

Original sponsor: Health, Education
and Social Services Committee

Offered: 5/5/77
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR HOUSE BILL NO. 432

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the state's purchasing of services
7 for persons under its responsibility; and providing for
8 an effective date."

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

10 * Section 1. AS 47.40.010(a)(1), (2) and (3) are amended to read:

11 (1) within one year from the effective date of this Act,
12 adopt regulations governing purchase of services by the department
13 [ESTABLISHING THE LEVELS OF CARE TO BE PROVIDED];

14 (2) determine standards of allowable cost which are reason-
15 able and necessary [THE RATES OF PAYMENT FOR THE FULL COST OF SERVICES
16 REQUIRED];

17 (3) pay all allowable expenses related directly to the full
18 cost of services [AT THE LEVELS OF CARE REQUIRED];

19 * Sec. 2. AS 47.40.020 is amended to read:

20 Sec. 47.40.020. LICENSING AND SUPERVISION. Anyone providing ser-
21 vices which are purchased by the department under this chapter shall [,
22 IF REQUIRED BY THE DEPARTMENT,] be licensed and supervised in accordance
23 with regulations adopted by the department [THE SAME MANNER AS BOARDING
24 HOMES, FOSTER HOMES AND OTHER INSTITUTIONS AS PROVIDED FOR IN AS 47.35.-
25 010 - 47.35.080].

26 * Sec. 3. AS 47.40.040(a) is repealed and re-enacted to read:

27 (a) In this chapter, payment for "full cost" of services shall be
28 made upon determination of a provisional per diem rate based upon the
29 per person, per day costs using standard industry cost-accounting

1 principles for fixed and variable costs except those excluded in this
2 section, of the preceding fiscal year, plus a cost-of-living increase
3 based upon the state Department of Labor cost-of-living index. Per-
4 sonnel salary increment increases determined to be reasonable and
5 necessary shall also be determined. Cost settling shall occur upon
6 determination of a final rate based upon departmental audit for the
7 fiscal year for which the full cost of services, determined to be reason-
8 able and necessary, is being determined. An interim cost settlement
9 will be made upon the submission of a year-end expenditure report by the
10 child care agency, with a final settlement made at the time a departmental
11 audit is completed.

12 * Sec. 4. AS 47.40.040(b)(3) and (5) are amended to read:

13 (3) cost of additions to [DEPRECIATION AND REPLACEMENT COSTS
14 OF, AND COSTS OF ADDITIONS TO,] major property and equipment;

15 (5) services specified as nonallowable in departmental regu-
16 lations [PROVIDED WHICH ARE SUBSTANDARD TO, OR EXCEED, THE REQUIREMENTS
17 OF THE DEPARTMENT].

18 * Sec. 5. AS 47.40.050 is repealed and re-enacted to read:

19 Sec. 47.40.050. SERVICES. To the greatest extent possible the
20 department shall select services that best meet the child's needs, pro-
21 mote stability for child and family, and are available near the child's
22 home community.

23 * Sec. 6. AS 47.40.080 is amended by adding a new paragraph to read:

24 (4) "cost-settling" means the process by which, on an annual
25 basis, the actual costs incurred by a provider of services to the state
26 under this chapter are compared to the amount he has received in the
27 form of the daily rate; if state payments exceed the provider's costs,
28 the provider shall refund the excess to the state; if the provider's
29 costs exceed the state payments, the state shall pay the provider the

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excess amount.

* Sec. 7. AS 47.40.010(a)(4) is repealed.

* Sec. 8. This Act takes effect July 1, 1977.

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