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northern alaska health resources association, inc.

TESTIMONY ON CERTIFICATE OF NEED - Committee Substitute for SB 255 (HESS)
May 27, 1981

My name is Dr. Charles Kaltenbach and I am here today representing the Board of Directors of the Northern Alaska Health Resources Association. Our Board is made up of 30 volunteers appointed by the Mayor of the Fairbanks North Star Borough, the Mayor of the North Slope Borough and by the chief elected officers of the Mauneluk Association in Kotzebue and the Tanana Chiefs Conference of Interior Alaska. As the agency responsible for health planning in northern Alaska, we have a definite interest in the Certificate of Need Law and how it is applied in this state.

First, let me say that our Board is keenly aware of the unique status the Pioneers of Alaska have earned in this State and we applaud it. Moreover, our organization has worked in support of senior citizen programs throughout our area and were in a great part responsible for developing the home health care services which are currently being offered to Seniors, among others, in the Fairbanks area. However, when it comes to consideration of legislation to exempt Pioneers' Homes from the Certificate of Need process, our agency is clearly in opposition with the Pioneers' position.

In 1979, our Board of Directors appointed a task force to study the whole issue of long-term care in northern Alaska. That is, they wanted to look at the whole array of long-term care services including skilled nursing care, residential care, home-health care, homemaker services, and chore services. The study resulted in a series of recommendations to the Board of Directors. The issue of the Certificate of Need exemption for Pioneers' Homes received a great deal of attention and discussion. I might add that many members of the Pioneers' Lodge and Auxillary from Fairbanks were involved in this process and although they did not totally agree with all of the recommendations, they definitely had a voice in the discussion.

As a result of this process, the Board adopted a position, which is stated as an objective in the 1980 Health Systems Plan for Northern Alaska, that "All long-term care beds in Alaska, regardless of ownership, should be considered within the Alaska State Certificate of Need Program." They stated further that "A consistent State policy should be established for the development of long-term care services."

In other words, the Board has taken a position that no long-term care facilities, Pioneers' Homes or others, should be exempt from a law which was put into effect to prevent duplication of expensive services and to assure that public funds are utilized in the most cost-effective way.

The Board expressed the sentiment that by overriding the Certificate of Need Law, the legislature would be setting up a situation in which one set of nursing home providers (private sector) would have to demonstrate financial feasibility and need before expanding services; while another set of providers (Pioneers' Homes) could seemingly expand without the same kind of review.

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In addition, there was concern expressed that this exemption would put the State into competition with the private nursing home industry and that the State would have an unfair advantage in this competition.

Again, we oppose the exemption of Pioneers' Homes from the Certificate of Need law as provided for in CSSB 225 (Hess) and recommend that all long-term care facilities in this State be treated in an equitable manner.

Thank you for allowing me the opportunity to express our position on this important piece of legislation. I will make a copy of this testimony available to the Committee.

CK:bh