

HB

207

MINUTES OF HOUSE HESS COMMITTEE MEET

April 22, 1977

The meeting was called to order by Chairman Parr at 3:45 p.m. due to a late Session in the House. Present: Mr. Parr, Mr. Nakak, Mr. Phillips, Mr. Ose, Mr. Chatterton; Mr. Bennett came in late.

Absent: Cotten, Buchholdt and Beirne.

HB 206 & 207

Nakak

Chairman Parr said HB 206 & 207 would be on the agenda and Mr. Nakak spoke on the bills. Mr. Nakak said he had requested that these pieces of legislation be brought before the committee again because of interest on a Regional level and from other sources in the State. Said he had distributed letters and a separate sheet which lists recommendations which were enclosed in letters he had received but had put them on a separate sheet so that they could be shown as recommendations separately. Said he had other letters of interest and support from other entities. Mr. Nakak went through several of the letters. Mr. Nakak said he had been actively involved in the activities going on in the N.W. territory of Alaska and if there were a Board for every activity which it required, he said a Community such as White Mountain which has about 115 to 120 people, the people of that community could serve on at least 37 Boards which have Regional impact. Said he didn't feel the creation of another Board would be necessary to provide this service. Said there is the Norton Sound Corporation which has a Board, they have gone from the area of contracting health services in the total area to management and ownership of what was the Maynard McDougal Memorial Hospital and its now called the Regional Hospital. Said he felt confident that in recognizing their capability of serving as the health service agency in the area and the direct provider of health services via operation of the hospital, that another board need not be created to service the total area. Also called attention ^{to a letter} from the Cordova Community Hospital wherein they state their opposition of duplicating the services. He said another service Norton Sound Health Service recommended to him was if there is concern with regulatory powers being given up by the Public Health Nurse, that is not an area in which the Norton Sound Health Corporation wants to take over. If the concern from the State is that they do not want to give up this police power, their recommendation is that the state retain this power and contract with the health corporation for delivery of that same service.

Peters

Mr. Peters said the State felt that in the first place this is a private corporation which has a particular function for particular members in an area. Said one of the concerns was that it would treat all of Alaskans alike. Said they are not sure in using public money whether the state has the power to contract with every private organization. Said they felt

more comfortable with one that represented a'l the population of a particular area.

After much discussion back and forth between Mr. Nakak, Mr. Peters and Lois Jund, from the Department of Health and Social Services, Mr. Nakak asked that he and Mr. Peters be allowed to meet and see if amendments could be made for the proposed legislation and asked the committee's consideration in holding the bills over again.

Mr. Parr then asked them to look at page 5, line 21 (HB 207) "governing body may subcontract with a private health corporation serving a public health district to carry out the services. Private health corporation may serve equally all the residents in the area presenting themselves for assistance or services? He said when you look at the definition of private health corporation, it includes but is not limited to a regional health corporation serving a geographic region established under the Alaska Native Claims Settlement Act which is the Norton Sound Corporation. He asked that this be looked into since he felt this was saying that the legislature could establish an artificial creation called a health district which is really nothing but a service area and give it the power to contract when the state itself can't contract. Also said he felt this bill (207) doesn't say anything about the powers except on page 3, line 25. Said he felt what they were saying here was the powers of the local district board would be those which the department would give it by regulations. Said he questioned whether that was authorized constitutionally because as he understood the way the bill read they were making it parallel with the service areas in the Borough and the service areas in the Borough do not have any power --the Borough Assembly has to pass an ordinance.

Both bills were held over until Mr. Nakak and Mr. Peters could go through them together and try to amend them.

HB 413
Action

Chairman Parr announced that HB 413 would be next and that Mr. Swanson had asked to testify but needed to be called and it would be a few minutes. After the members looked through the bill, Mr. Chatterton moved to pass the bill out with a "Do Pass" recommendation without hearing further testimony. There being no objection the motion carried.

Chairman Parr announced to the Committee that the Governor had come in with another nominee for the Board of Regents, a Mr. Webber and said the committee would be having an interview with him at one of the meetings.

The meeting adjourned at 4:30 p.m.

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MINUTES OF HOUSE

HEALTH, EDUCATION, & SOCIAL SERVICE COMMITTEE

March 9, 1977

The meeting was called to order at 3:00 p.m. by
Chairman Parr

Those present: Parr, Bennett, Nakak, Chatterton,
Seversen, Beirne, Cotten & Phillips.
Mr. Ose came in later.

Chairman Parr announced two bills before the committee
today. HB 207 and HB 206. Mr. Bennett stated he would have
to leave early and would appreciate it if the committee would
hold off on action on the bills until a later date.

HB 206
9 207

First to testify was Mr. Burt Hall, Director of the
Department of Health and Environmental Protection for the
municipality of Anchorage. He said they have been studying
very carefully of both bills and have accomplished some
analysis of the potential impact, both positive and negative
of the legislation on the municipality and the people in the
area. He stated their prime concern was with HB 206 since
by definition they would not be considered under the other bill.
He said the testimony he was going to offer today, especially
the statistics would be preliminary in nature with any dollar
figures used primarily for illustrative purposes. He began
that they believe there needs to be established a formal and
equitable system for the orderly delegation of state authority
to municipalities and for the authorization of grants to
local government to assist in providing basic health services.
His testimony was read and he advised the committee that he
would get us a copy of his testimony the next day and a copy
of this will be placed in the two bill files.

Mr. Hall showed two charts he had made up showing the
basic services of public health that are provided by the
Dept. in Anchorage over the years and shows the state's
investment or share of the services. He stated copies would
be made of the charts for distribution after the meeting.
Mr. Hall stated the true cost for distributing public health
services for the present year is 2.9 million dollars.
The municipality receives \$335,000 in other revenue and
the state is still contributing \$360,000 which means that it's
share is now 13.9 per cent.

He stated by way of summary they are questioning
whether or not the base figure which would be used to
calculate a 90 per cent support for 1980 with or without
the hold harmless clause and could go on for a long time.
Whether it bears any true relationship to the true cost
as would be considered elsewhere in the State,

He said a final concern related to the lack of a clear mechanism for providing for state support of recognized needs which might come into being over a short period of time. He felt the 90% clause limitations could be extremely devastating.

Mr. Nakak asked Mr. Hall when he related to costs in Anchorage if he were making an illusion that costs other than in Anchorage are not real costs. Mr. Hall said, No, it was their understanding that in HB 206 the state now provides a percentage support not by percentage, but provides a modest amount of the true cost. The true costs in Anchorage are roughly 2.9 million dollars for the services we are talking about and the local government pays 12 or 83 percent and the state picks up the rest. In HB 207 it provides for the state to pick up 90 percent of the true costs. It's just a matter of making a comparison about how much state support goes into a different area. He personally felt anyone who assumes health powers ought to assume health responsibility. With that ought to go a willingness to pick up some additional load for the privilege and responsibility of doing that.

Mr. Parr asked about section 031 in the bill where it says 90 per cent of the state budget for public health services furnished in the municipality in that fiscal year; and felt it would be more than the \$500,000 they were talking about. Mr. Hall said he felt that was open to some interpretation and would like to agree with him. He said they do have a laboratory and do opt under their contract to do inspections in environmental health. Mr. Parr asked what the costs to operate the laboratory would be. Said its services are not exclusively for the municipality. Mr. Parr said the bill doesn't say that anything about whether the services are furnished.

There was discussion as to the municipalities putting in money in order to get local control of their own health services and what an appropriate amount would be. Mr. Hall said if he were pressed he would say not less than 25 per cent. Parr asked if the budget were 2.9 million for the health service cost in the Anchorage municipality for this year, how much would the state come in with and how much from the local municipality. Mr. Hall said it doesn't add to 100. He is suggesting that the state should not be less than 25 per cent and the responsibility of the municipality to come up with the rest, some of which would be local tax, others by third-party payments, etc. There was quite a bit of discussion on this matter.

Mr. Parr said we now have an adjustment in our education program based on an essence on real property values, and asked if he thought an adjustment in the formula was needed to allow for the wealth of the municipality concern? Hall said he agreed that a consideration should be worked in some way.

Mr. Hall said Anchorage has benefited from revenue sharing . Funds which can be worked into the kinds of programs that they are counting on their side of the ledger of an investment. Said they were not unaware of that contribution of the state but Anchorage is the only municipality that has had this kind of system established over a period of time and felt they have just really begun to dig. Saic they wanted to alert the committee to the fact that they would be going home and doing their homework and trying to dig into some of the questions that are being asked.

Mr. Parr informed Mr. Hall they would appreciate anything he could furnish the committee later in writing.

Mr. Chatterton asked about line 15 on page 4 on the section covering regulations. Item 4, said (he presumed) they were going to set up the regulation for a basic public health program. Then he said on page 2, line 19, says the same level of basic grants support. Mr. Chatterton asked what was basic and what was not basic? And what's going to be 90% of what's basic. Mr. Chatterton said Mr. Hall had said we were getting \$500,000 of which \$140,000 travels on through state funds for basic health services. Do we get any more funds from the state for the general arena of health services? Mr. Hall said they got a considerable amount of additional dollars. And explained the sources where they got these additional money but said what they are talking about in the bill are the basic services as defined here by interpretation and regulations-the basic services described in the bill itself and asked about the definition section. There was discussion as to what the state actually furnishes for public health services in Anchorage.

Mr. Phillips said his notes on the bill showed on line 18 he has "existing local budget" written in.

Mr. Parr asked Mr. Hall if he felt we really gained anything by going through this routine of 206 and 207? Are we really going to furnish better health protection, or having the same health protection with less money, or what are we really going to gain? Mr. Hall said the major gain we would achieve is have a formal system for state shared responsibility in a definite list of certain services. Mr Parr felt this could be done through revenue sharing.

Mr. Hall said they must be in fault in Anchorage, whether it be the legislators or the government, he doesn't know how they allowed the figure of \$500,000 to remain so low over the years when the costs keep going up and the responsibility keep going up. Mr. Hall thought the mechanism and equality that would have to be established in the process of the hearings and legislative debates of who gets what in the process, there would be required the establishment of a plan. Felt this was significant.

Felt there should be a plan to have goals and have objectives that budgets can be built toward and that can be measured and evaluate the effectiveness of what they are doing. He didn't feel this could be provided without this type of legislation.

Mr. Parr stated the only ones they are concerned about are the recipients of the bill and if they are going to profit from it fine, but if they aren't he can't see why they go through the drill.

Mr. Hall felt there was a protection that is inherent if the bill passes. Said if they saw that the bill was going to pass they would move as strongly as they can to see whatever base is established is brought to an appropriate amount which is up and in that context it would be more state money for Anchorage and then they could provide more services.

Mr. Nakak thought the figure could be cut because the figure was so inflated to begin with, and felt Mr. Hall's assumption that it would be raised could be a wrong one.

Next to testify was Mr. Charles Oxereok, Divisional Director, Human Services Division, Alaska Federation of Natives Inc. Spoke to some of the current health problems of the Alaska natives in the rural level in the development of health services and its inter-relationship to HB 207. He too read his testimony and informed the committee that he would mail a copy of it to them. It was his feeling that the people are being neglected by the Health & Social Services program. He felt many of the problems they are having can be alleviated by placing an emphasis of preventative health care at the state level. He said in HB 207 does not call for indirect costs to be recognized by state government, does not call for advanced payments for the contract of regulations. Said in some instances the rural areas do not get a chance to get a grant. He said the population area is too high and said there are only 2 cities in Alaska where the population is 6,000. Said this should be reduced to at least 1,000. Said HB 207 is designed to deteriorate the current unity of the Regional Health organizations already providing health services in the rural areas. Said he hoped the committee would prevent some of the mistakes made by prior legislatures. Said one of the recommendations was to give advance notice of the Association of Regional Health directors to hold 3 hearings within the HSA bonding lines. He asked that this piece of legislation have a regional hearing conducted in those areas because he felt the notice was too far short to conduct a comprehensive testimony and indepth study of this piece of legislation.

Mr. Parr informed Mr. Oxereok that these bills had been up before and that both the Anchorage and Fairbanks legislative offices had been notified. Oxereok said the Alaska Federation of Natives should be notified because most of the communities do not utilize the legislative offices and most of them do not know they even exist.

Mr. Parr asked where he got the figure of 85,000 natives that he had used, because the one he usually heard was 60,000. Oxereok said the 60,000 is the state estimated figure and 85,000 comes from the Alaska Native enrollment office of BIA.

Mr. Parr then asked about his statement of being neglected by the State and yet did say the Indian Health Service is furnishing the medical services. He said they wouldn't want the state to duplicate the services already being received so he assumed he wanted the state to do something else. Wondered what.

Oxereok said what he was trying to point out was that the State has always relied on the Indian Health Service to provide the health services, now is the time for the State of Alaska to get involved in some of the native health services.

Mr. Parr asked about his statement that the State doesn't contract with the Regional health organizations. He said there was a contract between the State and Tanana Chiefs.

Mr. Parr asked if he said also that the health system agency boundaries don't match the native corporation boundaries. Mr. Parr thought they were going to match these up.

Mr. Parr then asked if he felt the 6,000 figure was too high what he thought an appropriate figure would be. Mr. Oxereok felt 1,000 would be more appropriate.

Next to testify was Conrad Baines, Jr., Executive Director of Southeast Alaska Health Corporation. He said his comments are directed only to HB 207. He said he felt the concept within 207 is a good concept to authorize contract agreements for public health services. Said he has attended several meetings since the idea started and met with some of the state staff on this bill several times but still there are many things unclear to him. It is unclear as to who can apply for contracts. He thought the law excluded native organizations, in rural areas especially. Said the 6,000 population figure is clearly discriminatory to rural areas. Thinks the idea is good but the state contracting process has many weak areas. Thought it should be revamped to reorganize so that the state can have one central procurement arm. Said the question Mr. Parr brought up about Tanana Chiefs was a contract for federal funds, EMS but the same idea was objectionable by Tanana Chiefs in that there was no cash advance and indirect costs were not an allowable item. Another concern is in regard to REAA boundaries. Felt they were drawn for education purposes.

Another concern was that it was unclear as to financial and over-all impact of the law. Can't figure out who will apply for contracts. Felt it would be shifting around of the personnel already existing. Said he had 2 points for suggestion in re-writing the bill. Said he felt there should be some amounts put in for rural areas. Felt someone is trying to make a simple process complicated in this bill. Felt the main intent was to give the state authority to contract with any corporation for health services. Said the way it is written it excludes this. Felt the bill is looking for is to add authority for the State to contract any entity such as the Federal Government.

Next to testify was Dr. Frazer, Director of Public Health. He said from a standpoint of historical perspective, it is natural for groups of people to want to control their own destiny.. Said they continually see, in the progress of society, the continuing progression between centralized and local control. The purpose of these bills is to provide the municipalities and smaller groups with the ability to assume responsibilities for their public health services. Felt some of the statements that were made shows there is confusion between preventive services, public health services, and direct patient care. These bills provide potential for local communities like Anchorage and local areas to assume their public health responsibilities. Said the reason for going the Board route is they are enforcing state regulatory powers frequently, enforcing regulations and conducting services in accordance with regulations that the Commissioner will develop and therefore is the necessity for a responsible group.

There was discussion as to what the function of the Board would be.

Mr. Chatterton called attention to page 6, line 8 on the bill and asked about the 10%. Mr. Chatterton felt what they are getting now isn't costing them anything for 3 or 4 people but if the bill is enacted they will have to pay 10%.

Mr. Parr asked Dr. Frazer what besides "local control" do we gain from this bill? Mr. Frazer said the potential gain is through local control and perhaps the addition of local funding, self-determination in the direction of new programs in the area he wishes to advocate and incur. Might be more emphasis in family planning or immunization. There would be a little more option to directing the program to local problems.

Mr. Parr asked if he was saying that the amount of money wouldn't increase, that they would get better service for the same money? Dr. Frazer thought there was a whole spectrum of possibility ranging from poor service because of difficulty

in losing a central recruitment to the other end of the scale an increase individualized program in an area which is more effective. Did feel there was some gambel in this, going all the way from a disaster to a great success but felt the potential for local control permits this range.

Mr. Chatterton then asked him if he understood him correctly in saying that someone else could do his job more effectively then he can.

Mr. Parr said Section 151 does say the governing body may subcontract with a private health corporation serving a public health system. And there was discussion on this.

Mr. Parr asked Dr. Frazer to comment on the 6,000 figure and there was discussion on this.

Mr. Parr asked Dr. Frazer if both bills passed and became law what the total number of districts are that would be affected. Dr. Frazer thought maybe 25.

there is a
Mr. Parr said obviously need supervision. Said this could be done in 2 ways. One, is by a number of reports coming in monthly and the other one by actually getting out and traveling to see what is going on. Which would they plan to follow up on this?

Dr. Frazer said the question of implementing these bills was addressed in a fiscal note and would require additional staff to draw up the regulations and implement them. Said he could speak from previous experience, when there is a problem they go out and work with the local facility and feels the personal dialogue and consultant basis has some advantages.

There was discussion on the grants and how they are made. and the authority for making them.

Next to testify was Mrs. Osterback from Sand Point and said she represented from Adak down to Perryville and said in her district they aren't benefited at all from the State Department of Public Health. Said they presently do not have a public health nurse, no village built clinics, They have a doctor come out from the ANS hospital 2 a year and a dentist 1 a year. She said people eligible for medicaid can't benefit from it because there is no one there that can sign the coupons. She said they had a nurse at Sand Point but is from the Baptist Mission.

Mr. Parr asked Mrs. Jund if she could check into the program of the medicaid benefits so the checks could be signed there.

Next to testify was Lois Jund, Deputy Commissioner for Program Management. She said there seemed to be a great deal of confusion expressed today and said they are talking about basic public health services in most areas, that will only be the public health nursing program and environmental health program. She said Anchorage is not covered by the 90/10 clause in HB 206, they are covered by 18.10.031(d). She said the Anchorage area has an enriched program and are providing many services from their area that State doesn't provide from State level.

Mrs. Jund said the statement made earlier she believed from Mr. Hall that they are putting in money and other areas aren't is not a true statement. Other municipalities do contribute in cash or in time. There is no formula at this time and that is what this bill is trying to do so that all municipalities and all areas are treated equal. She elaborated on the amounts of money Anchorage is getting.

The meeting adjourned at 5:15 p.m.

MINTUES OF MEETING OF
HOUSE, HEALTH, EDUCATION & SOCIAL SERVICES COMMITTEE

February 23, 1977

The meeting was called to order at 3:00 p.m. by Chairman Parr. Members present were:

Mr. Parr, Mr. Bennett, Mr. Chatterton, Mr. Seversen, Mr. Phillips, Dr. Beirne, Mr. Nakak, Mr. Cotten and Mr. Ose came in later.

Chairman Parr announced to the committee that he had received a telephone call from the Public Health Officer in Fairbanks who had heard that this committee was going to meet in Tok. Mr. Parr said he knew nothing of such a meeting but if any members were planning to attend he would pass the phone number on to them.

Mr. Parr said the first bill on the agenda would be HB 206 which is a Governor's bill and asked Dr. Lois Jund, Deputy Commissioner for Program Management for the Department of Health and Social Services to testify. Dr. Jund stated she had worked on this bill for the last 2 years and gave some background on the 2 bills which were introduced as one bill last year (HB 596). She stated there has been a great deal of clamor throughout Alaska for local control of health services. Felt there should be a provision purely voluntary for those regions and municipalities that wish to assume responsibility for their own local health services that we have a mechanism whereby this can be accomplished. HB 206 deals only with health services and municipalities and provides that upon application in accordance with the approved health plan for that area, the state would provide 90% of what it had spent the preceding fiscal year in that area for the provisions of health services. The municipality would have to put up 10% of the cost so that the level of services would be the same, there is a maintenance of effort provision. She stated the advantages of both bills is that there would be local control and it would reduce the state payroll.

Mr. Cotten asked what size the board would be. Said he had noticed it was a Governor's bill and he recalls another bill that the Governor was against because it calls for an elected board.

Dr. Jund further stated she had received one phone call with regard to HB 207 indicating that they liked the present form, and has received one letter from the North Slope Borough on HB 206 which she read into the record and which supported the bill.

There was discussion as to what the additional cost will be to the tax payer, whether or not there will be sufficient expertise in the municipalities to administer the program, what decisions do the locals make once the authority is transferred and how much money are we talking about.

Mr. Chatterton asked what the exact figure was of the 1977 fiscal budget for public health services and was told 8 million dollars.

Mr. Chatterton called attention to page 2, starting on line 16 "year preceding application, the department shall provide an initial grant to the municipality in an amount equal to 90 per cent of the state budget for public health services furnished in the municipality". He asked what municipalities would qualify, what the line item budget would be for that municipality and asked how this would affect Anchorage and Fairbanks.

Dr. Jund said that in Anchorage right now, there is no formula but after statehood somewhere along the line, the legislature appropriated a certain amount of money for the Anchorage health department which is now up to \$500,000 per annum. Not all of this money goes to health, some is reserved for ARCO and ACCA. If Fairbanks elects to choose this bill, they will get 90% of \$140,000.

Mr. Chatterton then asked to make a statement which was "I came into this committee meeting hoping that I could, for the first time, vote for one of the administration's bills and after this lousy presentation, I don't believe I can."

Mr. Bennett asked about the effect the malpractice lawsuits might have.

Mr. Parr asked whether Anchorage is now getting money under the proposed formula in #206 or only getting a lump sum which the legislature appropriates. He also said the cost of the REAA's as opposed to the cost of the SOS is almost an identical figure and he didn't understand why it should cost any more, it might cost the same, but questions the need for extra staff in the office in Juneau. He said extra staff was not added in the Dept. of Education for the REAA's.

There was much discussion on the decentralization aspect and the fact that a non-elected body will have to approve the plans which are submitted.

Mr. Bennett asked which area the impetus of the bill came from. He said if this is a petition from 800 or 900 people he looks at the legislation in one light but if it is a

departmental thing, or municipality, he looks at it completely different.

Next to testify was Mr. Sam Coxson representing the Anchorage Municipality. He called attention to page 2, line 16 through 19. He felt the language should be reviewed and would like to see it read "the department shall provide a grant to the municipality in an amount equal to 90% of the existing local budget for public health services furnished in the municipality for that fiscal year."

Mrs. Jund called his attention to the language on page 4, Mr. Coxson then asked about the language on page 3, paragraph 4,. He wanted to know if they were essentially talking about combining service areas?

Mrs. Jund said this would apply to very small areas.

Mr. Coxson stated he would be glad to supply the committee with any written information the committee might want from Anchorage.

Mr. Parr asked if the Municipality of Anchorage was in favor of or against the bill. Mr. Coxson said he was not in a position to say.

Mr. Cotten asked if they would be interested in coming up with a position on the bill and commenting on what sort of increase they feel the state ought to give to them under the same provisions of this bill. Mr. Coxson said the bill is presently being reviewed and felt they should have a position on it in a week. Mr. Coxson said they would like to look at the possible add-on programs, what new programs they might consider, what the impact of that might be.

Mr. Parr asked Mr. Coxson to come back with some kind of position on it.

Mr. Parr informed the committee the bills were before them. Mr. Nakak said that he wasn't prepared to act on either piece of legislation at the time and asked to withhold action on them until further testimony comes in. There being no objection, both bills were held in committee.

Mr. Parr called the committee's attention to the memorandum regarding the meeting with members of the Dept. of Education on Friday evening at 7:30 in our meeting room.

The meeting adjourned at 4:40 p.m.

14B 207

February 11, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which would amend AS 18.10, relating to health units and districts. It would replace the provisions of the chapter enacted in 1949, and the last of the provisions of the chapter enacted in 1955, with a system for encouraging municipalities with health power to administer health programs on the community level by authorizing financial grants to those which accept that responsibility, and to expand the provision of services.

A municipality which agreed to maintain the same level of public health services as furnished by the Department of Health and Social Services in the prior fiscal year would be eligible on application for a grant of ninety per cent of the state budget for public health services furnished in the municipality in that fiscal year, with the same level of basic grant support being provided in subsequent fiscal years. Then if such a municipality expanded or initiated new services, the department would grant fifty per cent of the cost of the additional services, within the limit of its appropriations.

The Department of Health and Social Services would have authority to evaluate the health needs of municipalities throughout the state under uniform guidelines, and respond to health problems at the local level by

using local powers. State efforts would be coordinated with local input to determine what needs are not being met in each area and priorities would be set for the best use of available funds.

This bill should go a long way toward updating the provision of health services in Alaska municipalities.

Sincerely,

Jay S. Hammond
Governor

From 1980 on, this staff will continue to provide technical assistance, review grant applications for new and continuing grants, and monitor for compliance with existing laws and regulations. Since the largest and most complex area to administer will be the unorganized borough, 1/3 of the cost of administering the Local Public Health Services legislation has been assigned to this bill, and 2/3 to the "Municipalities" bill beginning in FY-1980.

Assuming all municipalities and major cities will qualify, apply for, and receive grants by the initial grant year of 1980, and that they would assume both the Nursing and Environmental Health programs, the positions assigned to those communities at that time would be phased out and the staff presumably would be hired by the communities. As the grants to communities for basic public health services equivalent to existing services is to be equal to 90% of the cost of existing programs for the year preceding the initial grant, the reduction in State programs should result in a 10% surplus which would be used to provide the funds necessary to support the 50% match for the implementation of new programs

Existing Central and Regional Nursing and Environmental Health staff will be utilized in administration and in providing technical assistance to assure program compliance and uniformity of professional standards.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 207
 Title LOCAL HEALTH SERVICES - PUBLIC HEALTH DISTRICTS
 Requested by BUDGET & MANAGEMENT Date 2/9/77

II. FISCAL DETAIL
 Agency Affected HEALTH & SOCIAL SERVICES
 Program Category Affected HEALTH
 Budget Request Unit(s) Affected PUBLIC HEALTH ADMINISTRATION

EXPENDITURES (Thousands of Dollars)

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | 62.6 | 65.7 | 92.0 | 96.6 | 101.4 |
| 200 TRAVEL | | 10.0 | 10.5 | 11.0 | 11.5 | 12.1 |
| 300 CONTRACTUAL | | 5.0 | 7.2 | 7.3 | 7.7 | 8.1 |
| 400 COMMODITIES | | 1.5 | 1.6 | 2.2 | 2.3 | 2.4 |
| 500 EQUIPMENT | | 2.5 | 0 | 0 | 0 | 0 |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 81.6 | 85.0 | 112.5 | 118.1 | 124.0 |

FUNDING (Thousands of Dollars)

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 |
|-----------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | | 81.6 | 85.0 | 112.5 | 118.1 | 124.0 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify) | | | | | | |

POSITIONS

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL TIME | | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

These fiscal notes are analogous to notes prepared for Bill #596B for ninth legislative session. Administrative staff necessary for implementation of this bill will include the following positions.

1. PFT Local Health Services Program Administrator (range 23)
2. PFT Accounting Systems Analyst (range 19)
3. PFT Administrative Assistant (range 16)
4. PFT (2) Clerk Typist III (range 8)

Much of the initial work will be in development of regulations, standards, manuals, and guidelines common to both "Municipalities" and "Public Health Districts" bills. Therefore, the cost of the first two years of implementing the Local Public Health Services legislation has been divided equally between the two fiscal notes. Should either of these bills fail to pass, the entire administrative costs should be assigned to the bill which is enacted.

IV. DATE 2/9/77 PREPARED BY Francis Fleek
 AGENCY Division of Public Health
 PHONE 465-3093
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 207

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to contracts for local health services; and providing for an effective date"

Contracts for local health svcs.

Introduced in the House 2-11, 19..77

HISTORY IN THE HOUSE

19 77
Feb. 11

Read first time and referred to Committee on HESS and Finance

Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reconsideration

| | |
|---------|----------------|
| PASS | Effective Date |
| Yeas | Yeas |
| Nays | Nays |
| Absent | Absent |
| Excused | Excused |

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:

Failed to concur in Senate amendment; asked Sen. to recede

Senate receded from amendment

Senate failed to recede from amendment

FCC appointed by House

FCC appointed by Senate

FCC adopted

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

April 14, 1977

Representative Alfred C. Naknek
District 22
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Naknek:

We have been informed by Lois Jund that House Bill 206 and 207 is likely to have difficulty in committee and could use as much support as possible. We basically support these two bills but wish some modification from the present form.

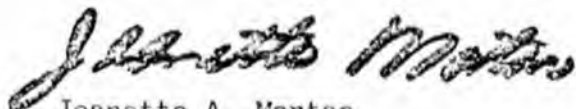
House Bill 207 requires the election of a local board who may in turn sub-contract with a regional health corporation. There is, however, nothing in the bill from preventing the board in providing the services itself, thus again, creating two agencies providing basically the same services to the same population. This is the situation presently in our district with Norton Sound Health Corporation providing services and the State Public Health Nurses providing services to the same population. This creates fragmentation of patient care.

We recommend that the State be allowed to contract directly with the health corporation bypassing an intermediate board. The attorney general states they cannot contract the Public Health Nurses regulatory powers. We therefore recommend that the State retain this regulatory powers but contract for services.

The other possibility might be for the State to recognize the regional health corporation board as a local health board. It may be that the board would have to meet certain requirements to insure broad representation.

Please call if there is any questions or if it is anticipated that the bills will be coming before the committees for hearing.

Sincerely,



Jeanette A. Morton
Director
Health Care Services

JM:da

HOUSE BILL 207

RECOMMEND:

1. The State should be allowed to contract directly with the Health Corporations bypassing an intermediate board.
2. The State retain the regulatory powers of the Public Health Nurses but contract for the services avoiding duplication of services.
3. The State recognize the Regional Health Boards as local health boards.



Alaska State Legislature
Senate

JUNEAU, ALASKA

February 25, 1977

TO: Charlie Parr, Chairman
House HESS Committee

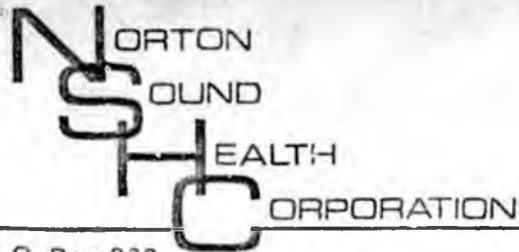
Glenn Hackney, Chairman
Senate HESS Committee

FROM: Senator Frank Ferguson *SPF*

RE: HB 207

Attached is a copy of a letter from Norton Sound Health Corporation concerning HB 207, which is presently in the House HESS Committee. I hope that both the House and Senate HESS Committees will consider the arguments in this letter carefully in their review of HB 207.

FRF:kh



Delegate of Alaska Federation of Natives

P. O. Box 966

Nome, Alaska 99762

443-2261

February 18, 1977

Senator Frank Ferguson
Pouch V
Juneau, AK 99801

Dear Senator Ferguson:

Norton Sound Health Corporation would like to take a position on the proposed Bill regarding local health services to be introduced at the request of the Governor. The act is entitled "An Act Related to Contract for local Health Services".

The Bill provides for the election of local Public Health Service Area Boards. The Board Members are to be elected at large by qualified voters.

48
207
The problem we have is that the election of another Board dealing with Health matters for a small population with limited resources creates a potential for disagreement, and fragmentation. This Board would have authority only over public health matters such as Public Health Nursing and possibly sanitation services. It would seem more appropriate to utilize an existing Health Board that is representative of the people in the region to enable comprehensive health planning.

There are already several health boards doing planning and trying to coordinate efforts. These include the Health Systems Agency Board for the region, also the Native Health Board in addition to the local Health Corporation Boards.

The proliferation of boards in the bush, many of which are very narrowly focused, is a problem. We recently ascertained that the citizens of White Mountain (about 125 people) are eligible to sit on about 39 boards and committees. When one realizes that about 50% of this population is adolescent and makes allowances for adults unable to meaningfully participate on a board it becomes apparent how fragmented things are becoming.

Our suggestion is to allow a board already existing that represents the citizens of the region to contract for services from the state, rather than create a new board for a limited scope of work. As the legislation is proposed the corporation could contract with the local board of health but the local board might also develop a limited scope of service itself or it may contract with another agency.

The argument for the election of the new board is that part of the services to be contracted have regulatory functions. Our suggestion is

that the state retain the regulatory function to itself and allow the corporations to contract for services. With health resources limited it would seem we need to look for a comprehensive coordinated delivery system rather than separate components that may duplicate and fragment health care.

If we can answer any questions or clarify any position please contact us. We would be very interested in hearing from you the status of the bill and any comments you might have.

Sincerely,

A handwritten signature in cursive script that reads "Jeanette Morton". The signature is written in dark ink and is positioned above the typed name.

Jeanette A. Morton
Director of Health Care Services

JAM/dh

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 207

Title LOCAL HEALTH SERVICES - PUBLIC HEALTH DISTRICTS

Requested by BUDGET & MANAGEMENT Date 2/23/77

II. FISCAL DETAIL

Agency Affected HEALTH & SOCIAL SERVICES

Program Category Affected HEALTH

Budget Request Unit(s) Affected PUBLIC HEALTH ADMINISTRATION

EXPENDITURES (Thousands of Dollars)

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | 62.6 | 65.7 | 92.0 | 96.6 | 101.4 |
| 200 TRAVEL | | 10.0 | 10.5 | 11.0 | 11.5 | 12.1 |
| 300 CONTRACTUAL | | 5.0 | 7.2 | 7.3 | 7.7 | 8.1 |
| 400 COMMODITIES | | 1.5 | 1.6 | 2.2 | 2.3 | 2.4 |
| 500 EQUIPMENT | | 2.5 | - | - | - | - |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 81.6 | 85.0 | 112.5 | 118.1 | 124.0 |

FUNDING (Thousands of Dollars)

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 |
|-----------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | | 81.6 | 85.0 | 112.5 | 118.1 | 124.0 |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify) | | | | | | |

POSITIONS

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL TIME | | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| PART TIME | | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | | 0 | 0 | 0 | 0 | 0 |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

These fiscal notes are analogous to notes prepared for Bill #596B for the ninth legislative session.

Administrative staff necessary for implementation of this bill will include the following positions.

1. PFT Local Health Services Program Administrator (range 23)
2. PFT Accounting Systems Analyst (range 19)
3. PFT Administrative Assistant (range 16)
4. PFT (2) Clerk Typist III (range 8)

Much of the initial work will be in development of regulations, standards, manuals, and guidelines common to both "Municipalities" and "Public Health Districts" bills. Therefore, the cost of the first two years of implementing

IV. DATE 2/23/77 PREPARED BY Frances Fleek
AGENCY Division of Public Health
PHONE 465-3093

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

the Local Public Health Services legislation has been divided equally between the two fiscal notes. Should either of these bills fail to pass, the entire administrative cost should be assigned to the bill which is enacted.

From 1980 on, this staff will continue to provide technical assistance, review grant applications for new and continuing grants, and monitor for compliance with existing laws and regulations. Since the largest and most complex area to administer will be the unorganized borough, 1/3 of the cost of administering the Local Public Health Services legislation has been assigned to the Municipalities HB 206 and 2/3 to this bill from FY 1980 on.

The first year in which contracts may be entered into will be 1980. It is assumed that all attendance areas will be represented by Public Health Districts and that all districts will qualify for contracts and assume both the Nursing and Environmental Health programs for their districts. The positions assigned to those districts would be phased out and the staff presumably would be hired by the district. These contracts will be granted at 90% of the cost of basic public health services equivalent to existing services (Public Health Nursing and Environmental Health staff costs) for the Public Health District for the year prior to the contract year. The apparent 10% savings resulting will be utilized to support the cost of transportation and per diem for the Board members.

Existing Central and Regional Nursing and Environmental Health staff will be utilized in administration and in providing technical assistance to assure program compliance and uniformity of professional standards.

"An Act relating to contracts for local health services; and providing for an effective date."

House Bill 207 authorizes the Department of Health and Social Services to delegate certain state mandated public health responsibilities to local public health districts in areas not served by local governments with public health powers and establishes contractual arrangements to provide state financial assistance to such districts.

Just as House Bill 206 proposes to establish a grants mechanism for the voluntary assumption of public health services by the organized political subdivisions in Alaska; House Bill 207 would establish contractual arrangements for the delivery of selected public health services in areas not served by local governments with public health powers. The enactment of both bills will provide a means whereby the delivery of public health services may be decentralized throughout the state.

House Bill 207 is designed primarily for cities and areas within the unorganized borough which desire local autonomy over public health service delivery. The bill establishes a process whereby local public health service areas may be created by the legislature within the boundaries of Regional Educational Attendance Areas (REAA) when a majority of the voters of an REAA so determine. In order to meet the minimum population figures of 6,000 persons per health district established as a result of cost-effective considerations, two or more contiguous REAAs may combine as a single local public health service area. For those cities in the unorganized borough which are not in a local public health service area a minimum population figure of 2,000 persons has been established.

Each local public health service area, or a combination of such areas, then elects a Local Public Health Service Area Board which serves as the governing body of the public health district similarly to the way in which a city or borough assembly assumes authority over public health services in a municipality with health powers. Although admittedly a somewhat complex process, the above procedure permits local community participation in public health programs to be achieved in the unorganized borough in the absence of locally elected governing bodies with the ability to assume health powers.

The governing body of the local public health service area may then enter into contractual arrangements with the Department of Health and Social Services for the provision of specific public health services. The governing body of a local public health service area may in turn subcontract with a private health corporation serving its area to actually deliver the public health services described in its health services plan. As with the proposed delegation of health powers to municipalities in House Bill 206, such contracts will be subject to the approval of the appropriate regional health systems planning agency as a precaution against the duplication or fragmentation of services. As with the municipalities, local public health service areas will be required to follow an approved health services plan to assure that federal and state standards for the delivery of health services are maintained. The Department of Health and Social Services will necessarily monitor the activities conducted under this plan to assure the quality, quantity, continuity and comparability of services and to otherwise provide technical and consultative assistance

to the local public health service areas. In addition, the state will continue to provide basic public health services to areas not choosing to assume local health responsibilities. The state will also continue to provide those specialized statewide services such as laboratory services, vital statistics, etc., which are not economically feasible to offer on a local basis.

Recognizing the factors present in Alaska which mitigate against the effective provision of locally sponsored health services--low population density, insufficient tax revenues, communication and transportation obstacles, etc.--House Bill 207 provides for the purely voluntary assumption of responsibility for local health service delivery by local entities. Communities choosing to participate in the program will understandably need financial assistance. House Bill 207 provides that the governing body of the public health district need match only 10 percent of the amount of the contract awarded and that amount may include in-kind contributions from the district. Federal funds received from Indian Self-Determination Act allotments (P. L. 93-638) are not exempted as a source of matching funds.

House Bill 207 was conceived as a means of permitting the objective of local autonomy over health matters to be achieved, where desired, within areas of Alaska unorganized politically. In so doing, this bill and House Bill 206, designed to apply to municipalities with health powers, adheres to the well-established national concept of local autonomy over public health functions, reserving state activities to functions of a statewide nature and to advising and evaluating local services. Even though Alaska's unique characteristics may make it economically difficult for every area to adopt the full range of public health services in every case, the steadily evolving interest in and awareness of local health issues on the part of consumers indicates the need for providing a means by which local community participation in specific public health programs may be organized. The Department of Health and Social Services supports House Bill 207.

Recommended by:

Robert Francis
Director, Division of
Public Health

2/23/77
Date

Approved by:

Law M. Jurek
Commissioner, Department of
Health & Social Services

2/23/77
Date

CORDOVA COMMUNITY HOSPITAL

P. O. Box 160

Phone: (907) 424-3242 7552

CORDOVA, ALASKA 99574

April 5, 1977

Charlie Parr, Representative
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Mr. Parr,

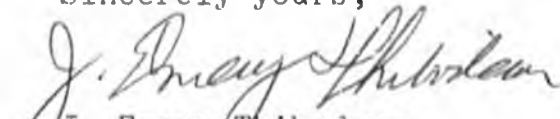
Thank you for your letter of March 31, 1977 regarding HB 206 and 207. With the work load you people have it is really gratifying to know that our letters of support or non-support are read - and answered.

You stated that if we could improve HB 206 you would not hesitate to support its passage. The concept of the bill is great and I'm not sure what changes would be made. As I understand it the bill would allow localities to administer their own health programs but that these programs would be controlled by the State through the grant mechanism. The professional requirements and licensing of the workers in the programs would remain with the State - i.e. Public Health Nurses would still have to meet the State requirement for Public Health Nurses. The only difference would be that the Public Health Nursing program would be administered by the locality - which is in the best position to know its needs. The same criteria would be true of all programs.

Rep Don Bennett also opposed the passage of these bills, I've attached a copy of my reply which is a little lengthy.

Again, the concept of these bills, especially 206 is very good. If some changes are necessary maybe they can be done in the HESS committee but the bills certainly warrant positive action.

Sincerely yours,


J. Emery Thibodeau
Hospital Administrator

Incl

JET: cf



The Cordova Community Hospital

CORDOVA COMMUNITY HOSPITAL

P. O. Box 160

Phone: (907) 424-3242 7552

CORDOVA, ALASKA 99574

April 5, 1977

Don Bennett, Representative
Pouch V State Capitol
Juneau, Alaska 99811

Dear Don,

Thank you very much for replying to my letter of March 24th concerning HB 206 and 207. With the work load you people have it's really gratifying to know that our letters of support and/or non-support are read - and answered.

With regards to HB 206 and 207, I still support them and hope that the legislators will give their support also. What you had to say in your letter regarding "suave grantsmanship" rather than trained professionals has, and may continue to be, all to true. I believe that this problem will be on the decline however.

HB 206 and 207 does not take control away from the State, but they do allow for local administration if it is warranted. The State would have complete control over the grant and still would continue to monitor the program along the approved program guidelines. The actual administration of the program, however, would be done on a locality basis, but only if the locality so chooses and the State so approves. By administration I mean the hiring of personnel, acquiring working space, purchasing supplies, conducting meetings and all the other numerous jobs it takes to make a health system work. The State would still supply the major supervision through regional offices, training programs, on-site evaluations, state wide coordination and direct help in implementation of a health program.

The benefits of this type of system are (1) local pride in a program which results in greater participation, (2) the integration of programs at the local level bypassing a dual system approach, (3) greater supervisor control by the state due to the decrease in "red tape" administrative burdens, (4) savings to the state due to decreased personnel and support costs plus the addition of local monies to the programs, (5) the ability of local programs to raise money by charging fees for service.



The Cordova Community Hospital

DON BENNETT, REPRESENTATIVE - Page 2

The State will not lose anything except a lot of headaches.

There are probably less than twenty places in Alaska that are presently qualified to run their own program, this would be determined by the State however. If these places were allowed to administer their own programs I am sure they would be happy to do so.

I was just downstairs reviewing your letter with the State Social Worker and the Clinical Psychologist - who is funded by a state grant. We are all working together for a common goal, in the same town but under two systems. The problems were obvious when the Social Worker made reference to what her supervisors office in Anchorage would say about a certain thing, her supervisors office in Anchorage is pretty far away and can't effectively make day to day decisions for Cordova - when she was only here once to interview applicants for the job.

We have in town what we like to refer to as an integrated health care system, the components with their control bases are noted below.

| <u>Program</u> | <u>Administrative Control</u> | <u>Control base</u> |
|-------------------|-------------------------------|---------------------|
| Hospital | City | Cordova |
| Nursing Home | City | Cordova |
| Doctors Clinic | Private | Cordova |
| Emergency Medical | City | Cordova |
| Social Services | State | Anchorage |
| Public Health | State | Juneau |
| Eligibility | State | Valdez - Juneau |
| Mental Health | City | Cordova |
| Alcoholism | City | Cordova |

The Mental Health program is a grant from the State to administer our own program but that grant is controlled by the State and we report to the State.

The same is true of the Alcoholism Program except the grant is controlled by the Federal Government.

All of the above programs operate out of one facility except the eligibility worker and are in constant daily contact regarding patient care and other matters. It makes sense if they were all administratively supervised by a common group or person.

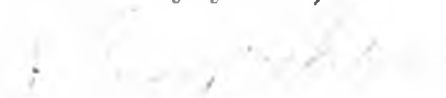
We do have a providers committee which is intended to give direction and control - and it does - to the total program goals. The Providers Committee meets monthly on a regular basis with interim meetings as needed. During these meetings monthly evaluations and program performance are discussed, along with discussions regarding particular patients who are served by more than one program, which is quite common.

DON BENNETT, REPRESENTATIVE - Page 3

Another problem with the State workers, that doesn't personally concern us but could effect the program, is the independence of each State division and their inability to interact in basic matters. The State Public Health Nurse has a car and her own private secretary who is paid by the State, the State Social Worker has neither of these and must use her own car and we provide her with a secretary. If these programs were under local administration these problems would be quickly resolved.

Well, this is fairly lengthy but we still believe that HB 206 and 207 is a must and HB 207 a good possibility. These bills do not allow a take over by non-profit organizations but they do allow local governments, if they so chose, to administer the health programs in their area - with the permission of the State.

Sincerely yours,


J. Emery Thibodeau
Hospital Administrator

JET: cf

Internal Medicine Associates

3500 LaTouche Street
Suite 310
Anchorage, Alaska 99504
Phone: (907) 274-5550

Richard F. Buchanan, M.D.
Liver & Digestive
Diseases

March 8, 1977

Joseph J. Pollock, M.D.
Pulmonary Disease

John F. Selden, M.D.
Nephrology

Paul L. Steer, M.D.
Internal Medicine &
Infectious Disease

Chairman, Health, Education
and Social Services Committee
Alaska State House of Representatives
Juneau, Alaska 99801

George L. Stewart, M.D.
Pulmonary Disease

Re: House Bills 206 and 207

James B. Watson, M.D.
Liver & Digestive
Diseases

Dear Sir,

Thomas C. Wood, M.D.
Cardiovascular Disease
& Nephrology

The Bush Medicine Committee of the Alaska State Medical Association at a recent meeting has evaluated pending House bills 206 and 207 relating to public health services in municipalities and unorganized boroughs. After due consideration of many factors pertaining to these bills, we would like to go on record as supporting passage of House bill 206 authorizing ninety percent funding for municipalities in providing their own public health services, and would like to register our nonsupport of House bill 207 related to local public health service administration in unorganized boroughs. We feel that the quality of medical care in unorganized boroughs would diminish with passage of this bill; the record of excellence established by State agencies seems unsurpassable, and any changes in the current status with regard to bush preventive medicine measures seems only likely to reduce the level of service provided to residents of these areas. Municipalities, however, seem more capable of providing both funding and local expertise, and we would, therefore, urge passage of House bill 206 which allows this to transpire.

We hope you will carefully consider our recommendations when evaluating testimony regarding passage of these bills.

Sincerely,



Richard F. Buchanan, M.D.
Chairman, Bush Medicine Committee
of Alaska State Medical Association.

RFB:dly

cc David Beal, M.D.
cc Robert Fraser, M.D.
Director, Division of Public Health
State of Alaska

LEGISLATIVE RECOMMENDATIONS
OF THE
CITIZEN'S PARTICIPATION CONFERENCE

February 23-24, 1977

Juneau, Alaska

SOCIAL SERVICE DELIVERY

High Priority

SB 54 "An act relating to adoption assistance for hard to place children in foster homes".

SB 106 Children's Laws and related Judicial proceedings

HB 63 Guardians of incapacitated persons

AMENDMENTS: (1) That no agent of Social Service be granted guardianship with the exception of relatives who may be employed as such.

(2) That a yearly review of guardianship be required.

Moderate Priority

HB 193 Child Care Licensing

Other Recommendations

(1) That a state-wide investigation into foster care be initiated due to alleged incidents of child abuse.

(2) That a state resolution be passed supporting the Indian Children Act (SB 3777) in Congress.

STATEMENT OF THE CPC COMMITTEE ON HEALTH AND SOCIAL SERVICES IN REGARD TO HB 206 AND 207:

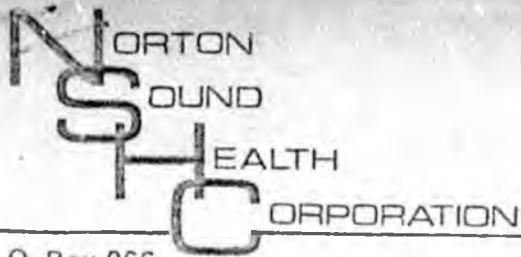
The CPC Committee on Health and Social Services has resolved that the effective delivery of public health services is an activity of crucial importance to the health, safety and well being of all residents of Alaska. The committee also feels that the decentralization of the actual delivery of health services is a key element in accomplishing this goal and should be afforded the highest possible priority.

However, the present level of available health services throughout the State is woefully inadequate.

Therefore, although it supports the general concept of decentralization embodied in HB 206 and 207, the Committee on Health and Social Services recommends a "Do not pass" on both bills because the statutory framework for health care delivery which they create inadequately addresses the following considerations:

1. The 90% grant provision is inadequate and would tend to inhibit the incentive of the municipalities to seek local control;
2. The 50% grant provision for new or expanded programs is also inadequate and this increased burden could not be met by many of the rural municipalities. It would consequently decrease the ability of the local community to expand or initiate needed health services;
3. There needs to be the stipulation and clarification of the type and degree of technical assistance provided for the municipalities;

4. A provision should be included to allow for the escalation of grant support in conjunction with the rise in costs;
5. HB 207 contains a 6,000 population requirement that is an unnecessary obstacle for the decentralizing of health services in districts not served by local governments, and it should be decreased.



Delegate of Alaska Federation of Natives

P. O. Box 966

Nome, Alaska 99762

443-2261

February 18, 1977

Representative Al Nakak
Pouch V
Juneau, Alaska 99801

Dear Representative Nakak:

Norton Sound Health Corporation would like to take a position on the proposed Bill regarding local health services to be introduced at the request of the Governor. The act is entitled "An Act Related to Contract for local Health Services."

The Bill provides for the election of local Public Health Service Area Boards. The Board Members are to be elected at large by qualified voters.

The problem we have is that the election of another Board dealing with health matters for a small population with limited resources creates a potential for disagreement, and fragmentation. This Board would have authority only over Public Health matters such as Public Health Nursing and possibly sanitation services. It would seem more appropriate to utilize an existing Health Board that is representative of the people in the region to enable comprehensive health planning.

There are already several Health Boards doing planning and trying to coordinate efforts. These include the Health Systems Agency Board for the region, also the Native Health Board in addition to the local Health Corporation Boards.

The proliferation of boards in the bush, many of which are very narrowly focused, is a problem. We recently ascertained that the citizens of White Mountain (about 125 people) are eligible to sit on about 39 boards and committees. When one realizes that about 50% of this population is adolescent and makes allowances for adults unable to meaningfully participate on a board it becomes apparent how fragmented things are becoming.

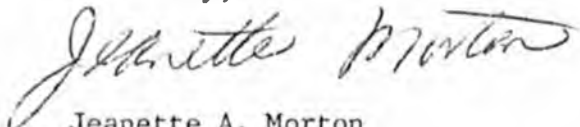
Our suggestion is to allow a board already existing that represents the citizens of the region to contract for services from the State, rather than create a new board for a limited scope of work. As the legislation is proposed the Corporation could contract with the local Board of Health but the local Board might also develop a limited scope of service itself or it may contract with another agency.

The argument for the election of the new board is that part of the services to be contracted have regulatory function. Our suggestion is

that the state retain the regulatory function to itself and allow the corporations to contract for services. With health resources limited it would seem we need to look for a comprehensive coordinated delivery system rather than separate components that may duplicate and fragment health care.

If we can answer any questions or clarify any position please contact us. We would be very interested in hearing from you the status of the bill and any comments you might have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jeanette Morton".

Jeanette A. Morton
Director of Health Care Services

JAM/dh

DEPARTMENT OF HEALTH AND ENVIRONMENTAL PROTECTION
MUNICIPALITY OF ANCHORAGE

March 9, 1977

TESTIMONY PRESENTED BY ROBERT A. "BERT" HALL BEFORE THE HESS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

Mr. Chairman, members of the House HESS Committee, my name is Bert Hall; I am the Director of the Department of Health and Environmental Protection for the Municipality of Anchorage.

We have been studying very carefully House Bills 206 and 207 and have accomplished some analysis of the potential impacts, both positive and negative, of that legislation upon the Municipality. Our prime concern is obviously with H.B. 206 since, by definition, we would be excluded from consideration under H.B. 207.

The testimony we offer today, especially any statistics, are intended to be preliminary in nature with dollar figures used only for illustrative purposes. We are attempting to document some accurate reflection of the history of our past experiences in joint funding public health services in the Anchorage area.

Let me begin by stating that we believe that there needs to be established a formal and equitable system for the orderly delegation of state authority to municipalities and for the authorization of grants to local governments to assist in providing public health services. We agree with the stated purpose - to provide and safeguard the health of the general public. However, if our understanding of the system suggested in H.B. 206 as it would apply to the Municipality of Anchorage is accurate, then we have some real problems endorsing the legislation without amendment.

Since the Municipality of Anchorage has the only history of joint governmental funding of public health services in Alaska, perhaps it would be helpful to review briefly our past experiences.

As early as 1926 the City of Anchorage employed a sanitarian and a nurse to look after some of the health and sanitation problems for the community. Over the years various combinations of efforts by the city and adjacent utility districts with assistance from the Territory and the State have maintained an agency to provide public health services.

For about ten years the Greater Anchorage Area Borough Health Department operated as a district agency serving Anchorage and the metropolitan area technically under State authority, and financed by a combination of local, State and Federal funds. A succession of health officers brought variations in emphasis, but for the most part the services included general sanitation and public health nursing.

The assumption of health powers by the Borough in 1964 brought no significant changes in services for several years, though steadily the local agency grew in experience and assumed many responsibilities once carried almost wholly by the State. Even yet the Department lacks some of the most important services such as: Laboratory, Child Guidance, Nutrition and Health Education. Of these only laboratory services are available through the Southcentral Regional Laboratory operated by the State Department of Health and Social Services.

The Department of Health and Environmental Protection's responsibilities include the full scope of health powers, including environmental, since no other official agency of local government has such powers assigned.

"The scope of health is considered to be a state of complete physical, mental and social well being, and not merely the absence of disease or infirmity". This definition has been adopted by the World Health Organization, the American Public Health Association, The Alaska Public Health Association, and by most official health agencies throughout the Country. The practical boundaries of health functions assumed by Federal, State and local official and voluntary agencies are more often defined by limits of resources and recognized needs than by definition of public health which states that "public health includes those services and functions which the people can better provide for themselves collectively rather than as individuals". This definition also implies that as needs change services change to meet them.

As noted above the Department of Health Environmental Protection has grown and has assumed many of the State's public health responsibilities. In recognition of the assumption of these State responsibilities the State gave the Department in fiscal year 1970-71 the amount of \$265,000. Included in this amount was \$125,000 for Alaska Crippled Children's Association and Alaska Retarded Citizen's Association thus leaving \$140,000 for public health services. The \$125,000 for ACCA and ARCA was for the provision of

exceptional children's programs. The \$140,000 was for the provision of communicable disease control, vital statistics collection, environmental sanitation, health education, promotion of individual health and collection and preparation of laboratory samples.

We, the local health authority were expected to accomplish many specific tasks, including the following:

- We would provide immunizations for all citizens without charge,
- We would perform chest x-rays,
- We would provide diagnostic consultation for TB and for venereal diseases,
- We would accomplish epidemiological investigations where appropriate.

In the environmental health area;

- We would inspect public facilities: eating and drinking establishments, grocery stores, bakeries, etc.; housing and mobile home communities, schools, hospitals, nursing homes, swimming pools, etc.
- We would respond to complaints and public nuisances,
- We would deal with most matters of pollution, especially water and sewer.

To promote individual health;

- We would provide for visits of the Public Health Nurse in the home,
- We would conduct family planning clinics,
- We would conduct classes for expectant parents and run well child clinics,
- We would provide consultation to child care centers.

Additionally, we would provide certain limited laboratory services, and the services of the physician.

All of these and many more would be provided in the basis of total health needs.

When the first contract was signed in 1970, it was agreed that the State support would allow for the provision by the Municipality of a proportionally greater amount of services than would have been provided if no contract or grant existed.

It should be pointed out that there was little rhyme nor reason regarding the dollar amount included. The contract instead was a document intended to legally transfer the line item budget amount.

For the next fiscal year, 1971-72, the contract was renegotiated to a total amount of \$500,000, \$140,000 was earmarked for ACCA and ARCA, the exceptional children's programs... \$100,000 was dedicated to environmental health and \$260,000 to public health. The total amount budgeted for these services by the Municipality for that period was \$1,391,000. The State's share of that budget was therefore, 25.9%. It is my belief that that contract was the first sincere attempt to share reasonable costs.

I have studied all of the contracts since 1971. All are basically the same; all use the same words, all have the same conditions, all have the same scope - and unfortunately all have the same dollar amount.

Meanwhile, the population of Anchorage has grown about 50%, services have been expanded to meet the recognized needs; inflation has eaten away at the purchasing power or service delivery capability of the \$360,000 we received from the State for the provision of the public health services described above.

Attached is a graph which illustrates the growth of the true costs and shows also the level of State support.

The true cost of delivering public health services in Anchorage for the present year is \$2,930,170. The Municipality is receiving \$335,430 in other revenue. The State is still contributing \$360,000 which means that its share is now only 13.9%. If the 1971-72 proportion of State investment was interpolated to today's budget then the State would be paying \$754,000 for its share of public health services and a total of \$894,000, recognizing that the \$140,000 was legislatively intended for passthrough projects.

House Bill 206 provides under Section 18.10.031(1) for a grant to a Municipality in an amount equal to 90% of the State budget for public health services furnished by a municipality in that fiscal year; the same level of basic grant support shall be provided in subsequent fiscal years. In order to get this grant the Municipality must only agree to maintain the same level of public health services as furnished by the Department in the fiscal year preceding application for the grant. There is also a hold harmless clause which we cannot interpret.

Under House Bill 206, will the State be willing to go 90% of the true cost of delivering public health services in Anchorage or is it the intent of the State to continue paying the Municipality \$360,000 as provided under Section 18.10.031(d)? Herein lies our major problem with the legislation.

Up until this time the Municipality of Anchorage has provided the public health services in the Anchorage area which are the historic delegated responsibility of the State. The State, through House Bill 206 would contract with local governments and under H.B. 207 create health entities to contract with where no local government exists for the delivery of public health services. In other areas of the State the local residents will only have to pay 10% of the true cost of the delivery of public health services; H.B. 207 provides that where local governments do not exist federal monies can be used to match the State contribution.

Today in Anchorage, the local taxpayers directly pay for 86.1% of the cost of providing public health services as well as their share of State taxes. The people in other communities are not directly paying for any public health services.

In essence, we are questioning whether or not the base figure which would be used to calculate a 90% support for 1980, and would be reflected in all future years, bears any relationship to the true costs as would be the case elsewhere in the State.

Another major concern is the potential disincentive that may be built into the Bill. If a local government knew that it would get 50% support for a new program a few years down the road, why expand services for less support? Someone might even conclude that local autonomy might not be worth spending 85%-90% of the costs with local funds when the basic services could be provided by the State at 100% support if no agreement existed.

A final concern relates to the lack of a clear mechanism for providing for State support of any dramatic increase in needs which comes into being with little warning. In a similar vein, there appears to be no opportunity for passing along any major availability of new health dollars that may come to the State from one source or another.

Thank you.

THOUSANDS

1,600

1,400

1,200

1,000

800

600

500

400

EXPENSES RELATING TO
NURSING, SANITATION & MEDICAL CARE ONLY

HEALTH CONTRACT

66-9

67-12

70-1

71-2

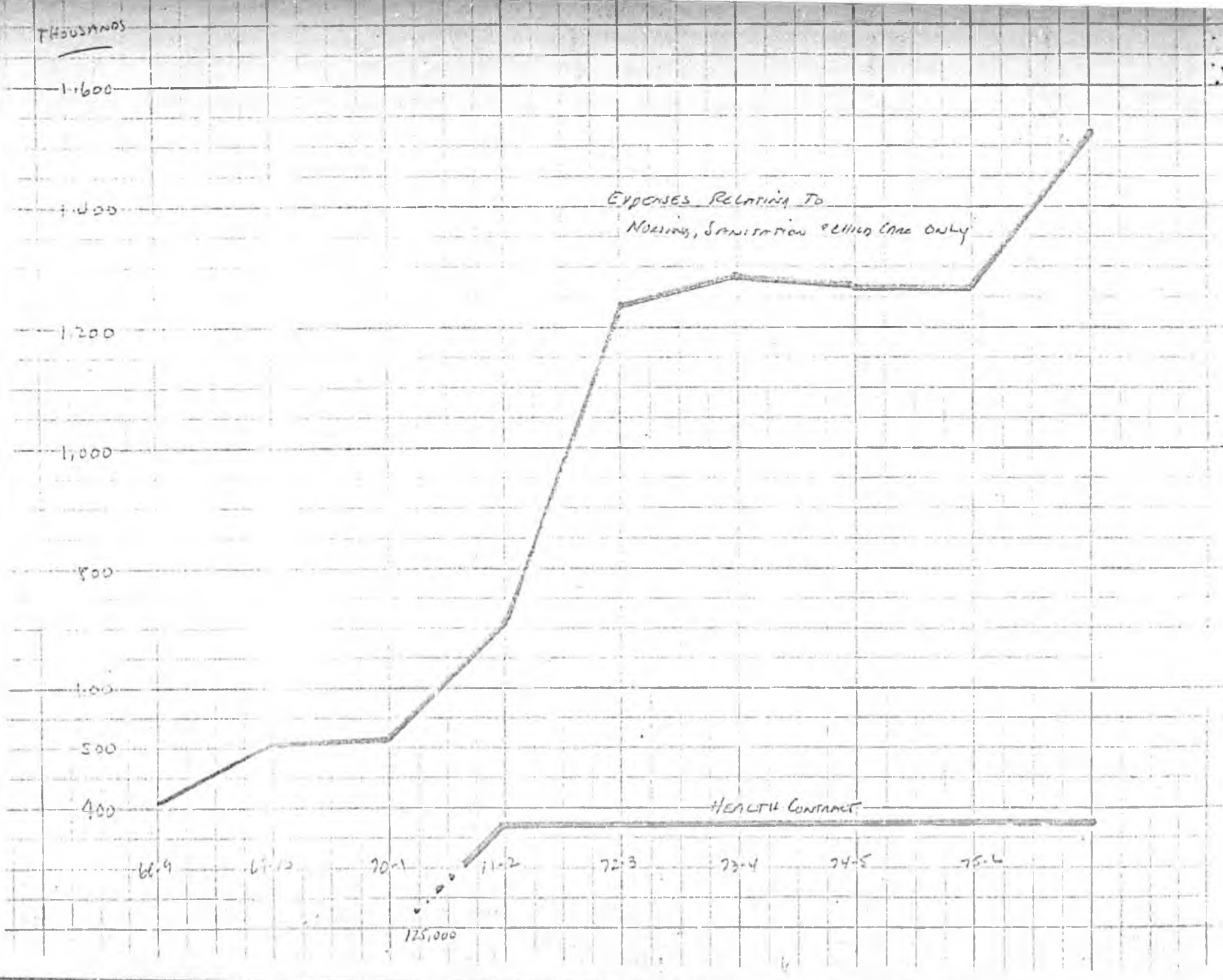
72-3

73-4

74-5

75-6

125,000



April 14, 1977

Representative Alfred C. Naknek
District 22
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Naknek:

We have been informed by Lois Jund that House Bill 206 and 207 is likely to have difficulty in committee and could use as much support as possible. We basically support these two bills but wish some modification from the present form.

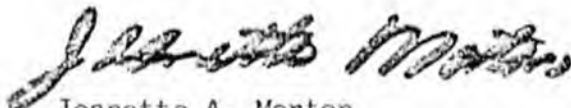
House Bill 207 requires the election of a local board who may in turn sub-contract with a regional health corporation. There is, however, nothing in the bill from preventing the board in providing the services itself, thus again, creating two agencies providing basically the same services to the same population. This is the situation presently in our district with Norton Sound Health Corporation providing services and the State Public Health Nurses providing services to the same population. This creates fragmentation of patient care.

We recommend that the State be allowed to contract directly with the health corporation bypassing an intermediate board. The attorney general states they cannot contract the Public Health Nurses regulatory powers. We therefore recommend that the State retain this regulatory powers but contract for services.

The other possibility might be for the State to recognize the regional health corporation board as a local health board. It may be that the board would have to meet certain requirements to insure broad representation.

Please call if there is any questions or if it is anticipated that the bills will be coming before the committees for hearing.

Sincerely,



Jeanette A. Morton
Director
Health Care Services

JM:da

HOUSE BILL 207

RECOMMEND:

1. The State should be allowed to contract directly with the Health Corporations bypassing an intermediate board.
2. The State retain the regulatory powers of the Public Health Nurses but contract for the services avoiding duplication of services.
3. The State recognize the Regional Health Boards as local health boards.

DEPARTMENT OF HEALTH & SOCIAL SERVICES

SUPPORTIVE INFORMATION SHEET

HB 206 - Public Health Services in Municipalities

HB 207 - Contracts for Local Health Services

1. WHAT IS THE PURPOSE OF THE LEGISLATION?

This legislation permits the orderly delegation of authority and responsibility of specific public health functions from the Department of Health & Social Services, to local public health districts or municipalities voluntarily requesting the responsibility.

2. IS THIS LEGISLATION AN ATTEMPT TO DECENTRALIZE SPECIFIC PUBLIC HEALTH FUNCTIONS THAT ARE NOW IN EXISTENCE OR TO PROVIDE A MEANS TO DECENTRALIZE FUTURE PUBLIC HEALTH FUNCTIONS?

The purpose is to decentralize both present and future public health functions handled by the department. It is in direct response to the increased consumer interest and the wish of local communities to become more involved in public health programs and decisions which affect their local public health care.

3. ARE THE RESPONSIBILITIES OF THE PUBLIC LAW 93-641 HEALTH SYSTEMS AGENCIES THE SAME AS THOSE FOR THE HEALTH DISTRICTS CREATED UNDER THIS ACT?

Health Systems Agencies have a responsibility for health planning, resource development, and for review of plans submitted by the health districts. They are not responsible for the implementation and delivery of public health services.

The local public health service area boards have the overall responsibility for the delivery of public health services. This also includes determining the need, developing a plan for submission to the health systems agency and overseeing the implementation of the public health service area plan.

4. WHAT IS THE MEANING OF THE TERM BASIC PUBLIC HEALTH SERVICES?

Basic public health services refer to the basic elements (public health nursing and environmental health) which fulfill the minimum requirements of preventive public health services, which may be carried out at the local level.

HOUSE BILL 207

RECOMMEND.

1. The State should be allowed to contract directly with the Health Corporations bypassing an intermediate board.
2. The State retain the regulatory powers of the Public Health Nurses but contract for the services avoiding duplication of services.
3. The State recognize the Regional Health Boards as local health boards.