

Rec'd 4-28-82
After bill r.o.

Position Paper
Committee Substitute for House Bill 365 (Finance)

An act making special appropriations for health care facilities; and providing for an effective date."

CSHB 365(Finance) provides special appropriations which total \$14,710,000 for five hospital construction projects. Four of these projects are apparently associated with locally owned non-profit hospitals (Corдова Community Hospital, Petersburg General Hospital, Wrangell General Hospital, and South Peninsula General Hospital, Homer). The other appropriation is apparently associated with a federally owned hospital in Dillingham.

The four locally owned hospitals were included in the recently completed "Rural Alaska Hospital and Nursing Home Inventory and Evaluation Survey." The Department's report on the inventory and evaluation survey includes a five-year construction plan for rural hospitals and nursing homes. The four locally owned, non-profit hospitals addressed in CSHB 365 (Finance) are recommended for design or construction within the first year of the five year plan.

The Department's report also notes "...the State and Federal Government have previously had roles in establishing and/or assisting with the construction of many health care facilities. With the discontinuation of Federal funds which had previously supported construction of health care facilities, the State's role has become less clear and in need of further exploration and definition. Regardless of the extent of the State's role, the fact remains that many of Alaska's health care facilities, which are deemed to be needed facilities by virtue of access to the services they provide, are in need of renovation, modernization or replacement in order to continue to make quality health care reasonably accessible to Alaskans as well as to the many visitors to this State."

It can reasonably be argued that the State has a responsibility to partially support the construction capital requirements of locally owned, non-profit hospitals, since such facilities are available to serve all Alaskans and visitors to the State; are required to maintain a physical plant which meets state licensure requirements; and have had a difficulty in obtaining sufficient funds for construction by other means.

The Department supports the appropriations for the four locally owned hospitals as outlined below:

Petersburg

Petersburg General Hospital is woefully out of compliance with Federal and State physical plant requirements for hospital facilities. Due to Federal requirements for Medicare and Medicaid certification, there is an extreme likelihood that Medicare and Medicaid payments to the hospital will be disallowed unless corrections are made. Similarly, the Department may be unable to continue licensure of the hospital. These actions would result in closure of the hospital. Increasing emphasis of the possible closure and the need for corrective action has been given to Petersburg General Hospital by the Department several times during the last few years.

Petersburg General Hospital has been issued a certificate of need for the remodeling and expansion of the existing facility. The project is to include a replacement of the acute care portion of the facility which was originally constructed in 1953. The maximum capital expenditure approved under the certificate is \$7,150,000. Considerations which have arisen during the design phase of the project have caused Petersburg General Hospital to seek a modification of the issued certificate. The maximum capital expenditure sought under the modification request is \$9,155,000. A decision regarding the modification request is expected by May 24, 1982. The remodeling and expansion of Petersburg General Hospital is also strongly supported by the inventory and evaluation of rural Alaskan hospitals.

Chapter 50, SLA 1980 appropriated \$1,500,000 to the City of Petersburg for hospital remodeling and restoration. This 1980 appropriation has provided the funds necessary for design and engineering of the remodeling and expansion project. The CSHB 365 appropriation of \$8,000,000 when added to the 1980 appropriation establishes a total of state grants for this project of \$9,500,000.

Cordova

Cordova Community Hospital has been issued a certificate of need for the construction of a new hospital facility on a new site. The maximum capital expenditure approved under the certificate is \$15,075,000. The replacement of the existing hospital is also strongly supported by the inventory and evaluation of rural Alaskan hospitals completed in February 1982. The \$1,000,000 appropriation provided by CSHB 365 for the costs of design and engineering of a hospital does not appear unreasonable for this proposed project.

Homer

South Peninsula Hospital, Homer, has been issued a certificate of need for the remodeling and expansion of the existing facility. The maximum capital expenditure approved under the certificate is \$6,472,300. This figure was established in June of 1980 and may be adjusted for inflation to approximately \$7,700,000.

During the time since the certificate of need was issued the residents of the Kenai Peninsula Borough have approved the issuance of tax-exempt bonds for \$3,150,000 as partial funding for the project. The combination of the \$3,150,000 local support and the \$4,400,000 appropriation provided in CSHB 365(Finance) should be sufficient to complete the project.

Wrangell

Wrangell General Hospital has been issued a Certificate of Need for renovation and expansion of the existing facility. The project includes a change from double patient rooms to single patient rooms and the correction of numerous code related deficiencies. The maximum capital expenditure approved under the certificate is \$6,870,000. The renovation and expansion of the Wrangell facility is also recommended by the inventory and evaluation of rural Alaskan hospitals. If the balance of appropriated funds may be used for construction costs, the \$1,000,000 appropriation provided by CSHB 365(Finance) is not unreasonable.

Dillingham

The Department opposes the appropriation for the Dillingham facility for the following reasons:

1. The facility is federally owned and supported. The Federal Government has a continuing responsibility to maintain its facilities without the use of State funds.
2. The facility is exempt from licensure requirements of the State of Alaska.
3. According to the Region X office of the U.S. Department of Health and Human Services, the Federal Government has provided \$1,200,000 for the design of a new hospital for Dillingham. The federal government is now advertizing for architectural services for the design of the new facility and expects the bids for design to be between \$800,000 and \$900,000.
4. If the City of Dillingham is considering the construction of a non-federal facility, the state would need to consider the relationship of this activity to health planning and development requirements, the impact to the health facility revenue and certification requirements, the impact to the health facility revenue sharing program, and the potential increase to the Medicaid budget. The latter point could be significant inasmuch as the federal government currently reimburses 100 percent of medicaid cost for medicaid eligibles cared for in federal facilities but less than 50 percent of Medicaid costs for eligibles in non-federal facilities. The balance is provided from state general funds.

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

Date: April 21, 1982

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner

Date: 4-21-82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST
 Bill/Resolution No. Committee Substitute for House Bill 365 (Finance)
 Title An act making special appropriations for heliport care facilities*
 Requested by Finance
 *and providing for an effective date.

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-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

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

This bill does not impact the Division of State Health Planning and Development.

IV. DATE April 16, 1982 PREPARED BY Dave W. Williams
 AGENCY State Health Planning and Development
 PHONE 465-3015
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

JCC

COMMITTEE REPORT

HOUSE

FURTHER:

(11)

2/22/82

Date:

4-7-82

Mr. Speaker:

The Committee on FINANCE has had HB 365

"An Act making a special appropriation to the City of Cordova for a feasibility study for hospital care; 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 HB 365 (FIN) same title new title
- and recommends no recommendation
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Robert S. Adams

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Robert S. Adams
James G. ...

Robert S. Adams
CHAIRMAN

Original sponsor: Cato

Funding Information

General Fund	\$14,710,000
Other Funds	-0-
	<u>\$14,710,000</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 365 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for health care
7 facilities; and providing for an effective date."

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

9 * Section 1. The sum of \$1,000,000 is appropriated from the general fund
10 for payment as a grant to the City of Cordova for the costs of design and
11 engineering for a hospital.

12 * Sec. 2. The sum of \$8,000,000 is appropriated from the general fund for
13 payment as a grant to the City of Petersburg for hospital expansion and
14 improvement.

15 * Sec. 3. The sum of \$1,000,000 is appropriated from the general fund for
16 payment as a grant to the City of Wrangell for the costs of design and
17 engineering for a new hospital.

18 * Sec. 4. The sum of \$4,400,000 is appropriated from the general fund for
19 payment as a grant to the Kenai Peninsula Borough for the South Peninsula
20 Hospital Service District for hospital expansion and improvement.

21 * Sec. 5. The sum of \$310,000 is appropriated from the general fund for
22 payment as a grant to the City of Dillingham for the Bristol Bay Area Health
23 Corporation for the costs of design and engineering for hospital replacement
24 or renovation.

25 * Sec. 6. The appropriations made by this Act shall be disbursed in
26 accordance with AS 37.05.315 - 37.05.319.

27 * Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-
28 070(c).

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Finance

To: CS HOUSE BILL No. 365 (Finance)

SENATE BILL No. _____

PAGE: one

LINE: new section 5

Add a new section 5 which reads:

The sum of \$310,000 is appropriated from the general fund for payment as a grant to the Bristol Bay Area Health Corporation for the costs of design and engineering for a hospital replacement or renovation.

City of Dillingham for the

Original sponsor: Cato

3-18-82

Funding Information

General Fund	\$14,400,000
Other Funds	-0-
	<u>\$14,400,000</u>

Carney

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 365 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for health care
7 facilities; and providing for an effective date."

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

9 * Section 1. The sum of \$1,000,000 is appropriated from the general fund
0 for payment as a grant to the City of Cordova for the costs of design and
1 engineering for a hospital.

2 * Sec. 2. The sum of \$8,000,000 is appropriated from the general fund for
3 payment as a grant to the City of Petersburg for hospital expansion and
4 improvement.

5 * Sec. 3. The sum of \$1,000,000 is appropriated from the general fund for
6 payment as a grant to the City of Wrangell for the costs of design and
7 engineering for a new hospital.

8 * Sec. 4. The sum of \$4,400,000 is appropriated from the general fund for
9 payment as a grant to the Kenai Peninsula Borough for the South Peninsula
0 Hospital Service District for hospital expansion and improvement.

Sec 5 Add new Section 5 AS Amended.

1 * Sec. ~~5~~ ⁵. The appropriations made by this Act shall be disbursed in
2 accordance with AS 37.05.315 - 37.05.319.

3 * Sec. ~~6~~ ⁷. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

Al,
I used the wrong language on
the amendment I added to CS HB 365.
It should read: "The sum of \$310,000
is appropriated from the general fund for
payment as a grant to the Bristol Bay
Area Health Corp. for the costs of
~~design~~ design and engineering for a
hospital replacement or renovation.

P.S. Give this to
~~Carol.~~

Becky

Joe
On my for Chuckwosh
for HB. 365
Ge Aden

Original sponsor: Cato

Offered: 2/22/82
Referred: Finance

Funding Information

General Fund	\$1,000,000
Other Funds	-0-
	<u>\$1,000,000</u>

BY THE HEALTH, EDUCATION &
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 365 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the City of
7 Cordova for a feasibility study for hospital care; and
8 providing for an effective date."

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

10 * Section 1. The sum of \$1,000,000 is appropriated from the general fund
11 for payment as a grant to the City of Cordova for a feasibility study to
12 determine if the present health care facility should be renovated or if a
13 new health care facility should be built and for the costs of design and
14 engineering reports and for application for a certificate of need if the
15 study concludes that the new facility should be built.

16 * Sec. 2. The appropriation made by this Act shall be disbursed in
17 accordance with AS 37.05.315 - 37.05.319.

18 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).

20

21

22

23

24

25

26

27

28

29

Funding Information
General Fund \$650,000
Other Funds -0-
\$650,000

Introduced: 3/19/81
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY CATO

2 HOUSE BILL NO. 365

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 a special appropriation to the City of
7 Cordova for a feasibility study for hospital care; and
8 providing for an effective date."

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

10 * Section 1. The sum of \$650,000 is appropriated from the general fund
11 for payment as a grant to the City of Cordova for a feasibility study to
12 determine if the present health care facility should be renovated or if a
13 new health care facility should be built and for the costs of design and
14 engineering reports and for application for a certificate of need if the
15 study concludes that the new facility should be built.

16 * Sec. 2. The appropriation made by this Act shall be disbursed in
17 accordance with AS 37.05.315.

18 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).

Position Paper

Committee Substitute for House Bill 365 (HESS)

"An Act making a special appropriation to the City of Cordova for a feasibility study for hospital care; and providing for an effective date."

CSHB 365 provides an appropriation of \$1,000,000 in the form of a grant for the purpose of obtaining a feasibility study to determine if the present facility should be renovated or if a new facility should be built and for the costs of design and engineering reports if the feasibility study determines that a new facility should be built.

Cordova Community Hospital has recently submitted an application for a Certificate of Need which proposes the construction of a new hospital facility at an estimated cost of \$15,075,000. The feasibility study was completed as a part of the Certificate of Need application for the renovation/replacement for the existing facility and need not be repeated. Although the review of the application is not complete, the greater question appears to be what type of facility is appropriate for Cordova, rather than whether a replacement facility is needed. Should a Certificate of Need be issued for a new hospital facility at Cordova as requested in the Certificate of Need application, the need for design and engineering reports will follow. The cost for design and engineering reports for a \$15,075,000 hospital facility generally exceed \$1,000,000.

The Department of Health and Social Services has for several years noted deficiencies at Cordova Community hospital. Most of the deficiencies relate to the physical plant of the hospital or are "operating" deficiencies resulting from the constraints of the physical plant built in 1956. Many of the deficiencies have possible impacts upon patient life and safety, therefore, the Department supports an effort to correct the deficiencies.

The certificate of need review, which is expected to be completed by mid-March, 1982, will address the following aspects of the proposed project which are pertinent to a consideration of state financial assistance:

- the present and future hospital bed need for the Cordova Community Hospital service area;
- the total square footage requirements for hospital beds and for ancillary service areas;
- the anticipated impact of the project on hospital operating costs, revenues, and patient charges;
- the financial feasibility of the project;
- the cost-effectiveness of constructing shelled-in space for future use.

Position Paper
CS HB 365
Page 2

As a step toward the development of a rational approach to health facility construction the Department of Health and Social Services contracted with an architectural firm for the completion of an inventory and evaluation report on rural Alaskan hospitals and nursing homes. The purpose of the report is two-fold: 1) to develop a detailed record of the current condition of each participating facility, emphasizing the physical and functional adequacy, and 2) to identify positive means for upgrading each facility to correct any deficiencies.

The completed report notes that the Cordova facility was originally constructed in 1956; is a non-rated wood frame structure (prohibited for hospital occupancy by the current Uniform Building Code); and has several physical and functional deficiencies which may impact upon patient life and safety.

Based upon the number and severity of the deficiencies found, the report indicates that design of a new facility should begin immediately if the certificate of need is issued.

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

Date: March 19, 1982

Approved by: Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health & Social
Services

Date: 3-21-82

I. REQUEST
 Bill/Resolution No. CS for House Bill 365
 Title ...to the City of Cordova for a feasibility study for hospital care....
 Requested by HESS

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-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

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

This Bill does not directly impact the finances of the Division of State Health Planning and Development.

IV. DATE March 15, 1982 PREPARED BY Dave W. Williams *DW*
 AGENCY Division 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)

SECTIONAL ANALYSIS - CSHB 365

This bill reflects the top four projects as determined in the Department of Health and Social Services report on Rural Alaska Hospitals and Nursing Homes Inventory and Evaluation Survey and truly reflects minimal needs for the 1983 budget year.

- SECTION 1 Cordova Hospital grant for design and engineering. They will come for full funding in FY 1984.
- SECTION 2 Petersburg Hospital grant for construction. Planning and design has been completed and the facility is in jeopardy of losing medicare and Medicaid reimbursement.
- SECTION 3 Wrangell Hospital grant for design and engineering. They will come for full funding in FY 1984.
- SECTION 4 South Peninsula Hospital, Homer grant to match a local bond issue which will lapse in the fall of 1982 unless matched by state funds. A grant this year would capture that local match as well as limit increases due to inflation.

The appendix to the Department's report is attached.

Notes to Five-Year Construction Plan for State Health Plan Level III

Bartlett Memorial Hospital

A long-range plan has recently been completed. Preparation of plans and specifications for the correction of deficiencies may begin once the facility's board has assessed the long-range plan. The five year plan indicates \$2,000,000 for design during FY 85 with construction costs determined thereby in FY 86. The source of financing has not been identified.

Central Peninsula General Hospital

Facility operations have recently expanded into a major addition for outpatient and administration departments. Another addition for needed beds and surgery department improvements is in the contracting phase. A borough bond issue has been approved for the purpose of financing the project and a certificate of need has been issued.

* Cordova Community Hospital and LTC Facility

Has recently completed a certificate of need application for a new structure. A bill for funding of the design phase is currently before the legislature. A decision regarding this application is expected in late March. The five-year plan indicates an estimated \$1,000,000 for design during FY 83 and \$13,000,000 toward construction in FY 84.

Faith Hospital

Has completed preliminary drawings for an addition and renovation project. Funding has not been arranged. This facility's board has in the past indicated reluctance to accept State funding. The five-year plan suggests a sum of \$1,200,000 as needed for this project.

Ketchikan General Hospital and Island View Manor Nursing Home

Has recently completed an extensive addition and renovation project. Funds shown anticipate future needs of \$50,000 in FY 84 for planning and \$1,000,000 in FY 85 for design. Construction costs as determined during these phases would follow in FY 86.

Kodiak Island Hospital and LTC Facility

Is currently completing long-range planning and program work and has submitted a certificate of need application. \$1,000,000 for design and \$10,000,000 for construction are estimated for FY 84 and FY 85.

Norton Sound Community Hospital

Recently occupied a new hospital wing and remodeled facility. \$50,000 for formal long-range planning is estimated for FY 85 with funds required for subsequent phases to follow in succeeding years. Long-range planning should consider both Pioneer and non-Pioneer long-term nursing care.

* Petersburg General Hospital and LTC Facility

\$10,000,000 is before the legislature. Planning and design has ben completed with funds provided from previous state grants.

Seward General Hospital and Wesleyan Nursing Home

Should be encouraged to join in cooperative planning at an early date in order to maintain quality standards consistent with recognized goals. Long-range planning funds of \$40,000 for each facility are scheduled in FY 84 and design funds of \$1,500,000 in FY 85. Approximate construction costs for joint usage are shown at \$15,000,000 in FY 86. Long-range planning should consider both Pioneer and Non-Pioneer long-term nursing care.

Sitka Community Hospital

A new Facility is under construction.

* South Peninsula Hospital

Has completed some preliminary planning and has been granted a certificate of need for an addition. A bill for funding has been introduced into the legislature to provide \$4,000,000 for construction in FY 83.

St. Ann's Nursing Home

Occupies quarters which were remodeled and expanded in the late 1970s. Establishment of a Pioneer Home providing other nursing home services in Juneau would profoundly affect this facility. The five-year plan schedules long-range planning funds of \$40,000 in FY 84 and design funds of \$500,000 in FY 85. Construction funds as necessary would be designated in FY 86 following the design phase.

Valdez Community Hospital

Is deficient in certain respects and should be studied particularly in regard to overall Harborview Developmental Center relationship and future need. Long-range planning funds of \$50,000 in FY 85 would establish probable costs to be considered in FY 86 and 87.

Valley Hospital

Is currently completing construction drawings in accordance with the certificate of need issued. Construction is expected to begin in early summer of 1982

* Wrangell General Hospital and LTC facility

Has expressed a need for additional space to satisfy current standards and goals. Design funds of 1,000,000 are indicated for FY 83 with construction funds of \$8,000,000 in FY 84.

FIVE-YEAR CONSTRUCTION PLAN FOR STATE HEALTH PLAN LEVEL III

HOSPITALS AND NURSING HOMES

FACILITY	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987
Bartlett Memorial Hospital Juneau	long-range plan is complete	_____	\$2,000,000 for design	const. cost to be determined during design phase	_____
Central Peninsula General Hospital Soldotna	Addition & remodel design is complete and construction to begin in 1982	construction is to be completed in FY 84 with borough funds	_____	_____	_____
* Cordova Community Hospital & LTCF Cordova	\$1,000,000 for design of new facility	\$13,000,000 for construction of new facility	_____	_____	_____
Faith Hospital Glennallen	Addition & remodel \$1,200,000 for construction of new facility	_____	_____	_____	_____
Ketchikan General Hospital and Island View Manor Ketchikan	new addition & remodeling has been completed	\$50,000 for long-range planning	\$1,000,000 for design	construction costs to be determined during design phase	_____
Kodiak General Hospital & LTCF Kodiak	_____	\$1,000,000 for design	\$10,000,000 for construction	_____	_____
Norton Sound Hospital & LTCF Nome	_____	_____	\$50,000 for long range planning	design costs to be determined in planning phase	construction costs to be determined in planning
* Petersburg General Hospital & LTCF Petersburg	\$10,000,000 for construction design to be comp. w/state grant fund	_____	_____	_____	_____
Seward General Hospital Seward	_____	\$40,000 for long range planning	\$1,500,000 for design	\$15,000,000 for construction	_____
Weselyan Nursing Home Seward	_____	\$40,000 for long range planning (cooperative program)	_____	_____	_____
Sitka Community Hospital Sitka	A new facility is under construction	_____	_____	_____	_____
* South Pen. General Hospital & LTCF Homer	\$4,000,000 for construction	_____	_____	_____	_____
St. Ann's Nursing Home Juneau	_____	\$40,000 for planning	\$500,000 for design	Construction costs to be determined in design phase	_____
Valley Hospital & LTCF Palmer	Addition & remodel design is complete to be under construction in 1982	_____	_____	_____	_____
Valdez Community Hospital Valdez	_____	_____	\$50,000 for long-range planning	design costs to be determined in planning phase	const. costs to be determined in design phase
* Wrangell General Hospital & LTCF Wrangell	\$1,000,000 for design	\$8,000,000 for construction	_____	_____	_____
OTHER	_____	_____	_____	unknown	unknown
TOTAL	\$17,200,000	\$22,170,000	\$15,100,000	\$15,000,000 plus	\$15,000,000 plus

* LTCF = Long-Term Care Facility

APPROXIMATE COSTS SHOWN ARE ESTIMATED 1982 VALUES WITHOUT PROJECTIONS FOR FUTURE INFLATION AND DO NOT INCLUDE OTHER PROJECT COSTS SUCH AS FEES, EQUIPMENT, SITE ACQUISITION, ETC. THE ESTIMATED COSTS SHOWN ARE PROVIDED AS A GUIDELINE IN DETERMINING THE DIMENSIONS OF A GIVEN COMMUNITY'S NEED. NO ESTIMATES HAVE BEEN MADE OR INDEED CAN BE MADE FROM THIS INVENTORY AS TO THE LEVEL OF STATE ASSISTANCE APPROPRIATE TO ANY ONE COMMUNITY.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. CS for House Bill 365

Title "..... to the city of Cordova for a feasibility study for hospital care..."

Requested by FINANCE Date April 2, 1982

II. FISCAL DETAIL

Agency Affected Department of Health & 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	57.0	62.7	69.0	75.0	83.0	91.0
200 TRAVEL	19.0	24.9	22.0	25.3	27.8	30.6
300 CONTRACTUAL	10.0	11.0	12.1	13.0	220.0	17.0
400 COMMODITIES	1.0	1.1	1.2	1.3	1.5	1.7
500 EQUIPMENT	1.5	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	14400.	-0-	-0-	-0-	-0-	-0-
TOTAL	14488.5	99.7	105.2	114.6	332.3	140.3

FUNDING (Thousands of Dollars)

GENERAL FUND	14488.5	99.7	105.2	114.6	332.2	140.3
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	1	1	1	1	1	1
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

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

(See Attached)

IV. DATE April 2, 1982

PREPARED BY Dave W. Williams

AGENCY State Health Planning & Development

PHONE 465-3015

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Haugen

33-001 (Rev. 12/81)

DW

JCC

III. ANALYSIS

This analysis assumes that this appropriation bill is a companion bill to enabling legislation.

The recently completed report on rural hospitals and nursing homes sets out a five year construction plan for rural hospitals and nursing homes. Assuming that grants would be 85% of construction costs, the cost for operating the CSHB 365 program would be approximately .6% of grant funds.

Line 100

This line indicates the equivalent of salary and benefit costs for one staff position with appropriate qualifications. Duties of the proposed staff would include maintenance of the inventory of rural health facilities, review of requests for state assistance, and the research for an preparation of reports regarding grant requests as necessary under provisions with in this Bill.

Line 200

This line reflects necessary travel to rural health facility sites during the maintenance of the inventory of rural health facilities and the cost of periodic review of rural health facility construction.

Line 300

This line shows probable costs for consultants for mechanical, electrical, and structural engineers required for maintaining the inventory of rural health facilities and for assessing code compliance of construction documents. During FY 82 a full inventory of rural hospitals and nursing homes was completed. This full inventory should be repeated every five years. The FY 86 figures consider the cost of completing a full inventory in that year.

Line 400

This line shows expenditure for necessary office supplies.

Line 500

This line shows necessary expenses for office equipment.

Original sponsor: Cato

Offered: 2/22/82

Referred: Finance

Funding Information

General Fund	\$1,000,000
Other Funds	-0-
	<u>\$1,000,000</u>

BY THE HEALTH, EDUCATION &
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 365 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the City of
7 Cordova for a feasibility study for hospital care; and
8 providing for an effective date."

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

10 * Section 1. The sum of \$1,000,000 is appropriated from the general fund
11 for payment as a grant to the City of Cordova for a feasibility study to
12 determine if the present health care facility should be renovated or if a
13 new health care facility should be built and for the costs of design and
14 engineering reports and for application for a certificate of need if the
15 study concludes that the new facility should be built.

16 * Sec. 2. The appropriation made by this Act shall be disbursed in
17 accordance with AS 37.05.315 - 37.05.319.

18 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).

20
21
22
23
24
25
26
27
28
29

Original sponsor: Cato

3-15-82

Funding Information

General Fund	\$14,400,000
Other Funds	-0-
	<u>\$14,400,000</u>

IN THE HOUSE

Carney
BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 365 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making special appropriations for health care facilities; and providing for an effective date."

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

* Section 1. The sum of \$1,000,000 is appropriated from the general fund for payment as a grant to the City of Cordova for the costs of design and engineering for a hospital.

* Sec. 2. The sum of \$8,000,000 is appropriated from the general fund for payment as a grant to the City of Petersburg for hospital expansion and improvement.

* Sec. 3. The sum of \$1,000,000 is appropriated from the general fund for payment as a grant to the City of Wrangell for the costs of design and engineering for a new hospital.

* Sec. 4. The sum of \$4,400,000 is appropriated from the general fund for payment as a grant to the Kenai Peninsula Borough for the South Peninsula Hospital Service District for hospital expansion and improvement.

* Sec. 5. The appropriations made by this Act shall be disbursed in accordance with AS 37.05.315 - 37.05.319.

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-070(c).