

Funding Information  
General Fund \$13,600,000  
Other Funds -0-  
\$13,600,000

Introduced: 3/2/81  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY HAUGEN

2

HOUSE BILL NO. 244

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making special appropriations for hospital expansion and improvement in Petersburg and Wrangell; and providing for an effective date."

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

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\* Section 1. The sum of \$7,100,000 is appropriated from the general fund for payment as a grant to the City of Petersburg for hospital expansion and improvement.

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\* Sec. 2. The sum of \$6,500,000 is appropriated from the general fund for payment as a grant to the City of Wrangell for hospital expansion and improvement.

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\* Sec. 3. The appropriations made by this Act shall be disbursed in accordance with AS 37.05.315.

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\* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).

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Position Paper

House Bill 244

"An Act making special appropriations for hospital expansion and improvement in Petersburg and Wrangell; and providing for an effective date"

House Bill 244 makes special appropriations in the form of grants for hospital expansion and improvement in Petersburg and Wrangell in the respective amounts of \$7,100,000 and \$6,500,000.

The Department of Health and Social Services has for several years noted deficiencies at Petersburg and Wrangell hospitals. Most of the deficiencies relate to the physical plant of each hospital or are "operating" deficiencies resulting from the constraints of the physical plant. The department supports efforts to correct the deficiencies, many of which have possible impact upon patient life and safety.

Petersburg General Hospital

In August of 1981 the Department issued a Certificate of Need to Petersburg General Hospital approving the requested expenditure of \$7,150,000 for renovation/replacement of the hospital facility. Since the issuance of the Certificate of Need, further assessments by the hospital's architect have resulted in an increase of the estimated cost of the project to \$9,155,000. The hospital is presently requesting a modification of the existing Certificate of Need to reflect the higher estimated cost.

Chapter 50, Session Laws of Alaska 1980, appropriated \$1,500,000 for the renovation of Petersburg General Hospital. The \$7,100,000 appropriated by HB 244 when added to the available \$1,500,000 provides a total of State grant assistance for the project of \$8,600,000.

The Department views the renovation/replacement of Petersburg General Hospital as essential to the continued offering of hospital services in Petersburg. The preliminary reports of the rural hospital inventory and condition survey and past licensure/certification visits and past architectural surveys offer severe criticisms of the existing facility. The structural deficiencies of the facility have made it necessary for the Department to disallow surgery (other than emergency surgery) at the hospital. The Department has also indicated that it will not be possible to recommend continued medicare and medicaid certification of the hospital unless the facility is improved.

Wrangell General Hospital

In August of 1981 the Department issued a Certificate of Need to Wrangell General Hospital approving the requested expenditure

Position Paper  
House Bill 244  
Page 2

of \$6,870,000 for the renovation/expansion of the facility. Further progress is pending financing, since the application indicated that state assistance would be needed for this community.

Past certification/licensure visits and architectural surveys have noted several structural deficiencies at the facility. Most of the deficiencies result from space shortages in treatment, staff, and ancillary areas. The facility has some building code and life safety code violations, many of which are occasioned simply because space is short and storage areas are inadequate. The facility also has certain mechanical and electrical conditions which violate codes and should be corrected as part of the hospital's planned renovation and expansion, or separately, should the planned renovation and expansion be delayed for any significant period.

Wrangell General Hospital does have some deficiencies which require correction and this small community does not have the capability to totally undertake all needed changes or improvements to its hospital. While small and in need of renovation - and therefore state assistance - correction for Wrangell General Hospital's condition is not as urgent as is that of Petersburg. It is the position of the Department that the Petersburg General Hospital is a top priority for state assistance in replacing this structure.

As a step toward the development of a rational approach to health facility construction the Department of Health and Social Services has begun an inventory and condition survey of rural Alaskan hospitals and nursing homes. The purpose of the survey is two-fold: 1) to develop a detailed record of the current condition of each participating facility, emphasizing physical condition and functional adequacy, and 2) to identify positive means for upgrading each facility to correct any deficiencies. This survey is scheduled for completion in mid-February, 1982.

Even though the final inventory and condition survey report is not yet available to provide a justifiable estimate of the costs involved in bringing the rural Alaskan hospitals up to current standards, it is evident to the Department from a reading of the preliminary reports, past contacts with the subject facilities, and informal observations that several health care facilities around the State are in need of extensive renovation or replacement and that the associated costs will exceed the ability of the subject facilities to acquire the capital necessary to meet those costs. It would appear that in the absence of such state assistance in the form of grants, the renovation/replacement of rural hospitals and nursing homes will not be feasible.

The Department of Health and Social Services believes that State assistance for renovation, replacement, and expansion of existing hospitals and nursing homes in the form of grants may be appropriate for publicly owned or not-for-profit facilities; however, it is also realized that the availability of such grant funds may be limited. For this reason the Department supports

Position Paper  
House Bill 244  
Page 3

the concept of state grants for hospital construction, but believes that the priority for such funds should be placed on facilities which are in need of renovation, replacement, and/or expansion in order to assure the continued offering of hospital services within their respective communities, and are unable to secure other types of financing. The Department would further recommend consideration of the development of a long range health facility construction program to equitably address the construction needs of all health facilities in the State.

Recommended by:

Phoebe A. Lindsey  
Phoebe A. Lindsey, Director  
Division of State Health  
Planning & Development

Date:

February 16, 1982

Approved by:

Heien D. Beirne  
Heien D. Beirne  
Commissioner

Date:

2-16-82

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 244  
 Title An Act making special appropriations for hospital expansion and\*  
 Requested by Haugen Date February 12, 1982  
 \*improvement in Petersburg and Wrangell..."

II. FISCAL DETAIL

Agency Affected Health and Social Services  
 Program Category Affected Health  
 BRU, Program, Or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		-0-				
400 COMMODITIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		-0-				
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS		-0-				
OTHER (Specify Source)		-0-				

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This Bill, in and of itself, does not create a need for additional funding. Should several other similar requests for hospital construction funding be approved in the same year the Department may find it necessary to provide additional staffing to handle an increased workload.

IV. DATE February 12, 1982 PREPARED BY Dave W. Williams JCC  
 AGENCY DHSS Div. of State Health Planning and Dev.  
 Original: Legislative Finance PHONE 465-3038  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

2/17/82

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 244

"An Act making special appropriations for hospital expansion and improvement in Petersburg and Wrangell; and providing for an effective date."

under consideration and ~~-(a majority of the committee)-(the committee)---~~ reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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CHAIRMAN



*Pegues*  
*12-0852*

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16 \* Sec. 3. The appropriations made by this Act shall be disbursed in  
17 accordance with AS 37.05.315.

18 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
19 070(c).

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST Session

HOUSE ..BILL..... NO. ...244.

By ..HAUGEN.....

"An Act making special appropriations for hospital expansion and improvement in Petersburg and Wrangell; and providing for an effective date."

Spec. appro, Petersburg and Wrangell hospital

Introduced in the House ...3/2....., 19. 81

HISTORY IN THE HOUSE

19 81	Read first time and referred to Committee on												
Mar. 2	HESS and Finance												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
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	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												
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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: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor ..... by Governor
	Filed with Lt. Governor
	Chapter No. ....