

Introduced: 3/22/77  
Referred: Health, Education &  
Social Services and Finance

1 IN THE SENATE

BY HACKNEY

2 CS SENATE BILL NO. 271

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 purchase by the state of social  
7 services; and providing for an effective date."

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

9 \* Section 1. AS 47.40.010(a) is repealed and re-enacted to read: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 governing purchase of services by  
14 the department;

15 (2) determine standards of allowable cost which are reason-  
16 able and necessary;

17 (3) pay monthly to providers of services a sum equal to one-  
18 twelfth of

19 (A) the estimated total billings of the first year of  
20 operation for the full cost of services, or

21 (B) the total billings for the previous fiscal year in  
22 second and subsequent years of operation;

23 (4) cost settle all allowable expenses related directly to  
24 the full cost of services.

25 \* Sec. 2. AS 47.40.020 is amended to read:

26 Sec. 47.40.020. LICENSING [AND SUPERVISION]. Anyone providing  
27 services which are purchased by the department under this chapter shall  
28 [, IF REQUIRED BY THE DEPARTMENT,] be licensed [AND SUPERVISED] in the  
29 same manner as boarding homes, foster homes and other institutions as

1 provided for in AS 47.35.010 - 47.35.080.

2 \* Sec. 3. AS 47.40.040 is amended to read:

3 Sec. 47.40.040. REIMBURSEMENT FOR [DETERMINATION OF] FULL COST OF  
4 SERVICES. (a) In this chapter, payment for "full cost" of services  
5 shall be made upon the determination of a provisional per diem rate  
6 based upon [DETERMINED BY] the per person, per day cost in the preceding  
7 fiscal year plus a cost-of-living increase based upon the United States  
8 Department of Labor cost-of-living index for Anchorage, Alaska. Per-  
9 sonnel salary increases determined to be reasonable and necessary shall  
10 also be allowed. Cost settling shall occur upon determination of a  
11 final rate based upon a departmental audit to be completed within 60  
12 days of the close of [PROPORTIONATE SHARE OF ANTICIPATED COST-OF-LIVING  
13 AND STAFF SALARY INCREMENT INCREASES FOR] the fiscal year for which the  
14 full cost of services, determined to be reasonable and necessary by the  
15 department, is being determined. Child care costs for foster homes shall  
16 be computed in the same manner as for child care and nursing home insti-  
17 tutions except that no salary costs may be considered.

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

19 (1) expenses, including salaries and fees, incurred in  
20 raising funds;

21 (2) funds expended for construction, major equipment and  
22 major [OTHER] capital expenditures;

23 [(3) DEPRECIATION AND REPLACEMENT COSTS OF, AND COSTS OF  
24 ADDITIONS TO, MAJOR PROPERTY AND EQUIPMENT;]

25 (4) religious training and education; [AND]

26 (5) services determined to be nonallowable under departmental  
27 regulations; and [PROVIDED WHICH ARE SUBSTANDARD TO, OR EXCEED, THE  
28 REQUIREMENTS OF THE DEPARTMENT]

29 (6) cost of additions to major property and equipment.

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\* Sec. 4. AS 47.40 is amended by adding a new section to read:  
Sec. 47.40.051. SERVICES. The department shall select services  
that

- (1) are the nearest to the child's home community when available;
- (2) best meet the child's needs;
- (3) promote stability for child and family.

\* Sec. 5. AS 47.40.050 is repealed.  
\* Sec. 6. This Act takes effect July 1, 1977.

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