

COMMITTEE REPORT

SENATE

4/26/75

Mr. President:

Date _____

The Committee on FINANCE has had CSHB 751 supplemental appropriation to the Dept. of Health and Social Services under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

COPY COMMITTEE - JIM PUT IN PLACE

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C-JUNEAU 99801

April 25, 1975

Honorable Bill Ray
Chairman, Senate Finance Committee
Alaska State Legislature
State Capitol - Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

This is to advise you of a change in the Department of Health and Social Services FY 75 supplemental (HB 251) which has been incorporated into the House committee substitute for that bill.

The initial Governor's request included \$3,618,600 in the Medicaid program. Due to double-counting some patients with the General Relief Medical program, an error was made in the Medicaid cost projection resulting in an overestimate of \$193,100. The Governor's request should therefore have been \$3,425,500. This change was incorporated in the House based on verbal testimony; this letter is formal backup for the verbal testimony.

Sincerely,



Andrew S. Warwick, Chairman
Budget Review Committee

cc: Honorable Chancy Croft
President of the Senate

Honorable George Hohman
Chairman of H E S S

ASW/JM/lw

Original sponsor: The Rules Committee
by request of the Governor

Offered: 4/7/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 251

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSJON

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services; and providing
8 for an effective date."

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

10 * Section 1. The sum of \$7,653,600 is appropriated from the following
11 sources to the Department of Health and Social Services for the fiscal year
12 ending June 30, 1975 to be allocated as follows:

	General Fund	Federal Program Receipts
15 Assistance Payments, Aid to Families		
16 with Dependent Children	\$1,350,000	\$1,350,000
17 Program Services, Institutional		
18 Care program	221,800	
19 Medical Assistance, Medicaid		
20 Program	1,712,750	1,712,750
21 General Relief Medical	293,600	
22 Mental Health, Contract		
23 Institutions	173,500	
24 Violent Crimes Compensation Board,		
25 pending claims - FY 74 and 75	75,000	
26 Adult Confinement	176,000	
27 Juvenile Confinement	489,300	
28 Adult Rehabilitation	77,400	
29 Probation and Parole	<u>21,500</u>	

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\$4,590,850 \$3,062,750

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
070(c).

Introduced: 3/3/75
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 251

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services; and pro-
8 viding for an effective date."

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

10 * Section 1. The sum of \$7,835,500 is appropriated from the following
11 sources to the Department of Health and Social Services for the fiscal year
12 ending June 30, 1975 to be allocated as follows:

	General Fund	Federal Program Receipts
15 Assistance Payments, Aid to Families		
16 with Dependent Children	\$1,360,700	\$1,360,800
17 Program Services, Institutional		
18 Care program	221,800	
19 Medical Assistance, Medicaid		
20 Program	1,809,300	1,809,300
21 General Relief Medical	293,600	
22 Mental Health, Contract		
23 Institutions	113,200	
24 Violent Crimes Compensation Board,		
25 pending claims - FY 74 and 75	75,000	
26 Adult Confinement	176,000	
27 Juvenile Confinement	516,900	
28 Adult Rehabilitation	77,400	
29 Probation and Parole	<u>21,500</u>	

\$4,665,400 \$3,170,100

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2 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
3 10.070(c).
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FILE WITH BILL

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C-JUNEAU ~~9900~~

JAY S. HAMMOND, Governor

99811

March 25, 1975

Honorable Bill Ray
Chairman, Senate Finance Committee
Alaska State Legislature
State Capitol - Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

Attached is the justification for a revision to HB 251, the supplemental request for the Department of Health and Social Services. Increases in cost projections at the Atascadero mental hospital have resulted in an increase of \$19,800 in the supplemental request for mental health contract institutions. Accordingly, line 23 of page 1 of HB 251 should be changed from \$113,200 to \$133,000.

Your consideration of this revision is appreciated.

Sincerely,


Andrew S. Warwick
Commissioner

ASW/mjc
Attachment

CC: Honorable Mike Bradner
Speaker of the House

Honorable Chancy Croft
President of the Senate

STATE
of ALASKA

MEMORANDUM

TO: The Honorable Andrew Warwick
Commissioner of Administration

DATE : March 24, 1975

FROM: Francis S. L. Williamson *fwl*
Commissioner
Department of Health and Social Services

SUBJECT: Supplemental Appropriation -
Div. of Mental Health

With reference to my memo of March 14, 1975, requesting a revision in the Mental Health supplemental appropriation, please be advised that the attached memo from Dr. Schrader to Catherine Lloyd dated March 20, 1975 now represents the official position by this Department in regard to House Bill 251.

Attachment

STATE
of ALASKA

Handwritten signature/initials

TO: Catherine Lloyd, Deputy Director
Division of Administrative Services

DATE : March 20, 1975

FROM: Jerry L. Schrader, M.D.
Director
Division of Mental Health

SUBJECT: HB 25) - Request for Line Item
Adjustment (Revision)

This is a revision of our supplemental request addition of March 11, 1975 recomputed in different detail at the verbal request of Mr. Morrison. This will substitute for that request and for your transmittal request to Commissioner Warwick of March 14.

In accordance with the conversation with Mr. Jeff Morrison the morning of March 11, 1975, it seems apparent that our costs for Atascadero State Hospital detailed January 29 on the basis of our through October bills and projected and known admissions to December 15, is inadequate.

Known and scheduled admissions have already reached the level projected by June 30 on a basis of court orders. Also, California has raised its minimum daily bed rate by \$4.30 per patient per day, effective January 1. Based on prior admission rate and on our cost of \$966.07 monthly overall, including initial admission cost, we anticipated an additional need for Atascadero of \$75,802.00. We are now admitting our twelfth patient and another is being scheduled and will be admitted as soon as we can do the paper work.

Our last billing to date is for the month of January for a total of eleven patients, with two more known admissions for the month of March 1975; based on which we can now anticipate at least one a month through June 30. Hopefully, there should be one or more returned, but from the reports we are receiving from Atascadero, it does not appear this hope is founded in fact.

Actual 7 month billing 7/1/74 - 7/31/75	\$	70,515.26
11 patients Feb. 75 X est. \$1,151.07		
our cost per patient per month	=	12,661.77
12 patients Mar. 75 X \$1,151.07		
per patient per month	=	13,812.84
13 patients Apr. 75 X \$1,151.07	=	14,963.91
14 " May 75 X \$1,151.07	=	16,114.98
15 " June 75 X \$1,151.07	=	17,266.05
TOTAL COST:		145,337.81
LESS APPROPRIATIONS:		<u>-51,600.00</u>
TOTAL SUPPLEMENTAL REQUEST:	\$	<u>93,737.81</u>
Projected as required for Atascadero State Hospital	=	\$ <u>93,737.81</u>

(Original supplemental amount was \$75,900)

MEMORANDUM

-2-

March 20, 1975

Catherine Lloyd, Deputy Director

This does not affect this supplemental request for the full cost of care facilities transferred from the Division of Family and Children Services estimated in the amount of:

39,500

Total supplemental HB 251

DIVISION OF MENTAL HEALTH

\$138,000

CM:cal

c: Jeff Morrison, Budget Analyst
Budget and Management
Department of Administration

Original sponsor: The Rules Committee
by request of the Governor

Offered: 4/7/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 251

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services; and providing
8 for an effective date."

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11 sources to the Department of Health and Social Services for the fiscal year
12 ending June 30, 1975 to be allocated as follows:

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14		
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19	Medical Assistance, Medicaid	
20	Program	1,712,750
21	General Relief Medical	293,600
22	Mental Health, Contract	
23	Institutions	173,500
24	Violent Crimes Compensation Board,	
25	pending claims - FY 74 and 75	75,000
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\$4,590,850 \$3,062,750

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
070(c).

SFC 22

The following documents support the supplemental appropriation for the Department of Health and Social Services (HE 251).

The House, in passing CSHB 251, provided for the following changes in the supplemental appropriation:

1.	AFDC, Original Bill	2,721,500
	AFDC, Committee Substitute	<u>2,700,000</u>
	Difference	21,500

The House reduced, by a minor amount, based on later actual experience rather than projected amounts used by the Department some months ago when requesting the supplemental. The Department concurs with the House figure and the reasoning used to lower the amount.

2.	Medicaid, Original Bill	3,618,600
	Medicaid, Committee Substitute	<u>3,425,500</u>
	Difference	193,100

The Department made an error in their original calculations which the legislative budget analyst found. We concur with the revised House calculations.

3.	Contract Institutions, Original Bill	112,200
	Contract Institutions, Committee Substitute	<u>173,500</u>
	Difference	60,300

Two items account for the increase: (1) Additional placements at Atascadero after the supplemental was prepared necessitated the Governor to request, by letter, to the Finance Committee Chairman, an increase of \$19,800. (2) The House added \$40,500 for the ARCA contract which is the subject of SB 285 sponsored by Senator Chance and pending action in the Senate Finance Committee.

4.	Juvenile Confinement, Original Bill	516,900
	Juvenile Confinement, Committee Substitute	<u>489,300</u>
	Difference	27,600

The House reduced the appropriation by the excess amount of federal funds approved for expenditure by the Legislative Budget and Audit Committee on RP 75-256 over that which was anticipated when the supplemental was prepared (150,000 approved by RP - 122,400 estimated originally). We concur with the House revision.

All other items were approved by the House as submitted and justified in the accompanying documents.

STATE
of ALASKA

MEMORANDUM

TO: Francis S.L. Williamson
Commissioner
Department of Health and Social Services

DATE : April 1, 1975

FROM: Freda M. Borchick *FMB*
Acting Director
Division of Family and Children Services

SUBJECT: FY 75 Supplemental Budget
Request - Assistance
Payments BRU

This is to advise you of a need for a supplemental appropriation for FY 75 for the Assistance Payments BRU, AFDC cash grants line item. As you know, the last legislature increased the maximum monthly payment in the AFDC program which has resulted in an average increase from about \$67.00 to \$88.37 per person, per month.

In the period of January 1, 1974 through October 31, 1974 the average number of recipients per month has been 11,686. We expect that this average per month will hold true through June, 1975. If our expectations are correct, a total of \$12,392.0 (6,196.0 SGF and 6,196.0 Fed) will be needed for the AFDC grants in FY 75.

At this time there are not enough funds to meet the AFDC payrolls for April, May and June, 1975.

FMB:bmh

STATE
of ALASKA

MEMORANDUM

TO:

Cathy Lloyd, Deputy Director
Div. of Administrative Services

DATE : April 1, 1975

FROM:

Freda M. Borchick
Acting Director
Div. of Family & Children Services

SUBJECT: Program Services Supplemental
for Institutional Care

In November the Division of Family and Children Services prepared a supplemental budget request for the Program Services BRU, Institutional Care, which is under full cost of care AS47.40, indicating a need for 221.8 supplement for the remainder of FY75. The projected deficit of 221.8 was based on the Authorized Balances reports.

Caseload average has increased from 188 children in November 1974 to 205 children in February 1975. The caseload is expected to continue to increase proportionately.

Institutional care payments through 1-31-75 (represents 6 months billings) 743.3 X 2	=	1,486.6
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Seven additional children recently placed in Hope Cottage	=	26.0
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Contingency for unforeseen shift to more ex- pensive institutions or increase in number of children	=	100.0
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July, August and September are low population months. In December many of the children return to their homes for two weeks. January through April are the heaviest population months.

Travel of children and escort to and from placement	=	22.6
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Clothing for children in custody	=	<u>.9</u>
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Total projected expenditures in FY75	=	1,658.2
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FY75 authorized	=	<u>(1,436.4)</u>
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FY75 supplemental request	=	<u>221.8</u>
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Institutional Care has experienced a growth in the numbers of children services and an inflation in rates which were completely unanticipated at the time the FY75 budget request was prepared. The number of children placed in institutions is up 4% over the number estimated for FY75. The average actual rates set for the institutions under the full cost-of-care statute for FY75 increased 26% over the rates projected in building the FY75 budget.

FY 75 MEDICAID SUPPLEMENTAL \$5,425,500

The FY 75 (FCC) budget document, pages 30-31, identified the Medicaid budget as \$7,221,200, accompanied by a breakdown by service category showing estimated utilization, estimated rates and estimated total costs per those service categories, all done on the basis of recommendations of an out-of-state consultant. On Page 30, the following statement was included:

"A supplemental for FY 75 would be considered based upon documentation showing which of the above factors have been underestimated."

Experience through December 31, 1974, shows serious underestimation in virtually all categories by previous Legislature's consultant.

The budget document further 'provided 6% COL' (cost of living). Experience in the first 4-5 months of FY 75 reflected a 24-25% increase in COL. More recently, in the past 30-45 days, approved rate increases have resulted in cumulative rate increases in the range of 30-40 percent. For all of FY 75, then, COL is expected to run 5-6 times that percentage budgeted, reflecting the 'sky-rocketing' health industry costs, yet uncontrolled at the national level.

In a recently completed HEW audit, the State was advised our past and present practice of providing nursing home care to some 21 Alaskans in the State of Oregon (begun prior to the time the State of Alaska provided nursing home care), and allowing the State of Oregon to claim their rate of FFP (federal funding) for those patients was illegal. We are to begin immediate steps to pay full cost (state and federal) of those patients, then claim the State of Alaska FFP for those patients. This will then at least double our present rate for those patients. Implementation of this policy will take effect during the 1975 fiscal year and is reflected in the fiscal year 1976 Medicaid budget. Therefore, the original supplemental request based on a projected implementation date of fiscal year 1975 will be reduced accordingly \$195,198.

Projections done for the state and federally required annual report, based upon actual expenditures and utilization figures as of December 31, 1974 data from the computer (history file) reflect an average (composite) utilization increase separate from COL increases, of approximately 15 percent over prior year same time period.

The attached summary of service costs, by category of service, presents a more accurate identification of utilization and unit costs than reflected in the FY 75 budget document, again based upon actual experience to date.

With Budget Review Committee and legislative approval of this supplemental request, the FY 75 Medicaid budget becomes \$10,461,700, a 31.8 percent increase over the FY 74 budget (including supplemental) of \$7,936,600.

PROJECTIONS FOR MEDICAID
FY 75 SUPPLEMENTAL BUDGET

BASED ON THE FOLLOWING FACTORS:

* USAGE PROJECTIONS

The usage projections are based on actual billed FY 75 services received as of December 31, 1974. Generally 90% of all services rendered in the 1st half of FY 75 are billed in that time period. From this assumption, 1st half FY 75 services were then projected. 1st Half FY 75 services generally make up approximately 40% of total services by the end of FY 75. From the 1st half FY 75, the total for all services was then projected. Since 60% of all services generally all in the last half of FY 75, the total of all services for 2nd half FY 75 was then projected.

* COMPOSITE RATE COSTS

The composite rate is a weighted average of the July 1974-Dec. 1974 actual rate and the Jan. 1975-June 1975 projected rate. The projected rate is determined by using July 1974-Dec. 1974 as base rate and adding 10% inflation factor for last half of FY 75 services. Physician services are excluded from the inflation factor as they are set to standard fee profiles for the entire fiscal year. The average is weighed in accordance with the following: Generally 40% of all Medicaid services for the fiscal year are done in the first half, while 60% are performed in the second. The sum is then divided by two (the number of addends).

BACK-UP DOCUMENTATION

FOR FISCAL YEAR 1975

MEDICAID SUPPLEMENTAL

PROGRAM CATEGORY: Health

AGENCY: Health & Social Services

 PROGRAM: Medical Assistance
 SUB-PROGRAM: Medicaid
 ELEMENT: _____
 SUB-ELEMENT: _____

Assumptions: Provided 6% COL for two years consecutively (12.3%), except In-Patient which was provided 17% in the second year and physicians which were provided 2.5% for two consecutive years (5%). Nursing Homes computed on actual January '74 utilization (should be seasonal high). Fiscal Year '73 utilization of 10 months was converted to 12 months.

<u>Services</u>	<u>Utilization</u>	<u>Rates</u>	<u>Annual Cost</u>
In-Patient	12,024 Days	\$122	\$1,466,928
Out-Patient	1,900 Visits	56	106,400
Skilled Nursing	120 Patients	36	1,576,800
Intermediate Care Nursing	207 Patients	27	2,039,985
Out-of-State Nursing	32 Patients	12	140,160
Physician	17,880 Visits	49	876,120
Home Health Care	58 Patients	132	7,656
Dental			498,000
Lab/X-Ray	260 Clients	34	8,840
EMT	5,478	70	383,460
			<u>\$7,104,349</u>

Additional Factors: AFDC caseload estimate for '75 = 4,099. This compares with 3,636 for '73. Therefore, some additional money must be added. $4,099 - 3,636 = 463 \times \70 (annual expenditure per AFDC eligible)* $\times 3 = 97,230$

AD caseload estimate for '75 = 1,296. This compares with 1,404 for '73. Therefore, savings can be accrued in this area. $1,404 - 1,296 = 108 \times \$1,160$ (annual expenditure per AD eligible)* = \$125,280

OAA caseload estimate for '75 = 1,967. This compares with 2,920 for '73. Therefore, savings can be accrued in this area. $2,920 - 1,967 = 953 \times \741 (annual expenditure per OAA eligible)* = \$39,273

A supplemental for FY 75 would be considered based on documentation showing which of the above factors have been underutilized. \$1,000,000 is included under contractual services for a FY 74 supplemental.

* Expenditures per eligible were converted from 10 to 12 months and allowed 6% COL for two years.

001-100-2193

STATE OF ALASKA HEALTH & SOC SERVICE COMPONENT BUDGET REPORT

RUN DATE 04/20/74

HEALTH	CATEGORY PROJECT GROUP DESCRIPTION	PROGRAM	SUB-PROGRAM		ELEMENT			SUB-ELEMENT		
		MEDICAL ASSISTANCE	MEDICAID		MAINTENANCE	REQUEST	GJV. BUDGT.	HOUSE	SENATE	F.C.C.
PROJECT GROUP	DESCRIPTION	FY 1973 ACTUAL	FISCAL YEAR 1974 AUTHORIZED REVISION		MAINTENANCE	REQUEST	GJV. BUDGT.	HOUSE	SENATE	F.C.C.
100	PERSONAL SERVICES									
200	TRAVEL	19.3	176.0		202.4	202.4	168.2	160.2	105.0	165.0
300	CONTRACTUAL SERVICES	4,428.0	6,705.5	25.0	7,916.4	7,916.4	7,574.1	6,620.2	7,315.0	8,036.2
400	COMMODITIES	.1								
500	EQUIPMENT									
600	LANDS, BUILDINGS, IMPROVEMENTS									
700	GRANTS, CLAIMS, SHARED REVENUE									
800	MISCELLANEOUS									
TOTAL		4,447.4	6,961.6	25.0	8,118.0	8,118.0	7,742.3	6,796.4	7,500.0	8,221.2
	INTER-AGENCY TRANSFERS	233.0	225.6		230.0	230.0	230.0	230.0	230.0	230.0
FUNDING SOURCE										
	FEDERAL RECEIPTS	2,223.7	3,460.3	25.0	4,059.4	4,059.4	3,871.2	3,598.2	3,750.0	4,110.6
	REQUIRED GEN. FUND MATCHING	2,223.7	3,460.3	25.0	4,059.4	4,059.4	3,871.1	3,398.2	3,750.0	4,110.6
	OTHER GENERAL FUND		25.0	25.0-						
	INTER-AGENCY RECEIPTS									

POSITIONS

PERMANENT FULL TIME
 PERMANENT PART TIME
 TEMPORARY (FULL TIME EQUIV.)
 NUMBER OF MAN-MONTHS

RP 74-102

This chart and following explanation was reproduced from "FREE CONFERENCE COMMITTEE REPORT FISCAL YEAR 1975 OPERATING AND CAPITAL BUDGET", State of Alaska, The Legislature.

NOTE: Statement that Supplemental for FY 75 would be considered based on additional showing above factors have been underestimated.

FY 75 MEDICAID SUPPLEMENTAL BUDGET

(Revised 4/5/75)

Services	Actual 1st FY 75 Billed	Projected 1st FY 75 Services	Projected 2nd FY 75 Services	Projected Total FY 75	1st Half FY 75 Rate	2nd Half FY 75 Rate (Projected)	Composite Rate FY 75	Projected 1st FY 75 Expend.	Projected 2nd FY 75 Expend.	Total FY 75 Expend.
In-Patient Hosp	10,422 Patient Days	11,580 Patient Days	17,370 Patient Days	28,950 Patient Days	\$70/Day	\$77/Day	\$74/Day	\$810,600	\$1,337,490	\$2,148,090
Out-Patient ¹ Hospital	1,568 Undup. Patients	1,742 Undup. Patients	2,376 Undup. Patients	2,400 Undup. Patients	\$37.01/ Person	\$40.70/ Person	\$67.16/ Person	\$64,471	\$96,713	\$161,184
Skilled Nursing ^{1, 2, 2b}	110 Undup Pat FT Equiv.	110 Undup. Pat. FT Equiv.	110 Undup. Pat. FT Equiv.	110 Undup. Pat. FT Equiv.	\$44.50/ Day	\$49.50/ Day	\$46.75/ Day	\$893,338	\$983,675	\$1,877,013
Intermediate Nursing ^{1, 2a, 2b}	290 Undup. Pat. FT Equiv.	290 Undup. Pat. FT Equiv.	290 Undup. Pat. FT Equiv.	290 Undup. Pat. FT Equiv.	\$30.69/ Day	\$34.00/ Day	\$32.00/ Day	\$1,624,268	\$1,799,450	\$3,423,718
Out of State ¹ Nursing	11 Undup. Pat.	11 Undup. Pat.	11 Undup. Pat.	11 Undup. Pat.	\$24.00/ Day	\$26.40/ Day	\$25.20/ Day	\$48,576	\$52,562	\$101,138
Physician ³	11,700 Visits	13,000 Visits	17,000 Visits	30,000 Visits	\$50.40/ visit	\$50.40/ Visit	\$50.40/ Visit	\$655,200	\$856,800	\$1,512,000
Home Health ¹	12 Undup. Persons	18 Undup Persons	25 Undup Persons	38 Undup. Persons	\$175.75/ Person	\$193.32/ Person	\$215.00/ Person	\$3,215	\$4,824	\$8,170
Dental	799 Trtmnts	1106 Trtmnts	1508 Trtmnts	2614 Trtmnts	\$132.00/ Trtmnt	\$145.23/ Trtmnt	\$139.63/ Trtmnt	\$146,000	\$219,000	\$365,000
Lab & Xrays ^{1, 4}	193 Undup. Per.	214 Undup Per	292 Undup Per	385 Undup Per	\$24.45/ Client	\$26.85/ Client	\$33.97/ Client	\$5,232	\$7,846	\$13,080
Podiatry ⁵	1150 Scrnlng	1904 Scrnlng	2856 Scrnlng	4760 Scrnlngs	\$50.00/ Scrnlng	\$55.00/ Scrnlng	\$53.00/ Scrnlng	\$95,200	\$157,980	\$252,280

Subtotal
 Cost Settling of Hospital and Nursing Homes
 Total
 Supplemental Appropriation
 Current Year Appropriation Contractual Services

\$ 9,861,673
 \$ 600,000
 \$10,461,673
 \$ 3,425,473
 \$ 7,036,200

1. These figures are based on unduplicated person counts. Therefore, 1st and 2nd FY 75 are not additive to produce unduplicated count for FY 75. Composite Rates are based on this also.
- 2a. This is an average based on Full-Time equivalent patients.
- 2b. Alaskan nursing homes are filled near capacity levels; therefore, projection for 2nd FY 75 does not include any additional patients
3. Physician fees are established by use of Fee Schedules. These Fee Schedules are set for the entire fiscal year; therefore, there are no increases in per visit rates for the second half of FY 75.
4. Represents only Independent Laboratory charges as In-Patient Hospital Laboratory charges are not separable from the rest of the billing.
5. The delay in reporting of actual screening counts by GAAB has resulted in a lower number of screening reported than actually anticipated.

DOCUMENTATION

COST OF LIVING FACTORS USED

FISCAL YEAR 1975

MEDICAID

IN SUPPLEMENTAL BUDGET

Medicare

Blue Cross[®]
of Washington and Alaska



Federal Medicare
Intermediary

15700 Dayton Avenue North
P.O. Box 327
Seattle, Washington 98111
206/361 3000

October 9, 1974

Mr. Walter Norem
Department of Health and Social Services
State of Alaska
Pouch H
Juneau, Alaska 99801

Dear Walt:

This is in reply to your telegram of October 8, 1974.

The estimates we made on increases in cost for fiscal year 1975 of 12-17% were based on projections that were being made at a national level at that time. Subsequent projections of hospital and nursing home costs now indicate an estimated increase of 25-30%.

We hope our estimates have not caused you additional problems.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Jan R. Terry'.

Jan R. Terry, Manager
Reimbursement and Facility Audit

JRT:11

STATE OF ALASKA

HOSPITAL INMATES

(2-DAY RATE)

Room	Revised Rate-Date	Program	Revised Rate-Date	Revised Rate-Date	Revised Rate-Date	Rate	12-31-73
25	82.00 11/74	11.0	82.00 11/74	4.0	11.0	82.00	82.00
26	80.00 7/1	14.5	119.00 12/1	37.5	14.5	70.00	70.00
27	75.00 5/1	7.1			7.1	70.00	70.00
28	75.00 7/2	15.4			15.4	65.00	65.00
29	70.00 4/24	9.5	80.00 8/1	11.5	9.5	64.00	64.00
30	56.00 6/1	24.0			24.0	45.00	45.00
31	71.00 5/1	23.0			23.0	55.00	55.00
32	62.00 2/1	32.0			32.0	70.00	70.00
33	55.00 1/1	30.8			30.8	65.00	65.00
34	54.00 8/10	18.4			18.4	55.00	55.00
35	60.00 6/1	26.5			26.5	45.50	45.50
36	90.00 1/1	5.0	95.00 5/4	5.5	5.0	85.00	85.00
37	130.00 12/1	9.1	119.00 5/1	25.8	9.1	150.00	150.00
38	80.00 1/11	14.3	90.00 10/1	12.5	14.3	70.00	70.00
39	60.00 3/1	8.1			8.1	55.00	55.00
40	75.00 9/1	15.4			15.4	65.00	65.00
41	60.00 2/1	7.1	70.00 8/11	16.7	7.1	56.00	56.00

742

MINOR GENERAL

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STATE OF ALASKA

Nursing Home Rate Increases 1974

<u>Nursing Home, Location</u>	<u>Rate 12-31-73</u>	<u>Revised Rate-Date</u>	<u>Percent</u>	<u>Revised Rate-Date</u>	<u>Percent</u>	<u>Revised Rate-Date</u>	<u>Percent</u>	<u>Facility Percent Increase</u>
Careage House, Anchorage	\$23.50	\$30.35 1/1	6.9	\$34.00 5/1	12.0	41.00 20.6	(1)	42.9 (12.9)
Careage North, Fairbanks	30.47	32.45 1/1	6.5	39.00 5/1	29.2	\$47.00 8/1 51.00 8.5	20.5	67.4 (54.2%)
Cordova Gen Hosp, Cordova	32.95	- -	-	- -	-	- -	-	-
Glenshire Nursing, Anchorage	43.92	48.70 8/1	10.9	- -	-	- -	(2)	52.2
Island View, Ketchikan	28.40	36.00 3/11	26.8	40.84 7/1	15.4	45.40 1/1 11.2	(3)	(48.8%)
Maynard-McDonnell, Nome	29.00	- -	-	- -	-	- -	-	-
Petersburg Gen, Petersburg	43.90	- -	-	- -	-	- -	-	-
Ridgeview Manor, Anchorage	24.00	25.56 3/1	6.5	28.00 5/1	6.0	- -	(4)	(10.7)
Valley Hospital, Palmer	25.0	- -	-	- -	-	- -	-	-
Wesleyan Nursing, Seward	26.44	- -	-	- -	-	- -	-	-
Wrangell Gen Hosp, Wrangell	28.84	34.12 5/7	18.5	- -	-	- -	-	-

- NOTE: (1) Advised this rate to increase approximately 10 percent "shortly," due to Anchorage nursing salaries currently being negotiated.
- (2) In process of negotiation, due primarily to problem(s) with Blue Cross-Medicare
- (3) The Blue Cross-Medicare rate (\$53.00) currently being challenged
- (4) ICF rate only; these facilities not yet certified for Medicare (SNF)

January 23, 1975

FY 75 SUPPLEMENTAL REQUEST
FOR
GENERAL RELIEF-MEDICAL PROGRAM

The FY 74 General Relief-Medical (FCC) budget authorization was \$2,207,600 and with a supplemental of \$492,400, the total FY 74 GR-Med budget became \$2,700,000. The January 31, 1975 data processing expenditure report reflected "total actuals" through that date of \$2,626,300 or 97.3% of that budget, with prior year billings continuing to come in.

The FY 75 General Relief-Budget⁺ is \$2,527,200. Health care costs have seriously increased far beyond previous estimates, due to increased utilization and to sky-rocketing cost of living increases. Every effort has been made to administratively control principal expenditures in this program.

The Division of Medical Assistance respectfully requests a supplemental for the General Relief-Medical program of \$293,600, making a total FY 75 budget of \$2,820,800, an increase of 11.6%. Principal reasons for this request are:

1. The \$169,600 increase in commodities (a 49.9% increase) is due almost exclusively to a tremendous increase in drug use and drug prices (31.9% increase in December, 17.6% increase in January).
2. Cost settlements of hospitals and nursing homes estimated at \$100,000 on the General Relief-Medical program, were not provided for in the FY 75 budget because it was understood that federally mandated cost settlements would not be implemented until July 1, 1976 but circumstances forced the division into cost settling beginning in 1974.
3. This deficit, only very recently known or projected, comes as a result of dramatic increases in expenditures in December and January, which pattern of expenditure could not have been known or properly reflected at the time the budget was prepared. Recent computerization has given detailed information for analysis that was unavailable to the program prior to this date.

PROJECTIONS FOR GENERAL RELIEF MEDICAL FY 75 SUPPLEMENTAL BUDGET

BASED ON THE FOLLOWING FACTORS:

* USAGE PROJECTIONS

The usage projections are based on actual billed FY 75 services received as of December 31, 1974. Generally 90% of all services rendered in the 1st half of FY 75 are billed in that time period. From this assumption, 1st half FY 75 services were then projected. 1st Half FY 75 services generally make up approximately 40% of total services by the end of FY 75. From the 1st half FY 75, the total for all services was then projected. Since 60% of all services generally all in the last half of FY 75, the total of all services for 2nd half FY 75 was then projected.

* COMPOSITE RATE COSTS

The composite rate is a weighted average of the July 1974-Dec. 1974 actual rate and the Jan. 1975-June 1975 projected rate. The projected rate is determined by using July 1974-Dec. 1974 as base rate and adding 10% inflation factor for last half of FY 75 services. Physician services are excluded from the inflation factor as they are set to standard fee profiles for the entire fiscal year. The average is weighed in accordance with the following: Generally 40% of all GR - MED services for the fiscal year are done in the first half, while 60% are performed in the second. The sum is then divided by two (the number of addends).

GR-MED FY 75 SUPPLEMENTAL BUDGET

Services ¹¹	Actual 1st FY75 Billed	Projected 1st FY75 Services	Projected 2nd FY75 Services	Projected Total FY75	1st Half FY75 Average Rate (Actual)	2nd Half FY75 Rate (Projected)	Composite Rate	Projected 1st FY75 Expend.	Projected 2nd FY75 Expend.	Total FY75 Expend.
In-Patient ⁹ Hospital	4,672	5,191 Days	7,787 Days	12,978 Day	\$83.50/ Day	\$91.85/ Day	\$88.52/ Day	\$433,493	\$715,263	\$1,148,756
Out-Patient ^{1,9} Hospital	484	538 Pers.	806 Pers.	1,344 Pers.	\$75.73/ Person	\$83.30/ Person	\$80.31/ Person	\$40,731	\$67,206	\$107,937
Lab & Xray ^{1,5,9}	34	38 Duplic. Person	57 Duplic. Person	95 Duplic. Person	\$24.93/Dup. Person	\$27.43/Dup. Person	\$26.34/ Dup. Pers	\$944	\$1,558	\$2,502
2a, 2b, 2c Skilled Nursing Out of State	12	12 Full Time	12 Full Time	12 Ful Tim	\$26.64/Day	\$29.30/Day	27.97/Day	\$58,342	\$64,167	\$122,509
2a, 3, 9, 2c	21	21 Full Time	21 Full Time	21 Ful Tim	\$6.58/Day	\$7.23/Day	\$6.90/Day	\$25,200	\$27,709	\$52,909
2d, 2b, 2c, 9 ICF Nursing	11	11 Full Time	11 Full Time	11 Ful Tim	\$22.34/Day	\$24.57/Day	\$23.27/Day	\$44,044	\$49,324	\$93,438
Physician ^{6,9}	2647	2382 Visits	3573 Visits	5955 Visit	\$86.87/Visit	\$86.87/Visit	\$86.87/Vis	\$206,905	\$310,357	\$517,262
Home Health ^{2,9}	0	6 Persons	9 Persons	15 Persons	\$183.33/Pers	\$201.78/Pers	\$194.40/Per	\$1,100	\$1,816	\$2,916
Transport. ^{1,9}	149	166 Dup. Per	249 Dup Per	415 Dup Per	\$68.09/Pers	\$74.90/Pers	\$71.50/Pers	\$11,304	\$18,652	\$29,956
Drugs ⁹	23,383	25,981 Pres.	38,982 Pres.	64,873 Pres	\$7.40/Pres	\$8.14/Pres	\$7.85/Pres	\$192,261	\$317,	\$509,573
Dental ^{7a, 7b, 9}	387	430 Treatmts	645 Treatmts	1,075 Treat	\$50.00/Treat	\$55.00/Trea	\$53.03/Trea	\$21,510	\$35,492	\$57,002
Other Servcs ^{8,9}								\$3,476	\$5,737	\$9,213
Glasses ^{9, 10}	72 Treat	80 Treatmts	120 Treat	200 Treat	\$30.00/Treat	\$33.00/Trea	\$31.81/Trea	\$2,401	\$3,961	\$6,362
Prosthetics ⁹								\$6,200	\$10,230	\$16,430
Spec. Serv. ⁹								\$2,037	\$3,362	\$5,399
Family Plan. ⁹								\$13,316	\$21,871	\$35,287
Elig. Determ.								\$424	\$699	\$1123

FOOT NOTES

* Usage projections are based on actual billed FY 75 services received as of December 31, 1974. Generally 90% of all services rendered in the 1st half of FY 75 are billed in that time period. From this assumption, 1st half FY 75 services were then projected. 1st half FY 75 services generally make up approximately 40% of total services by the end of FY 75. From the 1st half FY 75, the total for all services was then projected. Since 60% of all services generally all in the last half of FY 75, the total of all services for 2nd half FY 75 was then projected.

* The composite rate is a weighted average of the July 1974-Dec 1974 actual rate and the Jan 1975-June 1975 projected rate. The projected rate is determined by using July 1974-Dec 1974 as base rate and adding 10% inflation factor for last half of FY 75 services. Physician services are excluded from the inflation factor as they are not to standard fee profiles for the entire fiscal year. The average is weighed in accordance with the following: Generally 40% of all GR-Med services for the fiscal year are done in the first half, while 60% are performed in the second. The sum is then divided by two (the number of addends).

TOTAL	\$2,718,574
COST SETTLING	100,000
TOTAL	2,818,574
ALLOCATION	2,525,000
DEFICIT	<293,574>

1. This is a duplicate person count. One patient may be counted many times in the total.
- 2a This is an average based on full equivalent patients.
- 2b Alaskan nursing homes are filled near capacity levels, therefore, projection for 2nd half of FY 75 does not include any additional patients.
- 2c Medical Review by Dr. Dalton often requires Family Resources to be applied to nursing home bills. Many are required to pay up to 50% of total cost.
3. Alaskan residents were placed in Oregon Homes prior to advent of the Medical Assistance Division. At present, Medical Assistance is only paying the state portion of the bill, at Oregon's matching rate. Oregon rates are significantly lower than Alaskan rates. They are generally a room and board charge with additional billings for medical and miscellaneous services.
4. Deleted
5. Represents only independent laboratory charges as in-patient hospital laboratory charges are not separable from the rest of the billing.
6. Physician fees are established by use of fee schedules. These fee schedules are set for entire fiscal year; therefore, there are no increases in per visit rate for the second half of FY 75.
- 7a Until memo dated January 13, 1975, the dental program was emergency only, limited to \$50.00 per treatment.
- 7b Includes billing from Delta Dental Contract and dental claims paid by DMA prior to contract.
8. Other services consist primarily of Family Planning and therapies (physical, occupational, speech and hearing). Measures are unavailable as existing programs do not retrieve such information.
9. Generally General Medical Relief patient is costlier than a Medicaid one as he is authorized only for the most urgent medical help and thus more expensive.
- 10 Glasses category includes adjustments, replacement of lenses and frames.
- 11 No projections for Speech & Hearing, Private Nursing, & other institutional care are needed.

These categories existed in FY 74.

PROJECTED FY 75 GENERAL RELIEF-MEDICAL COSTS FOR CONTRACTUAL SERVICES AND COMMODITIES BASED ON ACTUAL EXPENDITURES AS OF JANUARY 1, 1975

DOCUMENTATION

COST OF LIVING FACTORS USED

FISCAL YEAR 1975

GENERAL RELIEF-MEDICAL

PROJECTED BUDGET

Medicare

Blue Cross
of Washington and Alaska



Federal Medicare
Intermediary

15700 Dayton Avenue North
P.O. Box 327
Seattle, Washington 98111
206/361 3000

October 9, 1974

Mr. Walter Norem
Department of Health and Social Services
State of Alaska
Pouch H
Juneau, Alaska 99801

Dear Walt:

This is in reply to your telegram of October 8, 1974.

The estimates we made on increases in cost for fiscal year 1975 of 12-17% were based on projections that were being made at a national level at that time. Subsequent projections of hospital and nursing home costs now indicate an estimated increase of 25-30%.

We hope our estimates have not caused you additional problems.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Jan R. Terry', is written over the typed name.

Jan R. Terry, Manager
Reimbursement and Facility Audit

JRT:11

STATE OF ALASKA

HOSPITAL RATE INCREASES 1974

(2-bed ward)

Hospital	Index	Rate 12-31-73	Revised Rate-Date	Percent	Revised Rate-Date	Percent	Revised Rate-Date	Percent	Qtr. Rate Percent Increase
Anderson Community	83	92.00	92.00 1/1/74	11.3	95.00 5/24/74	5.5	110.00 8/1/74	15.8	33.7
Barista Hospital	67	70.00	80.00 7/1	14.3	110.00 12/0	57.5			57.5
Central Peninsula	80	70.00	75.00 5/1	7.1					7.1
Chena Community	22	65.00	75.00 7/1	15.4					15.4
Chugach Memorial	116	62.00	70.00 4/24	9.4	80.00 8/1	14.3	90.00 11/1	12.5	36.2
Chukchi	5	45.00	56.00 6/1	24.4					24.4
Chukchi	10	55.00	70.00 5/1	27.3					27.3
Chukchi General	95	70.00	93.00 2/1	32.9					32.9
Chukchi Hospital	25	65.00	85.00 1/1	30.8					30.8
Chukchi Hospital	24	85.00	91.00 8/10	18.4					18.4
Chukchi General	25	47.50	60.00 8/1	26.3					26.3
Chukchi	150	85.00	90.00 1/1	5.9	95.00 5/1	5.5	110.00 8/1	15.8	27.2
							120.00 12/1	9.1	41.4
Chukchi General	33	70.00	80.00 1/11	14.3	90.00 10/1	12.5			26.8
Chukchi Community	24	55.00	60.00 8/1	9.1					9.1
Chukchi	23	65.00	75.00 9/1	15.4					15.4
Chukchi General	13	56.00	60.00 2/1	7.1	70.00 6/11	16.7			23.8

747

Average 26.5
Qtr. Rate 26.5

STATE OF ALASKA

Nursing Home Rate Increases 1974

Nursing Home, Location	Rate	Revised	Percent	Revised	Percent	Revised	Percent	Cumulative Percent
	12-31-73	Rate-Date		Rate-Date		Rate-Date		
Carriage House, Anchorage	\$28.50	\$30.35 1/1	6.9	\$34.00 5/1	12.0	41.00 20.6	(1)	41.9 (34.00)
Carriage North, Fairbanks	30.47	32.45 1/1	6.5	39.00 5/1	20.2	\$47.00 8/1 51.00 20.5		67.4 (34.26)
Cordova Gen Hosp, Cordova	32.95	- -		- -				
Glenmore Nursing, Anchorage	43.92	46.70 8/1	10.9	- -			(2)	
Island View, Hatcheran	21.40	36.00 3/11	26.8	40.84 7/1	15.4	45.40 1/1 11.2	(3)	57.7 (43.40)
McFarland-McConnell, Nome	29.00	- -		- -				
Petersburg Gen, Petersburg	43.90	- -		- -				
Ridgeway Manor, Anchorage	24.00	25.56 3/1	6.5	28.00 5/1	6.0			
Village Hospital, Palmer	25.00	- -		- -				
Rocky Mountain Nursing, Seward	26.44	- -		- -				
Wrangell Gen Hosp, Wrangell	28.84	34.12 3/7	18.5	- -				

- NOTE: (1) Advised this rate to increase approximately 10 percent "shortly," due to Anchorage nursing salaries currently being negotiated.
 (2) In process of negotiation, due primarily to problem(s) with Blue Cross-Medicare
 (3) The Blue Cross-Medicare rate (\$53.00) currently being challenged
 (4) ICF rate only; these facilities not yet certified for Medicare (SNF)

January 25, 1974

100-100000-1000

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To: David Freer, Administrative Office
Office of the Commissioner
Department of Health & Social Services

DATE : March 26, 1975

Thru: Myrton L. Charney, Comptroller
Division of Administrative Services

SUBJECT: Supplemental Request
Justification

From: Jerry L. Schrader, M.D.
Director
Division of Mental Health

By: Charles M. McLean
Assistant Director
Division of Mental Health

The Division of Mental Health, in two separate requests dated January 20 and March 20, 1975, requested supplemental in the amounts of \$113,200.00 and \$19,800.00 additional.

\$73,900.00 of the \$113,200.00 plus the \$19,800.00 are to cover costs incurred through a patient load increase at Atascadero State Hospital in the care and treatment of the mentally disordered offenders. These patients are committed by the Superior Court under the Criminal Code for Psychiatric Care, but are not convicted. Our patient load has increased from the appropriated five patients to, at this time, twelve, with one more known admission pending. The minimum rate has also been increased by an average of \$4.30 per patient per day effective January 1, 1975.

The balance of the supplemental \$39,300.00 is made up of programs transferred with insufficient funding from the Division of Family and Children Services with no potential funds available to cover. These programs comprise the balance of Hope Cottage, Anchorage; and Hope Center, Fairbanks, and the fact we have been unable to adequately control admissions based on need.

Total supplemental request for Division of Mental Health is \$153,000.00.

Itemized details comprising three pages have been submitted and approved by the Governor's Review Committee and copies are available, if desired.

CMM:cal

c: Catherine Lloyd, Deputy Director
Division of Administrative Services

FACT SHEET - SUPPLEMENTAL HEARING

VIOLENT CRIMES COMPENSATION BOARD

Request for a supplemental appropriation
of \$15,000 for FY74 and FY75 claims

The following FY74 claims are still pending determination by the Board and the projected possible awards are based on the policies of the former Board, actual expenditures by the claimant and estimated loss of earnings. As the applications come to Board determination facts may be brought out which would preclude the payment of an award or it may be determined that only a partial award can be made but until that time we must consider each claim as requiring funding in the amount the claimant has requested or the documentation has warranted:

Claim	Brief Summary	Projected Award
74-035	Victim, young child who was kidnapped and sexually abused requiring hospitalization, medication and prolonged psychiatric treatments.	\$ 7,000
74-044	Victim and two children killed, leaving one dependent child; claim filed by guardian	10,000
74-027	Victim, a student, severely beaten and robbed and stabbed when offenders broke into his apartment. Sustained permanent disability and has had prolonged hospitalization and therapy.	8,000
74-042	Victim employed as a roughneck on the pipeline, lost an eye in an altercation in a bar when someone hit him with a beer bottle. If no provocation is established on the part of the victim, under the Board's Standards of Compensation that they have developed they could consider an award (\$3,000 to \$7,000).	3,000/7,000
74-048	Victim, a carpenter suffered the loss of an eye when attacked by an unknown assailant. Under the Board's Standards of Compensation an award (\$3,000 to \$7,000)	<u>3,000/7,000</u>
Total FY 74 Awards		\$51,000/39,000

We have a FY 74 balance of \$2,188.32. Further we still have eight outstanding undocumented applications which may be pursued by the claimants as they have two years in which to be considered.

Reasons for delay in determinations of the above claims:

1. Two claims involved hearings in bush areas therefore coordination between attorneys, witnesses, claimants and hearing officers were involved. Now ready for determination.
2. One claim awaiting the trial of the offender.
3. Prolonged medical and counselling treatments required.
4. Delays in receiving information from insurance companies regarding their payments on hospital and medical bills due to extended medical care needed.
5. No decisions can be made until we have an appointment of two Board members.

Thus far only 8 FY75 claims have been determined by the Board; 5 were awarded in the amount of \$3,270.85 leaving a balance of \$46,729.15 to take care of the completed claims, a list is attached. It is difficult to project the final determination of the Board as their actual awards may be more or less than projected at their discretion after review of the hearing data and the facts of the claim.

FY 75

Claim No.	Brief Description	Status	Projected Award
75-003	Claimant, young man shot and severely injured while getting water at a stream by unknown offender; sustained serious injuries requiring prolonged medical care	Pending receipt of amount of insurance payments on medical expenses	\$ 5,000
75-010	Claimant, injured by a discharged employee; sustained partial disability to right hand; also continued threats to his family.	Failed to attend scheduled hearing but can request reopening of his claim.	-0-
75-011 75-015 75-016	Claimant, survivors of murdered mother; children witnessed the incident and one child has required continued psychiatric counselling	Awaiting trial of the offender	\$10,000
75-012 75-013	Claimants, dependent survivors of a father who was stabbed to death	Hearing held; awaiting Board decision	\$10,000
75-014	Claimant, young girl who was subjected to lewd indecent acts and attempted rape, resulting in medical expenses and loss of earnings	Hearing scheduled	\$ 1,000
75-017	Claimant, assaulted and raped; claiming for medical expenses and loss of earnings	Hearing scheduled	\$ 2,160
75-018	Claimant; severely beaten and suffered permanent loss of hearing when an unknown assailant broke into his home and robbed him	Arrangements for hearing are being made	\$10,000
75-019	Claimant, wife of above also beaten and injured in the incident	Arrangements for hearing are being made	share in maximum award as noted above
75-021	Claimant, victim of a beating sustaining a broken leg; medical expenses paid by medicare and was on unemployment	Failed to attend scheduled hearing; but can request reopening of his claim	-0-
75-022	Claimant, although incident occurred prior to 1971 still insists on pressing his claim	Arrangements for hearing are being made	-0-
75-023	Claimant, elderly man who was assaulted and robbed resulting in prolonged medical care; medical expenses claimed	Arrangements for hearing are being made	\$ 987.00

FY 75

Claim No.	Brief Description	Status	Projected Award
75-025 75-026 75-027 75-028	Claimant, Guardian for children of deceased victim who was shot and killed after a slight altercation	Awaiting judgement of the offender	\$10,000
75-029 75-030 75-031	Claimant, widow and two children of a victim who was deliberately run over and killed	Additional information relative to other collateral receipts	\$10,000
75-032	Claimant, sister of a young girl who was kidnapped, threatened with a knife and raped resulting in medical and psychiatric treatment	Arrangements for hearing are being made	\$ 500
75-033	Claimant, victim of an assault with a deadly weapon with intent to rape, claiming medical expenses	Hearing scheduled	\$ 500
75-034	Claimant, young man who was shot in the face and sustained injuries to the lower half of his face and is still under medical treatment	Pending further medical treatment	\$ 3,000/7,000
75-035	Claimant, victim of a robbery and beating sustaining extended injuries and is under medical treatment	Pending further medical treatment	\$3,000/7,000
75-036	Claimant, middle aged woman beaten up in front of her apartment house	Pending police report and employment history	No definite amount requested
75-037	Claimant, young family man shot in the back of the neck and arm resulting in prolonged medical treatment and possible partial disability	Hearing Scheduled	\$10,000
75-038	Claimant, young boy shot and seriously wounded and still in very critical condition; claiming for unpaid medical expenses and loss of earnings	Pending medical and Police report	\$ 3,000/7,000
75-039	Claimant, young man shot in the ankle resulting in 15 to 20 per cent total disability	Pending police report and status of the case against the offender	\$10,000
			\$89,147/101,147

Additionally we have 28 outstanding applications needing completion and further documentation.

1
3

Mitchell's Copy
11-12-74

DIVISION OF CORRECTIONS

"SUPPLEMENTAL FUNDS REQUEST JUSTIFICATION - FY '75"

ADULT CONFINEMENT

BRU: 06-66-4-01-00-00

Food Costs

The Division of Corrections predicted a confinement food need on the following basis for FY '75 in the fall of 1973.

	<u>Predicted #Inmates</u>	<u>Predicted Cost/Day</u>	<u>Need</u>
Food	455	\$2.156	358.1

The Legislature appropriated the following as a result of not funding the Anchorage State Jail for FY '75.

	<u>#Inmates</u>	<u>Cost/Day</u>	<u>Appropriation</u>
Food	417	\$2.156	328.1

The Division of Corrections prediction(fall '74) for confinement food needs reasserts the need for providing for 455 beds and a heavy inflation factor on the cost per day. The FY '74 actual cost per day was \$2.349, even considering the fact that statewide Division of Corrections experienced a slight inventory shrinkage. A 12% inflation factor on food over FY '74 actuals is predicted.

	<u>#Inmates</u>	<u>Predicted Cost/Day</u>	<u>Need</u>
Food (fall '74)	455	\$2.631	436.9

On a Division of Corrections pipeline request, legislative budget and audit approved \$10.0 in commodities for re-opening the Anchorage State Jail (RP 75-51). This amount theoretically should be deducted from the predicted food needs.

SUPPLEMENTAL REQUEST RECAP FOR FOOD COSTS

Predicted Need (fall 74)	436.9
Less: Pipeline \$ via LB&A	(10.0)
Adjusted need	<u>426.9</u>
Less: Current Appropriation	328.1
	<u><u>98.8</u></u>
Supplemental Request	98.8

Prior Year Charges, Unpaid or charged to current year

Unpaid prior year charges:

Nome Renovations	11.0
Palmer Oven purchase	1.6
Various others	4.2

Prior year charges to current year:

Various invoices paid after closing	25.0
Medical cost incurred in prior year and charged in error to current year	25.5

Supplemental Request

67.3

+10.4 for increase in Nome rent

Adult Confinement BRU Recap of Supplemental Request

	<u>Food Cost</u>	<u>Unpaid Charges</u>	<u>Error Charges</u>	<u>TOTAL</u>
Supplemental Request	98.8	16.8	50.5	166.1
				<u>10.4</u>
				176.5

JUVENILE CONFINEMENT

BRU: 06-66-4-02-00-00

Local Facilities Component - 02

The Division of Corrections predicted a local facilities need in the fall of 1973 for FY '75. The following figures appear in the Division of Corrections request document.

	<u>Predicted #Children</u>	<u>Predicted Cost/Day</u>	<u>Need</u>
Foster Home	75	\$ 8.40	229.9
Private Institutions	62	\$30.38	680.6
	<u>137</u>		<u>910.5</u>

The Division of Corrections requested a local facilities budget for FY '75 with the following annotation *"The following display shows rates, placements and total costs in October 1973. We are requesting substantially less than these actual figures to remain within the constraints of the preliminary appropriation guidelines."

	<u>Request</u>
Foster Home	181.1
Private Institution	580.4
	<u>761.5</u>

The Legislature appropriated to local facilities the amount of the request level, less \$89.0, because Turning Point Boys Ranch rates were considered too high (pg. 56, F.C.C.)

	<u>Approp.</u>
Foster Home	181.1
Private Institution	491.4
	<hr/>
	672.5

The Division of Corrections prediction (fall of 74) for local facility needs based on preliminary actuals are as follows:

	<u>Pred. # Children</u>	<u>Pred. Cost/Day</u>	<u>Need</u>
Foster Home	85 ✓	\$ 9.00	279.2
Priv. Institution	75 ~	\$31.82	871.1
	<hr/> 160		<hr/> 1150.3

Based on FY 74 eligibility determination experience the Division of Corrections may be able to recover 50% of the local facility care expenditures made on behalf of children eligible for AFDC. This would be a pass through expenditure recovery of federal funds from the Division of Family and Children Services.

	<u>Eligib. Ratio</u>	<u>50% Adjust.</u>	<u>Recovery of Need</u>
Foster Home	12%	6%	16.8
Priv. Institution	17%	8.5%	74.0
			<hr/> 90.8

SUPPLEMENTAL REQUEST RECAP FOR LOCAL FACILITIES

	<u>Foster Home</u>	<u>Priv. Institution</u>	<u>Component Total</u>
Predicted need (fall 74)	279.2	871.1	1150.3
Less: Possible Recovery	(16.8)	(74.0)	(90.8)
Adjusted Need	<hr/> 262.4	<hr/> 797.1	<hr/> 1059.5
Less: Current Approp.	181.1	491.4	672.5
	<hr/>	<hr/>	<hr/>
Supplemental Request	81.3	305.7	387.0

OUT-OF-STATE FACILITIES Component - 03

The Division of Corrections predicted out-of-state care in the original FY 75 request document as follows:

	<u>Pred. # Children</u>	<u>Pred. Cost/Day</u>	<u>Need</u>
Out-of-State	22	\$23.64	189.8

The Division of Corrections requested an out-of-state facilities budget for FY 75 with the following annotation *"The following display shows

rates, placements, and total costs in October 1973. We are requesting substantially less than these actual figures to remain within the constraints of the preliminary appropriation guideline."

	<u>Request</u>
Out-of-State	113.1

The Legislature appropriated exactly what was requested (pg. 59, F.C.C.)

	<u>Appropriation</u>
Out-of-State	113.1

The Division of Corrections prediction (fall of '74) for out-of-state needs is based on preliminary actuals as follows:

	<u>Predicted #Children</u>	<u>Predicted Cost/Day</u>	<u>Need</u>
Out-of-State	25	\$30.30	279.3 276.5

Based on FY '74 eligibility determination experience, the Division of Corrections may recover 50% of out-of-state facility expenditures made on behalf of children eligible for AFDC. This would be a pass through expenditure recovery of federal funds from the Division of Family and Children Services.

	<u>Eligib. Ratio</u>	<u>50% Adjust.</u>	<u>Recovery of Need</u>
Out-of-State	24%	12%	33.5 <u>Rev.</u>

SUPPLEMENTAL REQUEST RECAP FOR OUT-OF-STATE FACILITIES

Predicted Need (fall '74)	<u>Revised</u> 279.3
Less: Possible Recovery	<u>(33.5)</u>
Adjusted Need	245.8
Less: Current Appropriation	<u>113.1</u>

SUPPLEMENTAL REQUEST 132.7

JUVENILE CONFINEMENT BRU RECAP OF SUPPLEMENTAL REQUEST

	<u>Component - 02</u> <u>Local Facilities</u>	<u>Component - 03</u> <u>Out-of-State</u>	<u>Total</u>
Supplemental Request	387.0	132.7	519.7

ADULT REHABILITATION

BRU: 06-66-4-03-00-00

Medical Costs

The Division of Corrections predicted a medical care need as follows for FY '75 in the fall of 1973.

	<u>Predicted #Inmates</u>	<u>Predicted Cost/Day</u>	<u>Need</u>
Medical Care	446	\$1.84	299.6

The Legislature appropriated the following as a result of not funding the Anchorage State Jail and an across the board reduction in medical care costs/day of \$.30.

	<u>#Inmates</u>	<u>Cost/Day</u>	<u>Appropriated</u>
Medical Care	406	\$1.54	228.2

The Division of Corrections prediction (fall '74) for medical care needs is based on 455 beds and a reassertion of the appropriateness of a cost of 1.84/manday. The actual medical costs for FY '74 were \$1.75 per manday, however, after adjusting for errors in fiscal year charging the cost per manday reached \$1.92. The Division of Corrections believes it can maintain FY '75 costs at \$1.84/manday if it can proceed expeditiously with its new incentive medical services contracts.

	<u>#Inmates</u>	<u>Cost/Day</u>	<u>Need</u>
Medical Care	455	\$1.84	305.6

SUPPLEMENTAL REQUEST FOR MEDICAL CARE AND ADULT REHABILITATION BRU

Predicted Need (fall '74)	305.6
Less: Current Appropriation	<u>(228.2)</u>
Supplemental Request	77.4

PROBATION AND PAROLE

BRU: 06-66-4-05-00-00

Rent Cost

The Division of Corrections predicted rent costs for the two problem facilities for FY '75 in the fall of 1973 as follows.

Nome	4.0	
Ketchikan	10.3	
Rent		<u>Need</u> 14.3

The legislature appropriated 4.0 for Nome but disallowed any rent for Ketchikan.

Rent	<u>Appropriation</u> 4.0
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Executive mandate required that Division of Corrections occupy and pay for the Ketchikan facility and the new facility in Nome for FY '75.

Nome	7.8
Ketchikan	17.7

Rent	<u>Need</u>
	25.5

SUPPLEMENTAL REQUEST FOR RENT AND PROBATION AND PAROLE BRU.

Predicted Need (fall '74)	25.5
Less: Current Appropriation	<u>(4.0)</u>

Supplemental Request	21.5
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FILE

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C-JUNEAU 99801

JAY S. HAMMOND, Governor

April 21, 1975

Honorable Chancy Croft
President of the Senate
Alaska State Legislature
State Capitol - Pouch V
Juneau, Alaska 99811

Dear Senator Croft:

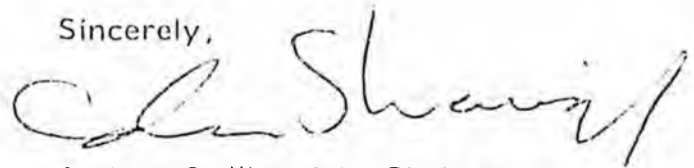
HB 251 now before the Senate Health & Social Services committee contains the Department of Health and Social Services FY 75 Supplemental request for Aid to Families with Dependent Children. The urgent necessity for early passage of this bill cannot be over stated.

Insufficient funds were available within the FY 75 allocation to make the April 1975 AFDC payments. A \$500,000 transfer from the Aid to Disabled allocation was necessary so that these obligations could be paid on time. There are no funds available to pay recipients in May until HB 251 is approved and signed into law.

Legislative intent as stated on page 36 of the FY 75 Social Services short form appears to be clear: all legally obligated payments are to be made. Therefore, I urge your cooperation to assist HB 251 through committee and floor action to effect timely passage.

If any of our staff can be of assistance in further discussions of this problem, please call on us at any time.

Sincerely,



Andrew S. Warwick, Chairman
Budget Review Committee

cc: Honorable Bill Ray ✓
Chairman, Senate Finance Committee

Honorable George Hohman
Chairman, Senate H & S. Committee

Francis S. L. Williamson, Commissioner
Department of Health & Social Services

Original sponsor: The Rules Committee
by request of the Governor

Offered: 4/7/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 251

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services; and providing
8 for an effective date."

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

10 * Section 1. The sum of \$7,653,600 is appropriated from the following
11 sources to the Department of Health and Social Services for the fiscal year
12 ending June 30, 1975 to be allocated as follows:

	General Fund	Federal Program
		Receipts
13		
14		
15	Assistance Payments, Aid to Families	
16	with Dependent Children	\$1,350,000
17	Program Services, Institutional	
18	Care program	221,800
19	Medical Assistance, Medicaid	
20	Program	1,712,750
21	General Relief Medical	293,600
22	Mental Health, Contract	
23	Institutions	173,500
24	Violent Crimes Compensation Board,	
25	pending claims - FY 74 and 75	75,000
26	Adult Confinement	176,000
27	Juvenile Confinement	489,300
28	Adult Rehabilitation	77,400
29	Probation and Parole	<u>21,500</u>

\$4,590,850

\$3,062,750

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* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
070(c).

Original sponsor: The Rules Committee
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Offered: 4/7/75
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Introduced: 3/3/75
Referred: Health, Education &
Social Services and Finance

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REQUEST OF THE GOVERNOR

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10 * Section 1. The sum of \$7,835,500 is appropriated from the following
11 sources to the Department of Health and Social Services for the fiscal year
12 ending June 30, 1975 to be allocated as follows:

	General Fund	Federal Program Receipts
13 Assistance Payments, Aid to Families		
14 with Dependent Children	\$1,360,700	\$1,360,800
15 Program Services, Institutional		
16 Care program	221,800	
17 Medical Assistance, Medicaid		
18 Program	1,809,300	1,809,300
19 General Relief Medical	293,600	
20 Mental Health, Contract		
21 Institutions	113,200	
22 Violent Crimes Compensation Board,		
23 pending claims - FY 74 and 75	75,000	
24 Adult Confinement	176,000	
25 Juvenile Confinement	516,900	
26 Adult Rehabilitation	77,400	
27 Probation and Parole	21,500	

\$4,665,400 \$3,170,100

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