
11 the state has assumed responsibility under the laws of the state, the
12 department shall

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

15 (2) determine the rates of payment for [THE FULL COST OF]
16 services required;

17 (3) pay all expenses related directly to the reasonable
18 [FULL] cost of services at the levels of care required;

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

21 (5) make rateable reductions in payment rates if an annual
22 appropriation is inadequate to cover reasonable cost requirements de-
23 termined by the department.

24 * Sec. 2. AS 47.40.040 is amended to read:

25 Sec. 47.40.040. DETERMINATION OF REASONABLE [FULL] COST OF
26 SERVICES. (a) In this chapter, "reasonable cost" of services shall be
27 based upon pre-determined rates from standards developed by the
28 department, in cooperation with the persons providing the service, for
29 each type of service purchased by the department. To the extent

possible, the rates to be paid for any services shall be established in advance for the fiscal year for which funds are to be requested of the legislature ["FULL COST" OF SERVICES SHALL BE DETERMINED BY THE PERSON, PER DAY COST IN THE PRECEDING FISCAL YEAR PLUS A PROPORTIONATE SHARE OF ANTICIPATED COST OF LIVING AND STAFF SALARY INCREMENT INCREASES FOR THE FISCAL YEAR FOR WHICH THE FULL COST OF SERVICES, DETERMINED TO BE NECESSARY BY THE DEPARTMENT, IS BEING DETERMINED. CHILD CARE COSTS FOR FOSTER HOMES SHALL BE COMPUTED IN THE SAME MANNER AS FOR CHILD CARE AND NURSING HOME INSTITUTIONS EXCEPT THAT NO SALARY COSTS MAY BE CONSIDERED].

(b) Determination of reasonable [FULL] cost of services may [DOES] not include the following:

- (1) expenses, including salaries and fees, incurred in raising funds;
- (2) funds expended for construction, major equipment and other capital expenditures;
- (3) depreciation and replacement costs of, and costs of additions to, major property and equipment;
- (4) religious training and education; and
- (5) services provided which are substandard to, or exceed, the requirements of the department.

* Sec. 3. AS 47.40.080(2) is amended to read:

(2) "services" means family, child welfare, [AND] nonprofit nursing home services, [BUT DOES NOT INCLUDE] health, hospital, profit-making nursing homes and [OR] medical services.