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Offered: 5/10/82
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 357 (HESS) am S

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public assistance and other assis-
7 tance provided by the state; and providing for an effec-
8 tive date."

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

10 * Section 1. FINDINGS. The legislature finds that the present method for
11 establishing payment rates under AS 47.40 for residential child care services
12 is inadequate. The Department of Health and Social Services shall conduct a
13 study of alternatives to the method of establishing payment rates under
14 AS 47.40. The study shall be conducted by a committee of five members ap-
15 pointed by the commissioner of the Department of Health and Social Services.
16 Three members of the committee shall be employees of the Department of Health
17 and Social Services and two members shall be providers of residential child
18 care services. The study shall contain, among other matters determined by
19 the department, a suggested redefinition of the manner in which rates for
20 residential child care services are calculated, a consideration of the method
21 and amount of reimbursement for capital costs of residential child care
22 facilities, and the availability and use of other sources of money to finance
23 residential child care services and to finance the construction of residential
24 child care facilities. The committee shall report its findings to the legis-
25 lature on or before the 30th day of the Second Session of the Thirteenth
26 Legislature. The legislature further finds that the rates established under
27 AS 47.40 should be suspended from June 30, 1982 to July 1, 1984.

28 * Sec. 2. The operation of AS 47.05.010(14), AS 47.40.040, and 47.40.050
29 is suspended from July 1, 1982 through June 30, 1984. During the period of

1 suspension, payment for services provided by residential child care facili-
2 ties shall be made in accordance with the provisions of sec. 3 and 4 of this
3 Act.

4 * Sec. 3. For fiscal year 1983, the payment per day for each child placed
5 by the Department of Health and Social Services in residential care is:

6 Alaska Children's Services Receiving Home (Anchorage)	\$149.85
7 Alaska Children's Services Jesse Lee Home (Anchorage)	165.46
8 Alaska Children's Services Rabbit Creek Group Home (Anchorage)	166.40
9 Alaska Children's Services North Star Home (Anchorage)	103.55
10 Alaska Children's Services Aquarius House (Anchorage)	107.60
11 Alaska Children's Services Colletti House (Anchorage)	117.51
12 Alaska Baptist Family Service Center (Anchorage)	117.02
13 Booth Memorial Home (Anchorage)	146.90
14 Hilltop Home, Inc. (Anchorage)	85.53
15 Kenai Peninsula Community Care Center (Kenai)	91.74
16 Kodiak Baptist Mission (Kodiak)	61.61
17 Turning Point Boys Ranch (Willow)	105.37
18 North Star Children's Home (Dot Lake)	62.25
19 Presbyterian Hospitality House (Fairbanks)	111.98
20 Juneau Receiving Home (Juneau)	106.17
21 St. Jude Center, Inc. Receiving Home (Juneau)	72.33
22 Nome Receiving Home (Nome)	116.97
23 North Slope Borough Children's Receiving Home (Barrow)	168.35
24 Ketchikan Teen Home I (Ketchikan)	74.26
25 Ketchikan Teen Home II (Ketchikan)	81.61
26 Ketchikan Children's Home Intensive Treatment Unit (Ketchikan)	152.56
27 Sitka Receiving Home (Sitka)	40.66
28 Bethel Receiving Home (Bethel)	75.52
29 Bethel Group Home (Bethel)	59.06

1 Covenant High School (Unalakleet)

51.16

2 * Sec. 4. For fiscal year 1984 the payment rates for residential child
3 care services shall be the amounts set out in sec. 3 of this Act increased by
4 five percent.

5 * Sec. 5. AS 44.29.020 is amended to read:

6 Sec. 44.29.020. DUTIES OF DEPARTMENT. The Department of Health
7 and Social Services shall administer the state programs of public health
8 and social services, including: (1) maternal and child health services;
9 (2) preventive medical services; (3) public health nursing services; (4)
10 (repealed) (5) nutrition services; (6) health education; (7) labora-
11 tories; (8) mental health treatment and diagnosis; (9) management of
12 state institutions; (10) medical facilities; (11) adult public [OLD AGE]
13 assistance; (12) aid to dependent children; (13) [AID TO THE BLIND];
14 (14) child welfare services; (15) general relief; (16) licensing and
15 supervision of child care facilities; and (17) probation and parole
16 supervision.

17 * Sec. 6. AS 47.05.010(1) is amended to read:

18 (1) administer adult public [OLD AGE] assistance, aid to
19 dependent children, [AID TO THE BLIND,] and all other assistance pro-
20 grams, and receive and spend funds made available to it;

21 * Sec. 7. AS 47.05.010(2) is amended to read:

22 (2) adopt regulations necessary for the conduct of its busi-
23 ness and for carrying out federal and state laws granting adult public
24 [OLD AGE] assistance, aid to dependent children, [AID TO BLIND PERSONS]
25 and other assistance;

26 * Sec. 8. AS 47.05.010(5) is amended to read:

27 (5) cooperate with the federal government in matters of
28 mutual concern pertaining to adult public [OLD AGE] assistance, aid to
29 dependent children, [AID TO BLIND PERSONS] and other forms of public

1 assistance;

2 * Sec. 9. AS 47.05 is amended by adding a new section to read:

3 Sec. 47.05.015. CONTRACTS. (a) Unless otherwise provided by law,
4 the department may contract with a person or local government for the
5 delivery of services to be provided by the department under AS 44.29.-
6 020, AS 47.05.010 or other laws if the commissioner determines the service
7 will be provided at less cost to the state or will be provided in a more
8 effective manner.

9 (b) Services that may be provided by contract under this section
10 include accepting applications for assistance, conducting interviews,
11 making eligibility determinations, and issuing benefits, but do not
12 include adoption of program standards or other matters involving the
13 exercise of agency discretion.

14 (c) A contract authorized under this section is exempt from the
15 competitive bid requirements of AS 37.05.230. In awarding a contract
16 under this section the department shall publish a request for proposals
17 in accordance with regulations of the department.

18 * Sec. 10. AS 47.07.020 is amended by adding a new subsection to read:

19 (e) Notwithstanding (b)(4) of this section, a person is not
20 eligible for medicaid benefits until a final determination is made on
21 the eligibility of that person for benefits under Title XVI of the
22 Social Security Act.

23 * Sec. 11. AS 47.25.430 is repealed and reenacted to read:

24 ARTICLE 4. ADULT PUBLIC [OLD AGE] ASSISTANCE.

25 Sec. 47.25.430. ADULT PUBLIC ASSISTANCE. (a) Financial assis-
26 tance shall be given under AS 47.25.430 - 47.25.615, so far as practic-
27 able under appropriations made by law to every aged, blind, or disabled
28 needy resident who has not made a voluntary assignment or transfer of
29 property to qualify for assistance. As used in this subsection, "resi-

1 dent" means a person who is living in the state voluntarily with the
2 intention of making the state his home and is not living in the state
3 for a temporary purpose.

4 (b) The department shall determine the amount of assistance with
5 regard to the resources and needs of the person and the conditions
6 existing in each case. Assistance shall be in an amount which will
7 provide the applicant with reasonable subsistence compatible with decency
8 and health in accordance with standards established by the department
9 and with the standards established under Title XVI of the Social Security
10 Act. When benefit amounts under Title XVI of the Social Security Act
11 are increased as a result of an increase in the cost of living, the
12 state shall pass along the increase to recipients, and shall increase
13 the amount of the state contribution to recipients by a percentage of
14 the state contribution equal to the percentage increase in the benefit
15 amounts under Title XVI. Direct payments for medical services and
16 remedial care may not be considered in determining the maximum amount
17 payable.

18 (c) No payment under AS 47.25.430 - 47.25.615 may be made to a
19 person who is a resident of a public institution (except as a patient in
20 a public medical institution) or a person who is a patient in a public
21 or private institution for treatment of a mental disease.

22 (d) A resident of an institution may upon or in anticipation of
23 leaving the institution, apply for assistance under AS 47.25.430 -
24 47.25.615 instead of the support and maintenance provided in the insti-
25 tution.

26 * Sec. 12. AS 47.25.435 is amended to read:

27 Sec. 47.25.435. EXCLUSION OF INCOME. Notwithstanding the provi-
28 sions of AS 47.25.430 - 47.25.615 [47.25.610], if the applicable provi-
29 sions of the federal Social Security Act, as amended, permit, in deter-

1 mining the need of an applicant for, or a recipient of, an [OLD AGE]
2 assistance grant under AS 47.25.430 - 47.25.615 [47.25.610], the de-
3 partment shall exclude from the computation of the applicant's or
4 recipient's income the amounts specified in 42 U.S.C. sec. 1382a(b), as
5 amended, amounts specified in regulations adopted to implement the
6 supplemental security income provisions of federal law, and any amounts
7 specified by the department by regulation so long as exclusion of those
8 amounts is not in conflict with federal law [A SUM NOT TO EXCEED \$65 A
9 MONTH PLUS ONE-HALF OF THE BALANCE OF THE INCOME THAT IS EARNED IN ANY
10 MANNER, UNTIL FINANCIAL INELIGIBILITY IS REACHED. THE DEPARTMENT MAY
11 PROMULGATE REGULATIONS IT CONSIDERS APPROPRIATE TO CARRY OUT THE PROVI-
12 SIONS OF THIS SECTION].

13 * Sec. 13. AS 47.25.450 is amended to read:

14 Sec. 47.25.450. INVESTIGATION OF APPLICANT. Upon application, the
15 [THE] department shall investigate promptly and record the circumstances
16 of each applicant [PERSON APPLYING FOR OLD AGE ASSISTANCE] to determine
17 the facts supporting the application and other information required by
18 the department.

19 * Sec. 14. AS 47.25 is amended by adding a new section to read:

20 Sec. 47.25.455. INTERIM ASSISTANCE. (a) The department shall pay
21 at least \$280 a month to a person eligible for assistance under this
22 chapter while the eligibility of the person for benefits under Title XVI
23 of the Social Security Act is being determined. Payments in excess of
24 \$280 a month may be made under this section if the department determines
25 that money is available for excess payments.

26 (b) Notwithstanding (a) of this section, the department may not
27 make monthly payments in excess of the total amount of state and federal
28 monthly payments to which the person would be entitled if the person is
29 determined to be eligible for benefits under Title XVI of the Social

1 Security Act.

2 * Sec. 15. AS 47.25.460 is repealed and reenacted to read:

3 Sec. 47.25.460. AWARD, REDUCTION, TERMINATION, AND APPEAL. (a)

4 Upon completion of the investigation, the department shall promptly
5 decide whether the applicant is eligible for and should receive adult
6 public assistance, the amount of it, the manner of paying it, and the
7 date on which it starts. The department may make additional investiga-
8 tion which it considers necessary, and shall make its decision as to the
9 granting of assistance and the amount and nature of assistance as is
10 justified and in conformity with AS 47.25.430 - 47.25.615. The depart-
11 ment shall notify the applicant of its decision in writing.

12 (b) Assistance under AS 47.25.430 - 47.25.615 is subject to review.

13 If a recipient of adult public assistance or the spouse of a recipient
14 with whom the recipient is living acquires nonexempt property exceeding
15 resource limitations, or income sufficient to maintain the recipient
16 properly, then the assistance granted to the recipient must either be
17 terminated or reduced to an amount reflecting the reduced need as deter-
18 mined by the department in accordance with applicable regulations. Upon
19 review, the department may, after having provided opportunity for a
20 hearing under (c) of this section, change the assistance granted or
21 terminate it entirely if it finds that the circumstances are changed
22 sufficiently to warrant this action.

23 (c) A recipient whose award is proposed to be modified or termi-
24 nated, or an applicant whose application is denied by the department
25 shall be granted an opportunity for a hearing before a representative of
26 the department, appointed for that purpose. The hearing shall be held
27 promptly after a request for hearing is made. The hearing shall be
28 conducted in accordance with regulations prescribed by the department.

29 (d) Each award shall be paid on a monthly basis. In case it is

1 impracticable by reason of slow or interrupted means of communication
2 for a warrant covering a month's assistance to reach the recipient in
3 due course, the department may transmit warrants covering assistance for
4 future months and may deliver all of them to the recipient at one time.

5 * Sec. 16. AS 47.25.470 is amended to read:

6 Sec. 47.25.470. PAYMENT WHEN RECIPIENT INCAPACITATED. If a person
7 receiving assistance is incapable of taking care of himself or of the
8 funds granted under AS 47.25.430 - 47.25.615 [47.25.610], the department
9 may direct the payment of the funds to his legally appointed guardian or
10 to another person as designated by the department for his benefit.

11 * Sec. 17. AS 47.25.500 is amended to read:

12 Sec. 47.25.500. RECOVERY OF ASSISTANCE [ALLOWANCES] IMPROPERLY
13 GRANTED. (a) If the department has reasonable grounds for believing
14 that assistance [FINDS THAT AN OLD AGE ALLOWANCE] was improperly granted,
15 it shall investigate and document the grounds in the case file, and, if
16 it appears as a result of the investigation that assistance was improper-
17 ly granted, it may, after providing an opportunity for a hearing, termi-
18 nate or reduce assistance [CANCEL THE ALLOWANCE] and notify the recipient
19 to that effect. The department shall continue the payment of benefits
20 pending the hearing. The [, AND THE] state [THEN] has a claim against a
21 [THE] person who received an [THE] improper amount of assistance [ALLOW-
22 ANCE]. The claim may [SHALL] be enforced by an action instituted in the
23 name of the state by the attorney general to recover the amount paid to
24 the person, with interest, together with the necessary costs of the
25 action.

26
27 (b) If the department finds that recovery would work a financial
28 hardship on the recipient to the extent that his health and well-being
29 would be threatened or that the costs of recovery would exceed the amount
30 of assistance improperly granted, it shall waive recovery or reduce the

1 amount to be recovered [THE UNITED STATES SHALL, IF IT REQUIRES, BE
2 REIMBURSED OUT OF THE MONEY ON A PRO RATA BASIS IN PROPORTION TO THE
3 AMOUNT IT EXPENDED IN THE CASE, AND THE REMAINING AMOUNT SHALL BE PAID
4 TO THE STATE FOR THE OLD AGE ASSISTANCE FUND].

5 * Sec. 18. AS 47.25.515 is amended to read:

6 Sec. 47.25.515. CANCELLATION OF WARRANTS. (a) Warrants issued to
7 a recipient of [AN OLD AGE] assistance under AS 47.25.430 - 47.25.615
8 [RECIPIENT] after the date of death of the recipient shall be returned
9 to the Department of Administration and canceled.

10 (b) Assistance [OLD AGE ASSISTANCE] warrants issued before the
11 death of the recipient but not negotiated at death shall be returned to
12 the Department of Administration, and shall be canceled, unless claimed
13 by the authorized representative of the estate of the recipient within
14 90 days of the date of death.

15 (c) The state is [SHALL] not [BE] liable to the estate, heirs, or
16 creditors of the deceased [OLD AGE] assistance recipient for payment on
17 warrants canceled under (a) or [AND] (b) of this section.

18 * Sec. 19. AS 47.25.520 is amended to read:

19 Sec. 47.25.520. LEAVING THE [REMOVAL FROM] STATE. A person re-
20 ceiving assistance who leaves [REMOVES FROM] the state may not thereafter
21 receive assistance unless the department otherwise directs. This section
22 does not apply to a recipient who temporarily leaves the state for medi-
23 cal reasons.

24 * Sec. 20. AS 47.25.550 is amended to read:

25 Sec. 47.25.550. ALIENATION AND ATTACHMENT. Assistance granted
26 under AS 47.25.430 - 47.25.615 [47.25.610] is inalienable by an assign-
27 ment or transfer and is exempt from garnishment, levy, or execution
28 under the laws of this state.

29 * Sec. 21. AS 47.25.580 is amended to read:

1 Sec. 47.25.580. ACTION AGAINST PERSON LIABLE FOR CARE OF RECIP-
2 IENT. If during the continuance of assistance [AN ALLOWANCE] the depart-
3 ment finds that a person liable for the support of the recipient of
4 assistance is able to provide the necessary care and support of the
5 recipient, and the person liable for the care and support of the reci-
6 pient fails or refuses to support and care for the recipient then the
7 state has a cause of action for the assistance against the person liable
8 for it. The action may [SHALL] be brought in the name of the state by
9 the attorney general against the person liable for the recovery of the
10 amount of money, with interest, paid to the recipient, together with the
11 costs and disbursements of the action. The [UNITED STATES SHALL, IF IT
12 REQUIRES, BE REIMBURSED OUT OF THE MONEY COLLECTED ON A PRO RATA BASIS
13 IN PROPORTION TO THE AMOUNT IT EXPENDED IN THE CASE, AND THE REMAINING]
14 amount collected shall be paid to the Department of Revenue [FOR THE OLD
15 AGE ASSISTANCE FUND].

16 * Sec. 22. AS 47.25.590(b) is amended to read:

17 (b) The purpose of AS 47.25.430 - 47.25.615 [47.25.610] is to
18 furnish financial assistance as far as practicable to needy [,] aged,
19 blind, and disabled persons [INDIVIDUALS], and to help them attain
20 self-support or self-care.

21 * Sec. 23. AS 47.25.590 is amended by adding a new subsection to read:

22 (c) The department may enter into contracts or arrangements with
23 any federal agency, department, or official under which funds made avail-
24 able to the federal agency, department, or official may be transferred to
25 the department and spent in accordance with AS 47.25.430 - 47.25.615.

26 * Sec. 24. AS 47.25.600 is amended to read:

27 Sec. 47.25.600. OBTAINING ASSISTANCE BY FRAUD. A person is guilty
28 of a class B misdemeanor [, AND UPON CONVICTION IS PUNISHABLE BY A FINE
29 OF NOT MORE THAN \$500, OR BY IMPRISONMENT IN A JAIL FOR NOT MORE THAN

1 SIX MONTHS, OR BY BOTH,] if he (1) by a false statement, representation,
2 or impersonation, or other fraudulent device, obtains or attempts to
3 obtain or aids or abets another to obtain (A) assistance to which he is
4 not entitled, (B) greater assistance than he is entitled to, (C) payment
5 of a forfeited grant or allowance; or (2) aids and abets in buying or
6 otherwise disposing of the property of the recipient of assistance for
7 the purpose of avoiding liability for the assistance granted.

8 * Sec. 25. AS 47.25.610 is amended to read:

9 Sec. 47.25.610. VIOLATIONS. A person who violates a provision of
10 AS 47.25.430 - 47.25.615 [47.25.610] is guilty of a class B misdemeanor
11 [AND IF NO OTHER PENALTY IS PROVIDED, THE PERSON, UPON CONVICTION, IS
12 PUNISHABLE BY A FINE OF NOT MORE THAN \$500, OR BY IMPRISONMENT IN A JAIL
13 FOR NOT MORE THAN SIX MONTHS, OR BY BOTH].

14 * Sec. 26. AS 47.25 is amended by adding a new section to read:

15 Sec. 47.25.615. DEFINITIONS. In AS 47.25.430 - 47.25.615

16 (1) "aged" means 65 or more years of age;

17 (2) "assistance" means money payments to or medical care on
18 behalf of, or any type of remedial care recognized by the department on
19 behalf of needy aged, blind, or disabled persons who are 18 or more
20 years of age and residents of the state;

21 (3) "blind" means having no vision or having vision that is
22 so defective as to prevent the performance of ordinary activities for
23 which eyesight is essential;

24 (4) "department" means the Department of Health and Social
25 Services;

26 (5) "disabled" means being unable to engage in substantial
27 gainful activity by reason of a medically determinable physical or
28 mental impairment that can be expected to result in death or that has
29 lasted or can be expected to last for a continuous period of not less

1 than 12 months;

2 (6) "public institution" means a governmentally owned estab-
3 lishment that furnishes food, shelter, and some additional treatment or
4 services to 16 or more persons;

5 (7) "public medical institution" means a public hospital or a
6 public institution providing medical care, except an institution for the
7 treatment of mental disease.

8 * Sec. 27. AS 47.25.480, 47.25.510, 47.25.620 - 47.25.710, 47.25.730 -
9 47.25.880, and 47.25.905 - 47.25.970 are repealed.

10 * Sec. 28. This Act takes effect July 1, 1982.