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COMMITTEE REPORT

HOUSE

6/17/81

FURTHER:

(5)

Date: 6/17/81

Mr. Speaker:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had SB 256

"An Act repealing the requirement that the person managing or administering an Alaska Pioneers' Home be a licensed nursing home administrator, and providing for an effective date."

under consideration and reports it back as follows:

- 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

PIONEER HOMES:

47.25.020 provides a stipend of \$35.00/month to residents in need of funds.

Guest receipts Budgeted for FY 83:

Sitka	\$333.90
Fairbanks	\$313.00
Palmer	\$267.00
Anchorage	\$672.00
Ketchikan	\$147.00
	<u>\$1752.90</u>

Total FY 83 Operating (minus Kotzebue)	\$18,406.60
Projected residents	679
Annual costs/resident	\$27,108.00
Monthly costs/resident	\$ 2,259.00

Guest receipts: (% Of budget) = 10%  
(18406.6 / 1752.90)

Employees:	F.T.	P.T.	Temp.	Total
Sitka	89	2	12	103
Fairbanks	69	7	4	80
Palmer	68	8	6	82
Anchorage	159	31	-0-	190
Ketchikan	45	10	-0-	56
				<u>511</u>

## FY 83 Budget

	Continuation	Addition	Total \$	Total positions
Central Office	\$334.60	\$ 43.70	\$378.30	3
Anchorage	4210.60	1858.90	6069.50	190
Fairbanks	3324.40	21.00	3345.40	81
Ketchikan	1946.80	297.10	2243.90	56
Kotzebue	864.80	-----	864.80	0
Palmer	2917.00	47.60	2964.60	84
Sitka	3469.30	187.70	3657.00	103
<b>Totals</b>	<b>\$17067.50</b>	<b>\$2456.00</b>	<b>\$19523.50</b>	<b>517</b>
Longevity bonus	\$29197.70	\$14.50	\$29212.20	5
<b>Division totals</b>	<b>\$46265.20</b>	<b>\$2470.50</b>	<b>\$48735.70</b>	<b>522</b>

COST PER RESIDENT DAY  
(excluding Central Administration)

Anchorage (based on full occ/239- approx. 10 vacant beds)	\$70.00
Fairbanks ( " " full occupancy/ 106 beds)	86.00
Ketchikan ( " " full occupancy/46- approx. 2 vacant beds)	134.00
Kotzebue ( " " average annual occupancy of 10)	237.00
Palmer ( " " " " " " 94)	86.00
Sitka ( " " " " " " 118)	85.00

# MEMORANDUM

# State of Alaska

TO: Jack W. Buck, Chairman  
Board of Nursing Home Administrators

DATE: September 16, 1981

FILE NO: J-66-170-82

THRU: Harry Treager, Director  
Division of Occupational  
Licensing

PHONE NO: 465-3600

FROM: Department of Commerce and  
Economic Development

SUBJECT: Licensing of Administrator  
of Intermediate Care Facility  
for the Mentally Retarded  
AS 08.70.080

WILSON L. CONDON  
ATTORNEY GENERAL

By:   
Sarah T. Kavasharov  
Assistant Attorney General

You have asked whether an administrator of a state owned and operated Intermediate Care Facility (ICF) for the mentally retarded must be licensed by the State of Alaska. The answer requires a formulation of policy by persons with expertise in the health care field. The following analysis of the legal issues involved will provide a framework to help the board and the Department of Health and Social Services to formulate their own answer to the question.

AS 08.70.080 provides in relevant part that "only a licensed nursing home administrator may manage, supervise or be generally in charge of a nursing home." Under AS 08.70.050 the Board of Nursing Home Administrators is required to adopt standards for nursing home administrators. "Nursing home" is defined in AS 08.70.180(5). 1/ Arguably, the definition is broad enough to include an ICF for the mentally

1/ AS 08.70.180(5) provides:

"nursing home" means a facility which is operated in connection with a hospital or in which nursing care, intermediate care, and medical services are prescribed by or performed under the general direction of persons licensed to practice medicine or surgery within the state for the accommodation of convalescents or other persons who are not acutely ill but who do require skilled or intermediate nursing care and related medical services; the term "nursing home" is restricted to those facilities the purpose of which is to provide skilled or intermediate nursing care and related medical services for a period of not less than 24 hours a day to individuals admitted because of illness, disease or physical or mental infirmity;

Emphasis added.

retarded, if persons with expertise in the field of providing care for the mentally retarded agree that the purpose of such an ICF is "to provide skilled or intermediate nursing care and related medical services" on a 24 hour basis.

The question is not a legal one, however, and should be resolved on the basis of your expertise in the health care field, in consultation with the Department of Health and Social Services. You must be able to state reasonable grounds to show why you believe that the purpose of an ICF for the mentally retarded is or is not to provide "skilled or intermediate nursing care and related medical services." We strongly recommend that, once you have made your determination, you adopt a regulation which makes the point clear. Since the statute is ambiguous on the question whether a facility for the mentally retarded is a "nursing home," it would not be reasonable to enforce licensing provisions without first adopting a regulation.

Dr. Chalmers, medical review officer, at the Public Assistance Division of the Department of Health and Social Services informs me that in his opinion the primary purpose of an ICF for the mentally retarded is to provide education and a supervised living situation. Providing any needed medical care to persons in that living situation is, in this view, necessary but is not the purpose of the institution. Dr. Chalmers indicates that this is also the opinion of R. Branton, Director of the Division of Mental Health in his department. However, an institution may have more than one purpose and you may disagree with the department.

If on the basis of your expertise in the field of health care, you reasonably believe that an ICF for the mentally retarded comes within the statutory definition of "nursing home," then your board would be responsible for licensing the administrator. The federal regulations cited by Ms. Portia Kaufman (43 CFR 442.303 et seq.) apply for federal purposes (such as to determine whether a facility qualifies for use of federal funds); these federal regulations are not determinative of the question whether state licensing laws apply in a state owned and operated facility. The regulations of the Department of Health and Social Services, 7 AAC 12.0617 AAC 12.065, establish requirements for the licensing of an intermediate care facility, not of its administrator. Although 7 AAC 12.065 sets out minimum requirements of an administrator which must be met before the facility can be licensed, these regulations do not

purport to regulate the licensing of nursing home administrators. 2/

Only the Board of Nursing Home Administrators is authorized by statute to regulate licensing of nursing home administrators, and in fact is required by AS 08.70.050, 08.70.080 to do so. Therefore, if you find that an ICF for the mentally retarded fits within the statutory definition of "nursing home", regulations of your board covering the licensing of a nursing home administrator would take precedence over regulations in 7 AAC 12 (which would undoubtedly apply in the absence of your board's regulations). However, as noted above, we do not recommend your taking any enforcement action without first adopting a regulation. The notice and hearing process of regulation adoption will provide a forum for resolving any conflict of opinion regarding the purpose of an ICF for the mentally retarded, and provide a record to show the reasonableness of your board's action.

STK/jb

cc: Rick Robertson  
AGO

Portia Kaufmann, Administrator  
Department of Health and Social Services

Dr. Chalmers, Public Assistance Section Department of  
Health and Social Services

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2/ 12 AAC 46.900(6) defining "health care facility" as including a facility for the mentally retarded is not determinative of the question either. That definition is for purposes of 12 AAC 46.101 - 12 AAC 46.900, which does not cover the fundamental question whether a facility for the mentally retarded is a "nursing home."

# MEMORANDUM

# State of Alaska

TO: The Honorable W. R. Hudson  
Commissioner  
Department of Administration

DATE: February 26, 1980

FILE NO:

TELEPHONE NO:

FROM: Thomas M. Jahnke *TMJ*  
Assistant Attorney General  
Department of Law

SUBJECT: Katherine Patscheck  
Application for admission  
to Pioneers' Home  
Our File: J-66-484-80

Mr. A. L. Renshaw has demanded that the Department of Administration pay the medical bills incurred by his mother-in-law, Mrs. Katherine Patscheck, by reason of her residence and treatment at a private nursing home since August 1979. Mr. Renshaw contends that Mrs. Patscheck is eligible for admission to a Pioneers' Home which could meet her needs and that if the department has no space in an adequate state facility it should accommodate Mrs. Patscheck in a private facility at state expense. It is our view that Mrs. Patscheck was not and is not qualified for admission to a Pioneers' Home. The state, therefore, could not be liable for the cost of her care at a private facility.

We assume for purposes of this memorandum only that the level of care provided Mrs. Patscheck is reasonably necessary. We are guided by the representations of Mr. Renshaw in his communications with the department, including his statement of Mrs. Patscheck's assets; for purposes of this memorandum we accept his figures as true.

AS 47.25.020(a) provides:

(a) Every worthy person residing in the state who has been a resident of the state continuously for more than 15 years immediately preceding his application for admission, and who is destitute and in need of the aid or benefit of the home because of physical disability or other cause, is entitled to admission to the home under the conditions, limitations and penalties prescribed by the regulations of the Department of Administration. No person may be admitted as a resident of the Alaska Pioneers' Home under the provisions of AS 47.25.010 --47.25.110, if the support and maintenance of the person is imposed by law upon a relative or member of the family of the person.

February 26, 1980

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Of concern to us in this connection is the requirement that the applicant be "destitute."

While there are court decisions which make fine distinctions between various financial states of affairs, even the most liberal interpretation of "destitute" cannot describe Mrs. Patscheck. Even at her current rate of medical/nursing expenditures, her true assets would not be exhausted for one or more years.

A detailed accounting of Mrs. Patscheck's affairs is not necessary. Reference to only one of her recently-held assets tells the story. In March 1979, Mrs. Patscheck owned 8,671 shares of stock in Alaska Bank of Commerce. Mr. Renshaw placed their value at \$138,000. At that time she made application for aid under various public assistance programs. On one or more occasions she was found to exceed the income limitations of the programs. Thereafter, Mrs. Patscheck, through her son-in-law Mr. Renshaw, divested herself of the stock.

Effective July 26, 1979, 500 shares of stock were given to Mrs. Patscheck's son Gregory. On the same date 8,171 shares were purchased for \$8,791.98, "plus other valuable considerations." Mr. Renshaw placed the value of the stock in November 1979 at \$9.50 per share; but according to Foster and Marshall, at the time of the claimed purchase in July, the value of the stock was approximately \$13.50 per share.

The price paid for the stock (\$8,791.98) by Mr. Renshaw bears no relation to the market value of the stock. Rather, that figure is the net amount Mrs. Patscheck owed Mr. Renshaw for services, expenses and a cash advance. The "other valuable consideration" is nowhere specified. Thus, Mr. Renshaw received stock valued at perhaps \$110,308.50 (8,171 shares at \$13.50 per share) in exchange for forgiving a "debt" of \$8,791.98.

The stock transactions were clearly for the purpose of reducing Mrs. Patscheck's assets to qualify her for admission to the Pioneers' Home. As such, the transactions are void and Mrs. Patscheck is deemed to retain ownership of the bank stock. Other items which may constitute property owned by Mrs. Patscheck need not be addressed. With her substantial assets, it cannot be said that Mrs. Patscheck is "destitute." AS 47.25.020(a).

The Honorable W. R. Hudson, Commissioner  
Department of Administration

February 26, 1980

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AS 47.25.020(a) also denies admission to a Pioneers' Home to persons the support and maintenance for whom is imposed on a relative or member of the family. In that connection, I direct your attention to AS 25.20.030 and AS 47.25.230.

Mr. Renshaw and the private nursing home should be notified immediately that the Division of Pioneers' Benefits does not intend to pay for Mrs. Patscheck's care since she is not qualified for assistance.

TMJ:md

# MEMORANDUM

TO: Honorable B.B. Allen, Commissioner DATE: January 12, 1979  
Department of Administration FILE NO.:

ATTN: Vernon L. Perry, Director TELEPHONE NO.:  
Division of Pioneers' Benefits

FROM: AVRUM M. GROSS SUBJECT: Peter Frank account  
ATTORNEY GENERAL (J-66-324-79)

By: Richard L. Peter *RLP*  
Assistant Attorney General

You have asked what can be done to compel a Pioneers' Home guest with financial resources to apply as much of them as is needed to pay the costs of his maintenance.

We have twice proposed to your office that regulations be adopted to address this problem, but since they have not been promulgated under the Alaska Administrative Code your present regulations do not have the force of law, so we must depend for authority on the sparse and ambiguous statutes relating to Pioneers' Homes.

You describe a guest who has some \$13,000 worth (value at maturity) of United States Savings Bonds, as well as a bank account, and an income of \$150 a month in Longevity Bonus payments, but plans to dispose of these resources to his children.

In the first place, persons with resources should not be admitted as indigent. AS.47.25.030 provides:

A citizen of the United States over 65 years of age who is a resident of the state and has been a resident for not less than 15 years continuously immediately preceding his application, but who is not destitute, may on application be admitted to the home upon his agreement to pay to the state a sum for each day as the Department of Administration considers sufficient to compensate the state for the cost of care and support of the person at the home. When this agreement is entered into the Department of Administration may receive the security for the payments, which it considers expedient.

This contrasts with AS 47.25.020(a) which provides:

Every worthy person residing in the state who has been a resident of the state continuously for more than 15 years immediate-

ly preceding his application for admission, and who is destitute and in need of the aid or benefit of the home because of physical disability or other cause, is entitled to admission to the home under the conditions, limitations and penalties prescribed by the regulations of the Department of Administration. No person may be admitted as a guest to the Alaska Pioneers' Home under the provisions of §§ 10 -- 110 of this chapter, if the support and maintenance of the person is imposed by law upon a relative or member of the family of the person.

AS 47.25.020(b) is also pertinent:

Every person admitted to the Pioneers' Home, except a person admitted under § 30 [paying guest] of this chapter, who receives income from any source in excess of \$35 a month may be required by the Department of Administration to pay the excess . . . immediately upon receipt of the money in payment, or part payment, of the cost of his maintenance.

Neither the legislature by statute, nor your office by regulation, has provided guidance as to whether a guest admitted as destitute can later be determined as capable of paying toward his maintenance, or whether a paying guest who exhausts his resources is then considered to be a destitute guest. Undoubtedly there have been occasions in the past when a person admitted to a Pioneers' Home as a paying guest has run out of money. I would assume that in such an event he becomes a destitute guest and therefore subject to AS 47.25.020(b): i.e. he must apply his income to his maintenance costs. Your policy and procedures manual states: "When the resident's monthly income or other funds do not permit him to pay the established rate he will be charged only to the extent of his income."

That manual also explains:

A person may be considered "destitute" if he has less than \$1,500 savings, or property valued at less than \$35,000 and a total income not in excess of \$300 monthly. [No. 10-1 at 1]

In order to make this determination you apparently rely on the following statement which appears in your Information Handbook, and is presumably given to applicants and residents.

[E]ach [applicant] will be asked to list all property and income. Please be truth-

ful because failure to do so could lead to dismissal from the home. This does not mean that property must be turned over to the State of Alaska, but the State of Alaska does reserve the right to file a claim against the estate of a Pioneers' Home guest, provided the resident has not paid full charges while living there. [Emphasis in original]

We are told that the application form now in use permits the applicant to list ownership of property, but that applicants have not been required to do so. Because the statutes require that only destitute applicants be admitted without setting up a payment plan, this procedure should be tightened up to insist upon a listing of all resources, under the threat of possible dismissal that you have in the handbook. Even if there is no contemplation of selling a piece of property to pay Pioneer Home charges, it may be producing rental income.

We are pleased the declaration of property ownership is made under oath because the only judicial decision which is relevant, In Re Jackson's Estate, 15 Alaska 116 (1954), held that a welfare recipient's \$10,000 which had been transferred to her daughter without consideration, was still in the mother's estate subject to the territory's claim because she had declared under oath that she owned no property. But to assure due process this requirement should be adopted in the Alaska Administrative Code to provide sufficient notice of the effect of deliberate concealment of assets.

On the subject of income, we have seen that this is the only type of funds mentioned by AS 47.25.020(b): "income from any source". Your policy and procedures manual says "income and other funds" but it seems that you are foreclosed from tapping other resources. But "income" can be construed to include interest and of course dividends from the investment of resources. However, there are two types of income which may not be compulsorily applied to the costs generated by a destitute guest. This office has concluded in a memorandum issued August 25, 1977 (a copy of the pertinent portion is attached) that a resident of a state mental facility or a pioneers' home may not be required to pay money he receives under the Alaska Native Claims Settlement Act, or the Alaska Longevity Bonus toward his support. The longevity bonus may be reached in his estate after death, but the ANCSA funds which can be identified are immune and may never be attached by the state for a service the guest would be entitled to without cost were he not receiving ANCSA benefits. Although AS 47.25.020(b) says "any source", this option has been limited by the Alaska

Native Claims Settlement Act and AS 47.40.120.

Therefore, in regard to Mr. Frank's liability for payment, you must first determine what part of his resources and income can be traced to ANCSA and Longevity Bonus receipts. The bank account is apparently made up of native funds, but he does not list the bonds or other property. He was honest enough in revealing his plans to bequeath his assets to his children but we do not know if he read the Information Handbook. AS 47.25.070(a) provides in pertinent part: "An expense incurred for a person under §§ 10 -- 110 of this chapter with interest at the rate of six percent a year from the date of payment, is a debt to the state and may be recovered during the life of the beneficiary . . ." This means that Mr. Frank can be told the amount of his bill, and asked to pay it. Presumably he could be sued, and execution levied on non-exempt resources, but I am sure you would not consider such a course desirable, especially if most of his funds are exempt from attachment. It might be argued that once exempt funds are used to purchase government bonds, they lose their exempt status, but United States Savings Bonds are a form of savings device, and are analagous to a bank account which -- if it held only Longevity Bonus receipts, for example -- would be immune.

If Mr. Frank read and understood your Information Handbook and then concealed some resources at the time he applied for admission you may want to make good your threat and turn him out if he refuses to pay as much of his bill as he is able. You cannot consider the exempt funds as resources or income, but you can require him to be treated as a paying guest if the exemptions do not bring him into the destitute category.

It may not be possible to do much about Mr. Frank, but we would suggest that in the future, more attention be given to the property declaration when a guest is applying for admission. Unless you know what his resources and income are, it is impossible to determine accurately whether he is destitute or should be a paying guest. Applicants should be advised of the importance of this information, and it should be explained to them that even if they plan to bequeath certain assets to members of their family or others, until their death the resources must be listed as belonging to the applicants.

It may be necessary to amend your statutes to tighten the collection process but regulations authorized by present law will certainly be helpful. We would recommend that the Pioneers' Home Advisory Board be consulted to learn its ideas, because under the present procedure it is very difficult for us to assist you with collections.

ATTN: Richard Branton  
Director  
Division of Mental Health.

. . . for a period of twenty years after December 18, 1971, the stock, income rights thereto, and any dividends paid or distributions made with respect thereto may not be sold, pledged, subjected to a lien or judgment execution, assigned in present or future, or otherwise alienated. . . .

But there was some doubt about the validity of government claims on the funds after they had been paid to the recipient. Originally 43 U.S.C. Sec. 1601(c) gave the only guidance. It declared:

no provision of this Act shall replace or diminish any right, privilege, or obligation of Natives as citizens of the United States or of Alaska, or relieve, replace, or diminish any obligation of the United States or of the State of Alaska to protect and promote the rights or welfare of Natives as citizens of the United States or of Alaska. . . .

In 1976, however, Public Law 94-204 added a new section to the Alaska Native Claims Settlement Act. Codified as 43 U.S.C. Sec. 1626, it provides:

(a) The payments and grants authorized under this Act constitute compensation for the extinguishment of claims to land, and shall not be deemed to substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

(b) Notwithstanding section 5(a) and any other provision of the Food Stamp Act of 1964 (78 Stat. 703), as amended, in determining the eligibility of any house-

ATTN: Richard Branton  
Director  
Division of Mental Health

hold to participate in the food stamp program, any compensation, remuneration, revenue, or other benefit received by any member of such household under the Settlement Act shall be disregarded.

Subsection (b) enshrines in legislation the judicial decision in Hamilton v. Butz, 520 F.2d 709 (CA9 Alaska 1975), while subsection (a) imposes a broad prohibition against any claim for ANCSA funds to reimburse a government for a service which would have been provided without charge had those funds not been available to a Native.

But to be exempt from such claims, ANCSA funds must be identifiable and not commingled indistinguishably with other money. You state that the savings account balance in the particular case confronting you "is understood to be Native Land Claims money". This can be determined only by a study of deposits and withdrawals relating to the account. The ratio of ANCSA to other deposits should be found and then applied to the final balance. Withdrawals should be treated as representing a proportional drain on both kinds of funds. As such, the patient or his estate may not claim that the withdrawals have been all non-Native funds so that the entire remainder could be protected. /1

/1 Alaska Longevity Bonuses are likewise sheltered -- at least during the life of the recipient. AS 47.40.120 provides:

Bonuses received under this chapter are exempt from all state and political subdivision taxes except sales and use taxes and are not subject to execution, attachment, garnishment or other process. No bonus received under this chapter may be exempt from a federal tax requirement.

A mental hospital patient or Pioneer's Home guest may be requested to apply his bonus to his bill at the institution but he cannot be forced to surrender it. After his death if it is still in his estate it may be claimed to satisfy his debt to the state, because it is intended only to assist him to live his declining years in Alaska, and not to provide capital for his heirs.

ATTN: Richard Branton  
Director  
Division of Mental Health

Such a method would seem to be dictated by our determination that ANCSA funds may not be applied to state charges for otherwise free services, although there is no other authority for such a computation. The only rule in this area is that of "first in, first out" which is frequently applied to taxation of stock transactions, the handling of trust funds, and other special monies which may be deposited in the same account as general funds.

'[T]he first in, first out,' rule is not a rule of law or of logic, but a rule of thumb. It is a presumption of fact and really a regulation of the burden of proof. What is first sold is presumed to be what was first bought. [Or first deposited is first withdrawn.] Like every fact presumption, it is not conclusive, but yields to evidence, if there is any, of what the real fact is. 9th Bank & Trust v. United States, 15 F. Supp. 951, 952 (C.E.D. Pa., 1936).

In identifying ANCSA funds commingled with others, the rule may be helpful but is not mandatory and should yield to the more equitable approach suggested here so that any funds withdrawn to pay certain state charges would not diminish Native Claims receipts.

With respect to mental health care, we must point out, however, that, even if a claim may be made against all or a part of a patient's or his estate's property, an Alaska statute does limit a claim for recovery of money expended by the state. AS 47.30.270(a) provides:

A patient . . . shall pay or contribute to the payment of the charges for the care or treatment . . . in the manner and proportion which the department finds is not detrimental to the patient's rehabilitation and which is within their ability to pay . . . . The order of the department relating to the payment of charges by the patient . . . shall be charged within six months of the date on which the charge was incurred.

**STATUTORY BASIS:**

AS 47.25.010-110 Pioneers' Home

**POLICY BUDGET PROGRAM GOAL(S), LONG TERM OBJECTIVES(S) AND POLICY DIRECTIVES WITH WHICH THIS BRU IS CONCERNED:**

**Program Goal:** To provide eligible elderly Alaskans with an incentive to remain in Alaska in an acceptable lifestyle with maximum dignity and contentment.

**Long Term Objective:** To serve at least 5% of the citizens over 65 who are in need of assistance in their daily living.

**Related Policy Directive:** "To enhance and protect the quality of life of Alaskans to achieve their full potential."

**BRIEF DESCRIPTION OF BRU ACTIVITIES AND THEIR RELATIONSHIP TO THE GOALS & OBJECTIVES:**

The basic purpose of the Pioneers' Homes is to provide residential and nursing care to eligible elderly Alaskans. The Alaska Pioneers' Home system consists of 5 operating Pioneers' Homes, and has advisory and budgeting responsibility for a 16-bed Senior Center which is operated by a nonprofit organization at Kotzebue. The Sitka Home was established by Territorial statute in 1912, Fairbanks in 1967, Palmer in 1971, and Anchorage in 1977. Kotzebue opened in 1978. The Homes presently provide residential care capability for 355 pioneers and skilled nursing care for 179 pioneers. Capability for 29 additional nursing care residents and 20 residents in a home-like setting will be available at the new Ketchikan Home by approximately December 1, 1981. A wing at the Anchorage Home will be ready for occupancy by spring of 1982, providing capability to care for 96 pioneers in need of skilled nursing care. The statute mandates that any person who has been a resident of the State of Alaska for at least 15 years immediately preceding application for admission is entitled to admittance, if destitute and in need of health care, at a reasonable cost. A person not destitute, who is 65 years or older and who meets the requirements may be admitted on payment of the cost of care at the rate determined by the Department of Administration. Under a new admittance law, residents who have had a total of 30 years or more in Alaska cannot be disqualified due to absence if the Commissioner of Administration determines that the absence from the state was reasonable and the applicant is otherwise qualified.

AGENCY Administration

PROGRAM Social & Economic Assistance for the Aged

BRU Pioneers' Homes

**1** DEFINITION STATEMENT

FY 83

000357



Alaska Statutes 47.25.010 - 47.25.110 mandate that the State shall maintain facilities to provide a sheltered living environment to those elderly persons in Alaska who are in need and desire such services. The five full-scale Pioneers' Homes at Sitka, Fairbanks, Palmer, Anchorage, and Ketchikan, and the Kotzebue Senior Center, provide such sheltered living environment. Most of the elderly residents need assistance to cope with the routine tasks of daily living. The average age of about 80 years on admittance is an indication that the services are being utilized, as originally intended, by needy Alaskans.

The need for the type of assistance provided by the Pioneers' Homes can be demonstrated by the fact that the 1970 census showed that well over 60% of Alaskan citizens over the age of 65 were living below the poverty level and that there are more than 1,200 Alaskans over the age of 80. Eligibility to enter the Homes is based on 15 years of continuous residence in Alaska immediately prior to the date of application, being over 65 years of age and having a need for the services. This need can be due to financial hardship or physical impairment. AS 47.25.020 also provides that persons who have lived in Alaska for 15 or more continuous years immediately preceding application may be admitted, regardless of age, if they are destitute and in need of the aid or benefit of the Home. Under AS 47.25.035 residents who have a total of 30 or more years in Alaska cannot be disqualified due to absence from the state if the Commissioner of Administration determines the absence was reasonable and if the applicant otherwise qualifies.

Each year there are more and more services and benefits available to assist elderly Alaskans. Among these are the Homemakers Service, Old Age Assistance payments, Longevity Bonus Program and various Senior Citizens programs throughout the state. These programs are, in many cases, successful in delaying the time when the elderly require the assistance of the Pioneers' Homes due to their more advanced age when they come to the Homes. More of the elderly are now married and have children, where formerly the vast majority of applicants were single men. These changes have resulted in a significantly larger number of the applicants needing intermediate and skilled nursing home care creating a need in the Homes for an expansion of this type of care for a larger percentage of the residents. Providing this type of care is, of course, more costly than providing room and board for fully ambulatory people.

By FY 83 there will be a total of 679 beds in all Homes. It is necessary to reserve several nursing beds for ambulatory residents who become incapacitated. Each Home has an inactive waiting list which consists of Pioneer Alaskans who want to enter at a future date.

Unlike a hospital which generally deals with short-term acute conditions, Pioneers' Homes are confronted with long term chronic maladies which, at best, one can only hope to arrest for an extended period. At this point in the aged person's life, each has developed a unique set of needs. If quality of life is to be preserved, then each

AGENCY Administration

PROGRAM Social & Economic Assistance for the Aged

ORU Pioneers' Homes

FY 83

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ANALYTIC STATEMENT

BRU FUNCT. NO.	MEASURE/PERFORMANCE INDICATOR	PRIOR YEAR FY81		CURRENT YEAR PLAN FY82	BUDGET YEAR FY83		
		PLAN	ACTUAL		CONTINUATION LEVEL	AGENCY REQUEST	GOVERNOR'S BUDGET
1.	Residents in the Pioneers' Homes Ambulatory Skilled Nursing Care Number of meals served at the Kotzebue Senior Center to Residents Nonresidents	296 156  5,475 1,350	303 160  17,250 7,280	355 179  17,520 7,280	365 189  17,520 7,280	375 304  17,520 7,280	
2.	Development of standards for the care of residents in the Pioneers' Homes.	100%	20%	80%			

AGENCY Administration

PROGRAM Social & Economic Assistance for the Aged

BRU Pioneers' Homes

**3** BRU PERFORMANCE PLAN

FY 83

000361

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

16139

3/03/82

M M M M M DEPARTMENT OF ADMINISTRATION M M M M M

SHORT  
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BUDGET COMPONENT	FY82 ATH	CONT.	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON	
<b>EDUCATION</b>							
2 TEACHER RETIREMENT MATCH	22041.5	25004.3	25004.3	25004.3	25004.3		
ADMINISTRATIVE PROGRAM SUPPORT							
4 RESOURCE EDUCATION PROJECT	84.4						
*** CATEGORY TOTAL ***	22125.9	25004.3	25004.3	25004.3	25004.3		
<b>SOCIAL SERVICES</b>							
6 LONGEVITY BONUS	26802.4	29197.7	29212.2	29214.5	28200.4	-1014.1	-3.5%
PIONEERS HOMES							
10 SITKA	3034.1	3469.3	3657.0	3621.4	3621.4		
12 FAIRBANKS	2977.4	3324.4	3345.4	3327.0	3327.0		
14 PALMER	2604.6	2917.0	2964.6	2919.3	2919.3		
16 KOTZEBUE	793.4	864.8	864.8	864.8	864.8		
18 ANCHORAGE	3059.8	4210.6	6069.3	6071.7	6071.7		
20							
22 KETCHIKAN	1244.8	1946.8	2243.9	2243.9	2243.9		
24 CENTRAL OFFICE	301.7	334.6	378.3	337.6	337.6		
*** PROGRAM TOTAL ***	14015.8	17067.8	19523.8	19385.9	19385.9		
28 OLDER ALASKANS COMMISSION	331.6	356.4	382.8	382.8	326.2	-56.6	-14.7%
32 AGING GRANTS	7989.1	7863.2	8805.2	8367.2	7227.2	-1140.0	-13.5%
*** CATEGORY TOTAL ***	138.9	54484.8	57923.7	57350.4	55139.7	-2210.7	-3.8%
<b>ADMINISTRATION OF JUSTICE</b>							
<b>PUBLIC DEFENDER</b>							
34 FIRST JUDICIAL DISTRICT	417.0	456.9	513.7	513.7	302.3	-121.4	-23.5%
38 SECOND JUDICIAL DISTRICT	397.2	430.7	487.6	487.6	425.8	-61.8	-12.6%
40 THIRD JUDICIAL DISTRICT	1543.8	1704.4	1923.3	1923.3	1948.3	25.0	1.2%
42 FOURTH JUDICIAL DISTRICT	882.9	967.6	1040.3	1040.3	906.9	-133.4	-12.7%
44 ADMINISTRATION AND SUPPORT	162.9	172.8	186.5	194.0	194.0		
*** PROGRAM TOTAL ***	3403.8	3731.6	4154.4	4158.9	3867.3	-291.6	-7.0%
<b>DEVELOPMENT</b>							
<b>ALASKA ENERGY CENTER</b>							
48 ALASKA ENERGY CENTER							
<b>MUNICIPAL GRANTS</b>							
52 CRAIG - BOROUGH STUDY	125.0						
54 KIANA-SURVEY & PLATTING	35.0						
56 KOTZEBUE-MARITIME STUDY	25.0						
58 DEERING-SURVEY & PLATTING	17.5						
60 NOME-SURVEY & PLATTING	210.0						
62 ARCTIC WINTER GAMES 1982	320.0						
*** PROGRAM TOTAL ***	3612.5						
*** CATEGORY TOTAL ***	3612.5						

## STATE OF ALASKA -- OPERATING BUDGET SUMMARY

1980

3/03/82

M M M M M DEPARTMENT OF ADMINISTRATION M M M M M

BUDGET COMPONENT	FY82 ATH	CONT	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON	
<b>GENERAL GOVERNMENT</b>							
COUNCIL ON SCIENCE/TECHNOLOGY	611.9	655.8	655.8	655.8	-655.8	-100.0%	
ALASKA STATEHOOD COMMISSION	392.5	370.5	332.5	332.5	-332.5	-100.0%	
PUBLIC OFFICES COMMISSION	423.7	461.9	608.7	608.7	100.0	-508.7	-83.5%
OFFICE OF THE COMMISSIONER COMMISSIONER'S OFFICE	-167.3	812.0	888.4	888.4	724.6	-163.8	-18.3%
<b>ADMIN. SERVICES</b>							
FISCAL/PERSONNEL	651.7	702.6	789.0	762.9	651.7	-111.2	-14.5%
WORD PROCESSING CENTERS	860.1	1003.6	1121.2	1126.5	847.3	-279.2	-24.7%
CENTREX	598.5	652.4	953.1	953.1	953.1		
*** PROGRAM TOTAL ***	2110.3	2358.6	2863.3	2842.5	2452.1	-390.4	-13.6%
<b>TELECOMMUNICATIONS</b>							
SYSTEMS	19706.5	9820.8	9820.8	9824.5	9543.1	-281.4	-2.8%
SERVICES	507.2	543.4	543.4	543.4	492.4	-51.0	-9.3%
*** PROGRAM TOTAL ***	20213.7	10364.2	10364.2	10367.9	10035.5	-332.4	-3.1%
<b>PUBLIC BROADCASTING COMMISSION</b>							
ACCOUNTING	6813.8	7525.8	7525.8	7525.8	6769.2	-756.6	-10.0%
PRE-AUDIT	396.3	428.5	437.5	440.2	396.3	-43.9	-10.0%
ACCOUNTING SERVICES	355.5	374.3	374.3	377.5	355.4	-22.1	-5.8%
PAYROLL ACCOUNTING	581.8	625.6	650.6	656.0	578.3	-77.7	-11.7%
ADMINISTRATION & SUPPORT	259.2	277.8	292.8	296.9	259.2	-37.7	-12.6%
FINANCIAL SYSTEMS	1853.3	2172.6	2545.9	2549.3	1852.7	-696.6	-27.2%
*** PROGRAM TOTAL ***	3446.1	3878.8	4301.1	4319.9	3441.9	-828.0	-20.2%
<b>RISK MANAGEMENT</b>							
OPERATIONS	377.0	567.2	567.2	567.2	567.2		
PREMIUMS/LOSS RETENTION	5308.0	13428.3	13428.3	13428.3	8428.3	-5000.0	-37.1%
LOSS RETENTION	7672.5						
*** PROGRAM TOTAL ***	13357.5	13995.5	13995.5	13995.5	8995.5	-5000.0	-35.6%
<b>PERSONNEL &amp; LABOR RELATIONS SV</b>							
PERSONNEL	3164.8	3298.8	3358.8	3323.6	3159.6	-164.0	-4.8%
LABOR RELATIONS	749.6	885.4	885.4	815.4	749.6	-65.8	-8.0%
*** PROGRAM TOTAL ***	3914.4	4184.2	4244.2	4139.0	3909.2	-229.8	-5.5%
<b>GENERAL SERVICES</b>							
PURCHASING	1116.8	1162.7	1612.5	1411.8	1162.7	-249.1	-17.5%
PROPERTY MANAGEMENT	352.3	587.6	587.6	590.4	515.8	-74.6	-12.5%
CENTRAL MAIL & SWITCHBOARD	552.0						
CENTRAL DUPLICATING AND MAIL	1424.1	2030.6	2030.6	2033.3	1865.0	-148.3	-8.2%
ARCHIVES	693.8	792.2	792.2	792.2	693.8	-98.4	-12.3%
SURPLUS PROPERTY	163.5						
*** PROGRAM TOTAL ***	4302.5	4573.1	5022.9	4827.7	4237.3	-590.4	-12.1%
<b>DATA PROCESSING</b>							
COMPUTING SERVICES	9984.6	10944.2	15349.5	15371.1	11054.4	-4316.7	-28.0%
MANAGEMENT SERVICES	858.2	883.4	883.4	610.2	610.2		
*** PROGRAM TOTAL ***	10642.8	11547.6	15952.9	15981.3	11664.6	-4316.7	-27.0%
<b>OFFICE OF INFO MANAGEMENT</b>							
OFFICE OF INFO MANAGEMENT	457.0	515.4	515.4	518.6	457.0	-61.6	-11.8%

STATE OF ALASKA -- OPERATING BUDGET SUMMARY

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3/03/82

\*\*\*\*\* DEPARTMENT OF ADMINISTRATION \*\*\*\*\*

SHORT  
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BUDGET COMPONENT	FY82 ATH	CONT.	REQUEST	GOVERNOR	HOUSE	HOUSE - GOVERNOR COMPARISON		
<b>LABOR SERVICES</b>								
LABOR RELATIONS AGENCY	92.8	101.2	101.2	101.2		-101.2	-100.0%	
EQUAL EMPLOYMENT OPPORTUNITY	492.7	533.2	721.3	533.2	492.7	-40.5	-7.5%	
*** PROGRAM TOTAL ***	585.5	634.4	822.5	634.4	492.7	-141.7	-22.2%	
<b>RETIREMENT &amp; BENEFITS</b>								
RETIREMENT & BENEFITS	4057.5	4386.1	4808.8	4678.5	4659.8	-18.7	-0.3%	
<b>BUILDING &amp; EQUIPMENT SERVICES</b>								
LEASING & FACILITIES	22888.7	25662.1	30769.0	30769.0	29769.0	-1000.0	-3.2%	
EMPLOYEE HOUSING	1360.4	1509.0	1511.0	1511.0	1360.4	-150.6	-10.0%	
*** PROGRAM TOTAL ***	24249.1	27171.1	32280.0	32280.0	31129.4	-1150.6	-3.5%	
*** CATEGORY TOTAL ***	95411.0	93435.0	105182.0	104596.5	89068.8	-15527.7	-14.7%	
***** TOTAL EXPENDITURES	173692.1	176655.7	192264.4	191110.1	173080.1	-18030.0	-9.3%	
<b>***** FUNDING</b>								
FED. RECEIPT	5631.1	4869.2	4869.2	4869.2	4869.2			
GENERAL FUND	138264.9	139584.5	149645.7	148599.3	135277.8	-13321.5	-9.0%	
OTHER FUNDS	29796.1	32202.0	37749.5	37641.6	32933.1	-4708.5	-12.5%	

and because they worked hard  
and were determined Alaska is  
what it is today.

I feel they have earned their  
homes and the right to own and  
their remaining years and elegantly  
with people like themselves.

Ketchikan has a number of  
senior citizens who are in need  
of care and who have not received  
it in Alaska and are being  
sent to low Alaskan like homes  
this same!

From the Pioneer Homes  
for the Pioneer women were  
probably the ones who started  
the program in the first place  
and improved it in the most  
Citizen homes for the next Pioneer  
so to speak.

Ketchikan, Alaska  
April 6, 1982

Rep. M. F. Mike Birnie

Parish I

Juneau, Alaska 99811

Dear Mr. Mike Birnie:

In reply to your letter of  
March 21, 1982 I am sorry you  
misunderstand Pioneer Homes  
and don't seem to realize that it  
is not what you have or have  
not that qualifies once it gets  
there but it is the space spent  
there in Alaska. The first steps  
were many, but some were  
not a threat when grand  
in number of them have been  
young

I'm appased to deny. of these  
old Citizens of Alaska (Pisnevad) the  
destruction they have earned  
honorably. My parents now  
deceased, was some of those.  
They helped make the Matanuska  
area what it is today. It was  
no electricity, no running water,  
and there was no running  
water when the young got built.

I hope you will change your  
atitude & help them create a new

Sincerely

Mrs Stella M. Mack.

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

JAY S. HAMMOND, GOVERNOR

POUCH D  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2534

May 5, 1982

The Honorable Michael F. Beirne  
Chairman, Health and Social Services Committee  
Alaska House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Representative Beirne:

During the April 30, 1982, Board of Nursing Home Administrators meeting, Senate Bill 256 was discussed. The board wishes to reaffirm it's original position, as indicated in my letter of April 14, 1981, that Pioneer Homes should continue to be required to have a licensed nursing home administrator.

Sincerely,

*Jack W. Buck*  
Jack W. Buck, Chairman  
Board of Nursing Home Administrators

Attachment

Board of Nursing Home Administrators  
Pouch D  
Juneau, AK 99811  
April 14, 1981

The Honorable Charles H. Parr  
Alaska State Senate  
Pouch V  
Juneau, AK 99811

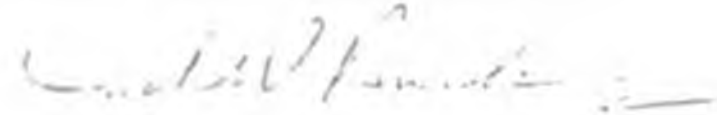
Dear Senator Parr:

The Licensing Board of Nursing Home Administrators has reviewed Senate Bill 256, and feels compelled to make these comments.

At the last session, Section 08.70.080 was amended to grandfather those Pioneer Home administrators who were not licensed at the time. The Director of the Pioneer program, Mr. Vern Perry, assured the House Committee that they supported licensing for new administrators, and under these circumstances the licensing board was pleased to cooperate in grandfathering their existing administrators.

With this in mind, we of the licensing board feel that SB 256 is an unjustifiable attack on the standards of health care in Alaska. The board is committed to setting and maintaining minimum standards for long-term health care administration in the firm conviction that all Alaskans in long-term care facilities have a right to a consistently high level of care. To intimate that our Pioneers do not enjoy the same rights is reprehensible.

Sincerely yours,  
BOARD OF NURSING HOME ADMINISTRATORS



Jack W. Buck, Chairman

JWB:ler

cc: Ms. Barbara Branson  
Licensing Examiner

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 256 "An Act repealing the requirement that the person  
Title managing or administering an AK Pioneers' Home be a licensed nursing home adminis  
Requested by for Senator Paar Date 3-10-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
Program Category Affected Public Protection  
BKU, Program, or Subprogram(s) Affected Regulation and licensing of professions.  
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

No fiscal impact.

*Marjorie Odland*

IV. DATE 3-10-81 PREPARED BY Marjorie Odland, Regulations Specialist  
AGENCY Division of Occupational Licensing  
PHONE 465-2535  
Original: Legislative Finance  
cc. Budget and Management  
Prime Sponsor (First Legislator Named)

Editor's note. — As to the purpose of ch. 126, SLA 1977, see editor's note to AS 47.23.010.

**Sec. 47.23.280. Severability:** Alternative when method of notification held invalid. If any provision of this chapter or the application of it to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable. If any method of notification provided for in this chapter is held invalid, service as provided for by the laws of the state for service of process in a civil action shall be substituted for the method held invalid. (§ 29 ch 126 SLA 1977)

Editor's note. — As to the purpose of ch. 126, SLA 1977, see editor's note to AS 47.23.010.

## Chapter 25. Destitute and Needy Persons.

### Article

1. Pioneers' Home (§§ 47.25.010 — 47.25.110)
2. General Relief Assistance (§§ 47.25.120 — 47.25.300)
3. Aid to Families with Dependent Children Act (§§ 47.25.310 — 47.25.420)
4. Old Age Assistance (§§ 47.25.430 — 47.25.610)
5. Aid to the Blind (§§ 47.25.620 — 47.25.780)
6. Aid to the Permanently and Totally Disabled Act (§§ 47.25.790 — 47.25.790)
7. Food Stamp Program (§§ 47.25.975 — 47.25.990)

### Article 1. Pioneers' Home.

Section	Section
10. Maintenance of Alaska Pioneers' Home	60. Trust fund.
20. Admission to home	70. Indebtedness of beneficiary to state
30. Admission on payment	80. Enforcement against estate
35. Exception to admission criteria	90. Enforcement against property outside state
40. Transfer of insane inmates to asylum or sanitarium	100. Certificate as evidence
50. Maintenance funds	110. [Repealed]

**Sec. 47.25.010. Maintenance of Alaska Pioneers' Home.** (a) The state shall maintain an institution for the care of needy persons, known as the Alaska Pioneers' Home. The principal home shall be maintained at Sitka, and a branch may be maintained at a site or sites designated by the commissioner of administration.

(b) The Department of Administration shall formulate general policies, but has no administrative or executive functions other than those set out in AS 47.25.010 — 47.25.110. It may hold hearings and subpoena witnesses and documents and may administer oaths in connection with them.

§ 47.25.020 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.25.020

(c) The Department of Administration shall

(1) cooperate with the federal government in matters pertaining to the welfare of Alaskan pioneers, make the reports in the form and containing the information the federal government from time to time desires, and accepts funds allotted by the federal government, its agencies or instrumentalities, in establishing, extending and strengthening services for pioneers of Alaska;

(2) adopt regulations necessary for the conduct of the business of the Pioneers' Home and for carrying out the provisions of AS 47.25.010 — 47.25.110, require bonds and undertakings from persons employed by it as in its judgment are necessary, and pay the premiums on them, and establish regional and local offices and the advisory groups which are necessary or considered expedient to carry out or assist in carrying out a duty or authority assigned to it;

(3) perform all executive or administrative duties necessary and advisable to carry out the purpose of AS 47.25.010 — 47.25.110, including the power to make contracts and to make disbursements on vouchers against funds for the purpose of AS 47.25.010 — 47.25.110, within the limit of funds available;

(4) study the needs of Alaska's pioneers and submit recommendations for new rules, regulations and proposed legislation;

(5) prepare an annual report to the legislature.

(d) The Department of Administration may employ the necessary subordinate officers and employees, and shall prescribe methods for operation of the Pioneers' Home, standards of care and service to residents, and rules governing personnel and rewarding employees on a merit basis. (§ 51-2-11(a) (c) ACLA 1949; § 51-2-12 ACLA 1949; am § 1 ch 71 SLA 1963; am Executive Order No. 30 (1968); am §§ 1. 2 ch 11 SLA 1979)

Effect of amendment. — The 1979 amendment deleted "north and west of Yakutat" from the end of subsection (a) and substituted "residents" for "inmates" in subsection (d).

**Sec. 47.25.020. Admission to home.** Every worthy person residing in the state who has been a resident of the state continuously for more than 15 years immediately preceding his application for admission, and who is destitute and in need of the aid or benefit of the home because of physical disability or other cause, is entitled to admission to the home under the conditions, limitations and penalties prescribed by the regulations of the Department of Administration. No person may be admitted as a resident of the Alaska Pioneers' Home under the provisions of AS 47.25.010 — 47.25.110, if the support and maintenance of the person is imposed by law upon a relative or member of the family of the person.

(b) Every person admitted to the Pioneers' Home, except a person admitted under AS 47.25.030, who receives income from any source in

excess of \$35 a month may be required by the Department of Administration to pay the excess to the Department of Administration immediately upon receipt of the money in payment, or part payment, of the cost of his maintenance.

(c) At the end of each month the payments made under (b) of this section shall be transmitted to the commissioner of revenue together with the names of the persons making them and the amount paid by each. The Department of Administration may pay the sum of \$35 a month to a resident without funds.

(d) The money received by the commissioner of revenue shall be deposited in the general fund. (§ 51-2-13 ACLA 1949; am § 1 ch 158 SLA 1955; am § 1 ch 118 SLA 1957; am § 1 ch 89 SLA 1961; am § 1 ch 63 SLA 1965; am Executive Order No. 30 (1968); am §§ 1, 2 ch 7 SLA 1971; am § 3 ch 11 SLA 1979)

The 1979 amendment substituted "resident of" for "guest to" in the second sentence of subsection (a). Legislative history report. — For report on ch. 7, SLA 1971 (SB 70), see 1971 House Journal, p. 217.

**Sec. 47.25.030. Admission on payment.** A citizen of the United States over 65 years of age who is a resident of the state and has been a resident for not less than 15 years continuously immediately preceding his application, but who is not destitute, may on application be admitted to the home upon his agreement to pay to the state a sum for each day as the Department of Administration considers sufficient to compensate the state for the cost of care and support of the person at the home. When this agreement is entered into the Department of Administration may receive the security for the payments, which it considers expedient. (§ 51-2-14 ACLA 1949; am § 2 ch 89 SLA 1961; am Executive Order No. 30 (1968))

**Sec. 47.25.035. Exception to admission criteria.** An applicant for admission to the home who has been a resident of the state for 30 years and is otherwise qualified for admission under AS 47.25.020 or 47.25.030 may not be disqualified for admission because of absence from the state if the commissioner of administration determines the absence was reasonable, and admission is consistent with the intent of this chapter. (§ 2 ch 89 SLA 1978)

**Sec. 47.25.040. Transfer of insane inmates to asylum or sanitarium.** A person regularly admitted into the home who is found to be insane may be transferred to an institution provided for the care and custody of insane persons for the state in the manner provided by law for the admission of other persons to the institution. (§ 51-2-15 ACLA 1949)

**Sec. 47.25.050. Maintenance funds.** The legislature shall each session appropriate the necessary funds for the maintenance of the

home to be expended by the Department of Administration, and that department may receive funds, donations and bequests from private individuals, societies or organizations, and funds from the federal government for the support and maintenance of the home. (§ 51-2-16 ACLA 1949; am Executive Order No. 30 (1968))

**Sec. 47.25.060. Trust fund.** Unless otherwise provided by the donor, all money bequeathed to the Alaska Pioneers' Home constitutes a special trust, and shall be deposited in a special fund designated the "Alaska Pioneers' Home Trust Fund." Unless otherwise provided by the donor, interest from this fund is under the control, and at the disposal of the Department of Administration, and expenditure from it is limited to the benefit and comfort of the residents of the home. (§ 51-2-17 ACLA 1949; am Executive Order No. 30 (1968))

**Sec. 47.25.070. Indebtedness of beneficiary to state.** (a) An expense incurred for a person under AS 47.25.010 — 47.25.110 with interest at a rate of six per cent a year from date of payment, is a debt to the state and may be recovered during the life of the beneficiary. The debt is a first, prior and preferred claim against the estate of the beneficiary after his death, and after all claims for food, clothing, fuel, shelter, medical aid or burial expenses are paid.

(b) Money left in charge of the Department of Administration by a deceased resident of the Pioneers' Home may be used for the burial and funeral expenses of the deceased resident and for the improvement of the burial plot of the Alaska Pioneers' Home.

(c) The clothing and other personal effects left by a deceased resident of the home may be used for the benefit of other residents, or may be given to relatives or sold and the proceeds applied in the manner provided for money left by a deceased resident. (§ 51-2-101 ACLA 1949; am Executive Order No. 30 (1968); am §§ 4, 5 ch 11 SLA 1979)

**Effect of amendment.** — The 1979 amendment substituted "deceased resident" for "deceased inmate" in two places in subsections (b) and (c) and substituted "other residents" for "other inmates" in subsection (c).

**Conduct of decedent entitling claim of state to priority.** — Where (1) the decedent swears initially and annually thereafter

that she owns no property, although during all that time she has approximately \$10,000 in cash; and (2) the transfer thereof is without consideration, the claim of the state is entitled to priority in conformity with the provisions of this section. In re Jackson's Estate, 15 Alaska 116, 123 F. Supp. 143 (D. Alas. 1954).

**Sec. 47.25.080. Enforcement against estate.** If a beneficiary under AS 47.25.010 — 47.25.110 dies leaving an estate in the state, the attorney general, or the Department of Administration, shall file with the executor or administrator, or with the probate court, the claim of the state against the estate, and the attorney general shall take the steps necessary to enforce and collect the claim. Money collected shall be paid into the treasury of the state. (§ 51-2-102 ACLA 1949; am § 1 ch 46 SLA 1957; am Executive Order No. 30 (1968))

A REVIEW OF  
ALASKA PIONEERS' HOMES  
DEPARTMENT OF ADMINISTRATION

July 1, 1975 - June 30, 1976

Commissioner, Department of Administration  
Deputy Commissioner, Department of  
Administration

B. B. Allen

Robert S. Gates

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## PURPOSE OF THE REVIEW

In accordance with the provisions of Title 24 of the Alaska Statutes, a comprehensive review of the Alaska Pioneers' Homes (APH), Department of Administration, was conducted to determine if:

1. The financial statements which appear in the State's Annual Report for fiscal year 1976 are presented fairly.
2. The performance of the Pioneers' Homes is acceptable in terms of economy, efficiency and effectiveness.

The performance section more specifically evaluated:

1. Quality of care - medical and social - at the Pioneers' Homes.
2. Cost of care provided by the Homes.
3. Activities and duties of the APH Advisory Board.
4. Financial recordkeeping for the residents of the Homes.

## ORGANIZATION AND FUNCTION

The Alaska Pioneers' Homes, established under AS 47.25, are run by a Home manager who reports to the Division of Pioneer Benefits, Department of Administration. The four homes presently in operation are located in Sitka, Palmer, Fairbanks and Anchorage. The purpose of the Pioneers' Homes is to provide for the personal needs, medical care, general comfort and welfare of Alaska's pioneers.

To be eligible to enter a Pioneers' Home, applicants must be 65 or older and must have been a resident of Alaska for 15 years. Residents are charged \$225-275 per month depending on the type of care they receive.

The Pioneers' Home Advisory Board was established under AS 44.21 to provide an outside review of the Pioneers' Homes. The Board members are appointed by the Governor. They perform semi-annual inspections of the Homes, review applications, investigate complaints, and review construction plans.

## FINDINGS AND RECOMMENDATIONS

### Recommendation No. 1

Policies and procedures should be established for handling finances for residents unwilling or unable to take care of their own affairs.

The administrative personnel in the Pioneers' Homes help residents with their financial affairs. This help is performed from verbal instructions from the resident or, in the case of extreme senility, the perceived needs of the resident. Between the various services performed for the resident by administrative personnel, some residents never see their money except to sign their income checks. The degree to which help is given depends upon:

1. If the resident is both willing and competent to handle his own affairs (a number are competent but do not want to be bothered, other residents cannot sign their name or do not know the meaning of what they are signing).
2. If the resident is physically able to go to the bank.
3. If the resident has given power of attorney to a friend, relative or bank to handle financial affairs for them.

Without proper written authorization and good internal control, the handling of resident's financial transactions could be subject to misinterpretation of verbal instructions and conflicts due to the forgetfulness or errors of residents or personnel. The State could be held liable for discrepancies from errors which arise from transactions which are not fully documented.

The Homes should have a system of control which includes written authorization by each individual for the Homes to:

1. Cash checks for residents.
2. Make payments for care directly out of income.
3. Deposit excess cash in the trust fund.
4. Withdraw funds from the trust fund for the resident or in direct payment of a bill.
5. Do local shopping for the resident.

Types of authorizations which the Homes might use could include: Signatures on withdrawal slips, written instructions as to disposition of monthly income, power of attorney, or authorization from the resident's guardian.

Every financial transaction performed by the Homes should be covered by an authorization from the resident or his guardian. The help of Internal Audit and the Attorney General should be enlisted to insure that procedures initiated minimize the liability of the State.

#### Recommendation No. 2

The Department of Administration should develop a systematic method of evaluating and changing payment rates for care in the Pioneers' Homes. Rate determination should be based on the residents' ability to pay.

Prior to Social Security, Longevity Bonus and other retirement funds, the pioneers had little money and were not expected to pay for cost of care. When residents began receiving retirement income, the State began requiring partial payment for care. Increases in required payments for care have not kept pace with increases in cost of care and increases in resident income.

Alaska Statute 47.25.030 requires residents to pay to the State what the "Department of Administration considers sufficient to compensate the State for the cost of care and support of the person at the Home", although residents are to be cared for regardless of how much they are able to contribute. In 1967, Sitka Home residents paid 66% of the cost of care. In 1976 Sitka Home residents were required to pay only 21% of the cost of care. Fairbanks residents paid as low as 14.5% of the cost of care.

In 1975-1976 both the Pioneers' Homes Advisory Board and Internal Audit recommended substantial rate increase but only a slight increase resulted. Some residents can afford to pay more. Residents should be charged what they can afford to pay, up to the full cost of care.

#### Recommendation No. 3

The Pioneers' Homes should adopt the Medicaid/Medicare regulations in order to provide minimum standards for the Homes.

While visiting the three Pioneers' Homes we observed an atmosphere of well-being in the Homes. The residents appeared content and healthy. However, because the Homes are medical institutions we feel there should be strict standards governing the quality of care.

To provide a basis for setting minimum standards we feel the Homes should adopt the Medicaid regulations. The Homes have had unwritten standards of care, however we feel the Medicaid standards should be adopted for the following reasons:

1. Medicaid/Medicare regulations are the only current nationwide standards for operation of nursing homes.
2. The Homes have been considering applying for Medicaid in order to receive Medicaid payments.
3. The private nursing homes in the State operate under Medicaid standards.
4. Some of the areas we determined needing attention are covered by Medicaid standards:
  - a. Written receipts for all deposits and withdrawals from a resident's trust account.
  - b. An overall plan of care for each resident including medical, social, physical, recreational, and dietary needs.
  - c. Guidelines for prescribing and administering drugs to patients.
  - d. Qualified licensed therapy personnel, including a licensed dietitian which the Homes do not presently have.
  - e. A pharmacy under the supervision of a qualified pharmacist.

A policy and procedures manual was recently completed and distributed by the Director of Pioneers' Homes. The manual does not, however, provide for overall coordinated plans of care for each resident and does not require a registered dietitian to supervise the food service.

Recommendation No. 4

The Pioneers' Home Advisory Board should make formal reports to the Governor at the conclusion of each meeting as to the issues discussed and recommendations made.

The Board is required by AS 44.21.100 to make recommendations to the Governor on the Pioneers' Homes which are administered by the Department of Administration. There were no formal reports available on the Board activities at the Office of the Governor. The Department of Administration has some correspondence on major problems but no formal

reports as to the Board's discussions on issues raised at meetings. One informal letter report was made on the request of the Commissioner of Administration to confirm a telephone conversation.

The Alaska Statutes require that the Board recommend to the Governor changes and improvements. Stated objectives of the Board are to provide the Governor firsthand reports on the situations existing in the Homes. The Governor is not being made aware of conditions of the Pioneers' Homes as was intended. In addition, the persons ultimately responsible for the Board, the Governor and his staff, have no way to effectively evaluate the performance of the Board.

Recommendation No. 5

A complete physical inventory should be taken of all equipment under the control of the Pioneers' Homes to update the property list. The property list should then be maintained in accordance with the State Property Manual.

The Pioneers' Homes equipment figure in the Annual Report is understated by \$237,454. The understatement is a combination of the following:

1.	Not all equipment was listed under Pioneer Homes, Department of Administration.		
	a. Sitka home equipment listed under the Department of Health and Social Services	\$148,894	
	b. Fairbanks home equipment was listed under Longevity Bonus	<u>23,558</u>	\$172,452
2.	FY 1976 purchases not tagged and recorded		21,457
3.	Approximate understatement of Fairbanks equipment calculated by taking the increase in equipment during FY 1977 (\$51,304) less purchases of equipment over the same period (\$7,759).		<u>43,545</u>
	TOTAL Understatement		<u>\$237,454</u>

The FY 1976 understatement had been corrected by the time this audit was completed. In addition to the above problems, we found that 22% of the individual equipment items tested were not properly recorded. The improperly recorded equipment included items that could not be located, tag numbers on the property list not consistent with tag numbers on the equipment, property not tagged, and property which still had Health and Social Services tags on it.

Each agency is responsible for maintaining current and accurate inventory records of property under its control. These records establish accountability and provide essential information for the effective management of State owned property.

We recommend that the agency take complete inventory of all controlled property using the official property list as a starting point. When the inventory is completed and the property lists updated, all provisions of AS 37.05.060 and the State's property accounting manual should be followed to maintain these lists in an accurate condition.

Recommendation No. 6

The Department of Administration should report buildings at historical cost.

The financial statements for fiscal year 1976 report Pioneers' Home buildings at insurable value, \$17,561,147. This is \$5,726,452 greater than property list value. The Department of Administration feels insurable value more accurately reflects the current value of the buildings.

However, generally accepted accounting principles require buildings to be stated at historical cost which is verifiable and less subject to fluctuation or manipulation. Insurable value could be reported parenthetically or as a footnote along with historical cost.

DISPOSITION OF RECOMMENDATIONS PRESENTED IN THE  
INTERNAL AUDIT REPORT ON THE SITKA, PALMER  
AND FAIRBANKS HOMES

Internal Audit issued a report on the Pioneers' Homes in March, 1976. Their scope included a review of internal control and operations. As part of our review, we followed up on the recommendations made by the State's Internal Auditor to determine if the recommendations have been implemented during the intervening 1½ years.

Many of the Internal Audit recommendations concerning internal control over trust funds and food inventory have not been implemented. Their report noted other aspects of internal control which were being followed, but are not now being followed. Below is a summary of those controls not implemented (A) or not presently followed (B). In some cases, the procedure was already in effect and continues to be in effect in a specific home (N/A).

Description of Control

<u>Trust Funds</u>	<u>Sitka</u>	<u>Palmer</u>	<u>Fairbanks</u>
1. Combine Guest Trust Fund and guest envelopes	A	N/A	A
2. Issue receipt and withdrawal slips	A	N/A	A
3. Transfer trust funds from checking account to a savings account	A	A	A
4. Reconcile cash overage to guest trust fund ledger cards (1)	A	N/A	A
5. Distribute interest from savings account to applicable residents	A	N/A	N/A
<u>Food Inventory and Other Supplies</u>			
1. Keep perpetual inventory	A	N/A	A
2. Someone other than person issuing/receiving supplies should take physical inventory	A	A	A
3. Storage areas should be kept locked at all times	N/A	B	B

Sitka   Palmer   Fairbanks

4. Distribution of food inventory and supplies should be made by a stockhandler from written requisitions:

N/A            B            B

NOTE:    (1) The Fairbanks cash overage as of 4/30/77 was \$136. The Sitka cash overage as of 4/30/77 was \$9,143. (Of this, \$7,575 is interest from the trust savings which has never been distributed to trust fund participants.)

Disposition of Federal Review - June 1975

See Accompanying Notes to the Financial Statements

## STATE OF ALASKA

AUDIT DIVISION  
POUCH W-ALASKA OFFICE BUILDING

## THE LEGISLATURE

FINANCE DIVISION  
POUCH WF-STATE CAPITOL

BUDGET AND AUDIT COMMITTEE

IUNEAU 99801


July 31, 1977

Members of the  
Legislative Budget and Audit Committee:

We have examined the Statement of Revenues - Estimated and Actual, the Statement of Expenditures and Encumbrances Compared with Appropriations - Operating Programs, the Statement of Expenditures and Encumbrances Compared with Appropriations - Capital Outlay Projects, and its related schedule, and the Statement of General Fixed Assets for the Department of Administration, Pioneers' Homes for the fiscal year ended June 30, 1976. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Statement of General Fixed Assets includes buildings valued at insurable value and not cost, which overstates the fixed assets for the Pioneers' Homes by \$5,726,452. Equipment for the Homes is understated by \$237,454.

Because of the materiality of the items described in the preceding paragraph, the accompanying Statement of General Fixed Assets does not present fairly the fixed assets for the Department of Administration, Pioneers' Homes as of June 30, 1976. In our opinion, the Statement of Revenues - Estimated and Actual, the Statement of Expenditures and Encumbrances Compared with Appropriations - Operating Program, the Statement of Expenditures and Encumbrances Compared with Appropriations - Capital Outlay Projects and its related schedule, present fairly the revenues, expenditures, encumbrances and appropriations of the Pioneers' Homes for the fiscal year ended June 30, 1976 in accordance with generally accepted governmental accounting principles.



Gerald L. Wilkerson, CPA  
Legislative Auditor  
Division of Legislative Audit

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
STATEMENT OF REVENUES - ESTIMATED AND ACTUAL  
July 1, 1975 - June 30, 1976

<u>Classification</u>	<u>Estimated</u>	<u>Actual</u>	<u>Over or (Under) Estimate</u>
Food Service Receipts	\$ 10,900	\$ 9,990	\$ (910)
Guest Receipts	751,200	642,851	(108,349)
Quarters Rentals	-0-	1,600	1,600
Possessions at Time of Death	-0-	29,029	29,029
Social Security Death Benefits	-0-	2,185	2,185
Jury and Workmen's Comp	-0-	619	619
Deposits in Suspense	-0-	196	196
Miscellaneous Revenue	-0-	2,171	2,171
<b>TOTALS</b>	<u>\$ 762,100</u>	<u>\$ 688,641</u>	<u>\$ (73,459)</u>

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS  
OPERATING PROGRAMS  
July 1, 1975 - June 30, 1976

	<u>1975-76</u> <u>Budget Act</u> <u>Appropriation</u>	<u>Continuations</u> <u>Supplements</u> <u>and Revisions</u>	<u>Authorizations</u>	<u>Expenditures</u>	<u>Encumbrances</u> <u>at Close</u> <u>of Year</u>	<u>Balance</u> <u>Lapsed</u>
Pioneer Homes	<u>\$4,717,200</u>	<u>\$ 493,374</u>	<u>\$5,210,574</u>	<u>\$4,735,404</u>	<u>\$ 335,120</u>	<u>\$ 140,050</u>
<u>By Object</u>						
Personal Services	\$3,477,500	\$ 493,374	\$3,970,874	\$3,733,982	\$ 180,057	\$ 56,835
Travel	14,000	-0-	14,000	6,725	259	7,016
Contractual	701,000	-0-	701,000	210,957	121,546	368,497
Commodities	426,500	-0-	426,500	455,951	30,567	(50,018)
Equipment	65,000	-0-	65,000	45,706	2,691	16,603
Grants, Claims	33,200	-0-	33,200	-0-	-0-	33,200
Non-Expense Items	-0-	-0-	-0-	282,083	-0-	(282,083)
<b>TOTALS</b>	<u>\$4,717,200</u>	<u>\$ 493,374</u>	<u>\$5,210,574</u>	<u>\$4,735,404</u>	<u>\$ 335,120</u>	<u>\$ 140,050</u>
<u>Source of Funds</u>						
	<u>General Fund</u>					
Appropriation Act SLA 75, Chap. 209	\$4,717,200					
Supplemental Approp- riation, SLA 76, Chap. 5	361,200					
Salary Increase SLA 76, Chap. 67	292,174					
Revised Programs	<u>(160,000)</u>					
<b>TOTALS</b>	<u>\$5,210,574</u>					

See Accompanying Notes to the Financial Statements

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS  
CAPITAL OUTLAY PROJECTS  
July 1, 1975 - June 30, 1976

STATE OF ALASKA

15

DIVISION OF LEGISLATIVE AUDIT

	<u>Continuing Authorizations</u>	<u>Expenditures</u>	<u>Unencumbered Balance Continuing Programs</u>
Kotzebue Pioneer Home Equipment	\$ 39,492	\$ 1,822	\$ 37,670
Sitka Pioneer Home Renovation	<u>204,630</u>	<u>200,387</u>	<u>4,243</u>
<b>TOTALS</b>	<b><u>\$ 244,122</u></b>	<b><u>\$ 202,209</u></b>	<b><u>\$ 41,913</u></b>
 <u>By Object</u>			
Travel	\$ -0-	\$ 543	\$ (543)
Contractual Services	204,630	133,171	71,459
Equipment	39,492	-0-	39,492
Land and Structures	<u>-0-</u>	<u>68,495</u>	<u>(68,495)</u>
<b>TOTALS</b>	<b><u>\$ 244,122</u></b>	<b><u>\$ 202,209</u></b>	<b><u>\$ 41,913</u></b>
 <u>Source of Funds</u>			
<u>General Fund</u>			
Continuing Programs			
SLA 74, Chap. 135	\$ 39,492		
SLA 72, Chap. 204 and SLA 74, Chap. 147	<u>204,630</u>		
<b>TOTALS</b>	<b><u>\$ 244,122</u></b>		

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
SCHEDULE OF EXPENDITURES BY OBJECT  
CAPITAL CUTLAY PROJECTS  
July 1, 1975 - June 30, 1976

	<u>Travel and Per Diem</u>	<u>Contractual Services</u>	<u>Land and Structures</u>	<u>Total</u>
Kotzebue Pioneer Home Equipment	\$ 543	\$ 1,279	\$ -0-	\$ 1,822
Sitka Pioneer Home Renovation	<u>-0-</u>	<u>131,892</u>	<u>68, 95</u>	<u>200,387</u>
<b>TOTALS</b>	<u>\$ 543</u>	<u>\$ 133,171</u>	<u>\$ 68,495</u>	<u>\$ 202,209</u>

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
STATEMENT OF GENERAL FIXED ASSETS  
June 30, 1976

Land	\$ 494,850
Buildings	15,964,679
Improvements Other Than Buildings	1,596,468
Equipment	<u>56,491</u>
TOTAL	<u>\$18,112,488</u>

See Accompanying Notes to the Financial Statements

DEPARTMENT OF ADMINISTRATION  
 PIONEERS' HOMES  
NOTES TO THE FINANCIAL STATEMENTS  
 July 1, 1976 - June 30, 1977

Note 1 - Expenditures

The Pioneers' Homes have a contingent liability of \$705,873. For the three quarters ending September 30, 1972 the State received Federal funds from Region 10 of the U.S. Department of Health, Education and Welfare (HEW) to provide comprehensive social services at the Pioneers' Homes. As the result of a 1975 Federal review, Region 10 has asked for repayment of those funds based on their contention that the Homes were not providing comprehensive social services. The case was appealed to the HEW Administrator of Social and Rehabilitation Services on December 6, 1976. No final decision has come out of that appeal as of November 15, 1977.

Note 2 - Equipment

The \$237,454 understatement in equipment is composed of the following:

1. Not all equipment was listed under Pioneer Homes, Department of Administration.		
a. Sitka home equipment listed under the Department of Health and Social Services	\$148,894	
b. Fairbanks home equipment was listed under Longevity Bonus	<u>23,558</u>	\$172,452
2. FY 1976 purchases not tagged and recorded		21,457
3. Approximate understatement of Fairbanks equipment calculated by taking the increase in equipment during FY 1977 (\$51,304) less purchases of equipment over the same period (\$7,759).		<u>43,545</u>
TOTAL Understatement		<u>\$237,454</u>

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C - JUNEAU 99811

February 16, 1978

RECEIVED

FEB 17 1978

LEGISLATIVE  
AUDIT

Mr. Gerald L. Wilkerson  
Legislative Auditor  
Division of Legislative Audit  
Pouch W  
Juneau, AK 99811

Dear Mr. Wilkerson:

This is in response to your findings and recommendations contained in your preliminary report entitled "A Review of Alaska Pioneers' Homes - Department of Administration", July 1, 1975 - June 30, 1976.

Our comments are arranged in the order your findings and recommendations appear in the report.

### RECOMMENDATION NO. 1

Policies and procedures should be established for handling finances for residents unwilling or unable to take care of their own affairs.

### RESPONSE

Policies and procedures will be established for handling finances for residents. Every precaution will be taken to insure that these new policies and procedures do not create an undue burden on the residents. Many residents do not feel secure having their money in the banks. They prefer to place their funds in the safe or the trust account at the various Homes. This situation requires that the homes maintain the trust of the residents but simultaneously provide adequate control, safeguards and accountability for these trusted funds.

Our new procedures will accommodate distinct custodianship and accountability measures for all entrusted monies maintained at the Homes.

To the extent possible, every transaction involving resident funds will be certified by signatures or initials of the residents. Written authorizations or power of attorney will be obtained when it is considered necessary. For residents unwilling or unable to manage their own affairs the signature of his/her guardian will be sought to authenticate expenditures of resident funds entrusted to the Home. In all cases the Home manager or other personnel engaging in transactions of residents' funds will make every effort to obtain certification by appropriately designated persons. In instances where the usual methods of verification are impossible, the Home manager will authorize payments only

after obtaining the witness of another competent person.

RECOMMENDATION NO. 2

The Department of Administration should develop a systematic method of evaluating and changing payment rates for care in the Pioneers' Homes. Rate determination should be based on the resident's ability to pay.

RESPONSE

While we are hesitant to utilize the ability to pay as the sole basis for an increase in the rates charged to Pioneer Home residents, we don't disagree that a systematic method of evaluating payments needs to be developed. In all fairness to the Alaska Pioneers and the philosophy surrounding the Homes, input will be sought from the public, and the Pioneer Advisory Board on this issue. Accordingly, we will reevaluate all pertinent data when they are available and seek to arrive at an appropriate basis for establishing rates in the future.

RECOMMENDATION ON. 3

The Pioneers' Homes should adopt the medicaid/medicare regulations in order to provide minimum standards for the homes.

RESPONSE

Each home does have a resident care plan. We wholeheartedly agree that some formal standards of care be established in the homes but are not currently convinced that the federal medicaid/medicare standards are the most appropriate. Additional research will be undertaken to review various State regulations in this area before the final standards are set. Today, all the homes have a skilled nursing care facility which is licensed and inspected regularly by the State Department of Health and Social Services which requires certain minimum standards be met. In the past, the homes had attempted to become eligible for medicaid/medicare. It proved to be an expensive proposition in that numerous expensive changes would have to be made to the Pioneers' Homes. Currently, the Pioneers' Homes would not be eligible for medicaid because of their admission policies which require fifteen year residency before entering.

State statutes require that a licensed pharmacist administer all drugs. All of the homes now have a consulting pharmacist which controls the prescription of drugs including stop orders for drugs of a sensitive nature.

Three of the four facilities currently have licensed physical therapists on staff. The remaining home has a position for a physical therapist but the position is currently vacant. This home currently receives physical therapy treatment from a visiting consulting physical therapist.

In the area of dietetic control services, the Anchorage Home currently has a professional dietician on the staff of the food service contracted there. The menu currently meets or exceeds any standards in any part of the nation for this type of facility. We are currently looking into expansion of these types of professional services to insure high dietetic standards are maintained in all of the Pioneers' Homes.

RECOMMENDATION ON. 4

The Pioneers' Homes Advisory Board should make formal reports to the Governor at the conclusion of each meeting as to issues discussed and the recommendations made.

RESPONSE

The Pioneers' Homes Advisory Board has been contacted to inform them of this recommendation. Their Co-Chairman and Board Secretary has informed us that they will be complying with this recommendation effective immediately.

RECOMMENDATION NO. 5

A complete physical inventory should be taken of all equipment under control of the Pioneers' Homes to update the property list. The property list should then be maintained in accordance with State property manual.

RESPONSE

Recognizing the condition of the homes' inventory, complete physical inventory will be completed in all four homes by the end of this fiscal year. One person from the Division of General Services and Supply Property Management program will be going from home to home to administer the accomplishment of this task.

RECOMMENDATION NO. 6

The Department of Administration should report buildings at historical costs.

RESPONSE

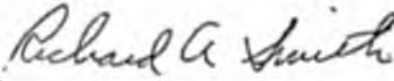
We agree, but unfortunately cost data are not available for all buildings. However, to begin implementing your recommendation we are requesting the Department of Transportation and Public Facilities to accumulate and report cost data on all current and future capital projects.

Prior Audit Recommendations

Recommendations contained in the previous audit by Internal Audit have been substantially implemented or are presently being implemented.

We appreciate the efforts of you and your staff in performing this review. We have found the auditor's comments and recommendations most helpful in reassessing and updating our policies and procedures affecting the Homes.

Sincerely,

  
for B. B. Allen  
Commissioner

BBA/VP/RS/ch

Enclosure