Offered: 4/12/77
Referred: Finance

Original sponsor: Hackney

IN THE SENATE

BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

CS FOR SENATE BILL NO. 271

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the purchase by the state of social services; and providing for an effective date."

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

* Section 1. AS 47.40.010(a) is repealed and re-enacted to read:

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

(1) adopt regulations within a year from the effective date of this Act governing purchase of services by the department;

(2) determine standards of allowable cost which are reasonable and necessary;

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

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

(B) the total of an amount equal to

(i) the billings for the previous fiscal year in second and subsequent years of operation; and

(ii) an adjustment for the cost of living based on the United States Department of Labor's cost-of-living index for Anchorage, Alaska; and

(iii) any salary increases allowed;

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

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

Sec. 47.40.020. LICENSING [AND SUPERVISION]. Anyone providing services which are purchased by the department under this chapter shall [, IF REQUIRED BY THE DEPARTMENT,] be licensed [AND SUPERVISED] in the same manner as boarding homes, foster homes and other institutions as provided for in AS 47.35.010 - 47.35.080.

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

Sec. 47.40.040. REIMBURSEMENT FOR [DETERMINATION OF] FULL COST OF SERVICES. (a) In this chapter, payment for "full cost" of services shall be made upon the determination of a provisional per diem rate based upon [DETERMINED BY] the per person, per day cost in the preceding fiscal year plus a cost-of-living increase based upon the United States Department of Labor cost-of-living index for Anchorage, Alaska. Personnel salary increases determined to be reasonable and necessary shall also be allowed. Cost settling shall occur upon determination of a final rate based upon a departmental audit [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 reasonable and necessary by the department, is being determined. An interim cost settlement will be made upon the submission of a year-end expenditure report by the child care agency, with a final settlement made at the time a departmental audit is completed [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) Full cost of services does not include the following:

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

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

(3) amounts for depreciation of real property in excess of the minimum amounts which would be authorized for the depreciation of the property under AS 43.20 [DEPRECIATION AND REPLACEMENT COSTS OF, AND COSTS OF ADDITIONS TO, MAJOR PROPERTY AND EQUIPMENT];

(4) religious training and education; [AND]

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

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

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

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

* Sec. 7. This Act takes effect July 1, 1977.