

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/31/83

Date:

3/7/83

Mr. President:

The Committee on HESS has had SENATE BILL NO. 97

Supplemental appropriation to the Department of Health and Social Services for payment as a grant to Bethel Social Services, Inc.; eff. date

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

- may* do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- 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:

Rich Haldred
[Signature]

[Signature]
CHAIRMAN

Introduced: 1/31/83
Referred: Health, Education and
Social Services and Finance

Funding Information
General Fund \$65,000
Other Funds -0-
\$65,000

1 IN THE SENATE

BY SACKETT

2

SENATE BILL NO. 97

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Health and Social Services for payment
8 as a grant to Bethel Social Services, Inc.; and
9 providing for an effective date."

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

11 * Section 1. The sum of \$65,000 is appropriated from the general fund
12 to the Department of Health and Social Services for payment as a grant to
13 Bethel Social Services, Inc. for the operation of the Bethel Receiving Home
14 during the fiscal year ending June 30, 1983.

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

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).



Bethel Social Services, Inc.

• A PRIVATE NON-PROFIT CORPORATION •

November 5, 1982

Senator John Sackett
P. O. Box 29
Ruby, Alaska 99678

Dear Senator Sackett:

This letter is to follow-up on our recent conversation regarding the cost of care dilemma that the Bethel Receiving Home is now in.

Bethel Social Services, Inc., opened the original Receiving Home in 1969 in an old B.I.A. building. This project was closed in 1976 as the building was simply not licensable. At the request of many State agencies, especially the Department of Corrections, Bethel Social Services, Inc., built a new receiving home with a combination of borrowed funds and Criminal Justice monies. This facility was constructed at great financial risk to the Corporation with assurances from the State that it would be fully utilized.

Our cost of care was set at \$55.63 based on the proposed budget divided by 75% of the number of licensed beds. Thus began the cost of care rate of having to lose money to get the cost of care rate up to make money. The following circumstances have prevailed at the Bethel Receiving Home in regard to the cost of care:

1. When the new home was opened in 1980, the cost of care rate was set too low because the anticipated usage AS ESTIMATED BY THE STATE fell below the actual usage.
2. With the exception of one facility which has donated labor, the Bethel Receiving Home has had the lowest cost of care rate throughout the State.
3. The Bethel Receiving Home has lost money each year. It failed to lose enough money, however, to raise the cost of care rate substantially to make money.
4. We have always been opposed to the cost of care method of setting rates. It rewards the inefficient. However, the interim method of freezing the rates will cause the Bethel Receiving Home to close. Our rate has been frozen

at the lowest receiving home rate in the State with the exception of the Sitka Home which has donated labor, we understand.

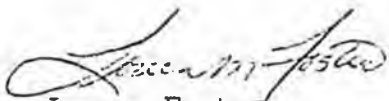
5. We were not aware that there had even been a change in the process until three months after it went into effect.
6. We are requesting the legislature set a cost of care rate for the Bethel Receiving Home at \$115.00 per day. Our current rate is \$75.52 per day. The \$115.00 is the average rate taken from averaging the rates from the receiving homes in Anchorage, Juneau, Nome and the North Slope. In essence we are saying that it should cost us an average of what the other facilities are providing care for. With sound management, this rate will allow the Bethel Receiving Home to provide care and reduce it's indebtedness.

Just to clarify the relationship between Bethel Social Services, Inc. and the Bethel Receiving Home, Inc. --- Bethel Social Services, Inc. operated the old receiving home. The building was owned by the Bureau of Indian Affairs. Bethel Social Services, Inc. built and owns the new receiving home and is the parent corporation and registered agent for Bethel Receiving Home, Inc., which operates the Bethel Receiving Home. (Without the two separate entities, there is no provision for paying the lease on the building under cost of care regulations.)

We are also enclosing a copy of the current rates for facilities throughout the State and a table of information pertinent to the Bethel Receiving Home's operations during the past three fiscal years. We have been in contact with John Pugh, Division of Youth & Family Services, and are trying to keep him abreast of our request through the legislature.

Please let us know if we can provide you with any additional information.

Sincerely,



Loreen Foster
Administrative Director

cc: John Pugh, Director, Div. of Youth & Family Services
Chet Adkins, President, Board of Directors

Encl: (2)

SUMMARY OF OPERATIONS
 BETHEL RECEIVING HOME
 FEBRUARY, 1980—JUNE, 1982

PERIOD	TOTAL EXPENDITURES	EXCESS OF EXPENDITURES OVER REVENUES	TOTAL KID DAYS	COST OF RATE	ACTUAL COST OF CARE
Feb - June, 1980	\$39,728.	(\$8,883.) (Losses covered by Crimi- nal Justice Start-up Funds)	695 (audited)	\$53.63	\$57.16
July, 1980- June, 1981	\$126,061.	(\$3,520.)	1,903	\$64.02	\$66.24
July, 1981- June, 1982	\$131,768.	(\$28,121.)	1,350	\$75.52	\$97.61

IN-STATE INSTITUTIONAL CARE RATES

PROVIDER	NAME	FY83 RATE	EFFECTIVE DATE	PROVISIONAL FY82 RATE	FY82 AUDITED
004996	ALASKA BAPTIST FAM SVS CTR	\$117.02	7/1/82	\$117.02	
232007	ACS RECEIVING HOME	149.85	7/1/82	149.85	\$189.44
001455	ACS AQUARIUS HOUSE	107.60	7/1/82	107.60	106.61
002122	ACS COLLETTI HOUSE	117.51	7/1/82	117.51	118.79
001394	ACS JESSE LEE	165.46	7/1/82	165.46	134.70
001398	ACS RABBIT CREEK	166.40	7/1/82	166.40	168.84
001098	ACS NORTH STAR	103.55	7/1/82	103.55	102.61
004227	BETHEL GROUP HOME	59.06	7/1/82	59.06	57.72
231001	BETHEL RECEIVING HOME	75.52	7/1/82	75.52	
003339	BOOTH MEMORIAL	146.90	7/1/82	146.90	
001404	COVENANT HIGH SCHOOL	51.16	7/1/82	43.26	
004287	HILLTOP HOME	85.53	7/1/82	85.53	
001409	JUNEAU RECEIVING HOME	106.17	7/1/82	106.17	
004404	KENAI COMM CARE CTR	91.74	7/1/82	91.74	
236007	KETCH. INTENSIVE CARE UNIT	152.56	7/1/82	152.56	
004594	KETCHIKAN TEEN HOME I	74.26	7/1/82	74.26	69.59
236001	KETCHIKAN TEEN HOME II	81.61	7/1/82	81.61	69.59
001843	KODIAK BAPTIST MISSION	61.61	7/1/82	61.61	61.43
001037	KODIAK BAPTIST MISSION	61.61	7/1/82	61.61	61.43
005412	NOME RECEIVING HOME	116.97	7/1/82	116.97	109.20
233001	NORTH SLOPE BOROUGH REC HME	168.35	7/1/82	170.80	170.80
001004	NORTH STAR CHILDRENS HOME	62.25	7/1/82	62.25	
004247	PRESBYTERIAN HOSPITALITY HSE	111.98	7/1/82	111.98	
232005	"R" HOUSE			111.98	
001414	ST. MARYS MISSION			8.33	
005398	ST. JUDE CENTER, INC.	72.33	7/1/82	72.33	
005556	SITKA RECEIVING HOME	40.66	7/1/82	40.66	
001918	TURNING POINT BOYS RANCH	105.37	7/1/82	105.37	

Clay Row

ACS

ACS Receiving Home
C/O AK Childrens Services
1200 E. 27th
Anchorage, AK 99504

#232007
\$149.85/day
07-01-82

ACS Aquarius House
C/O AK Childrens Services
1200 E. 27th
Anchorage, AK 99504

#001455
\$149.85/day
07-01-82

ACS Colletti House
C/O AK Childrens Services
1200 E. 27th
Anchorage, AK 99504

#002122
\$117.51/day
07-01-82

ACS Jesse Lee
C/O AK Childrens Services
1200 E. 27th
Anchorage, AK 99504

#001394
\$165.46/day
07-01-82

ACS North Star
C/O AK Childrens Services
1200 E. 27th
Anchorage, AK 99504

#001098
\$103.55/day
07-01-82

ACS Rabbit Creek Grp Hm
C/O AK Childrens Services
1200 E. 27th
Anchorage, AK 99504

#001398
\$166.40/day
07-01-82

ANCH/WILLOW

Booth Memorial Home
C/O Salvation Army
Box 3-063
Anchorage, AK 99504

#003330
\$146.90/day
07-01-82

Hilltop Home Inc
P.O. Box 10-2223
Anchorage, AK 99511

#004287
\$85.53/day
07-01-82

Turning Point Boy Ranch
Mile 68 Parks Highway
Willow, AK 99688

#001918
\$105.37/day
07-01-82

FAIRBANKS

PHH-Receiving Home
C/O Pres. Hospitality House
1401 Kellum Street
Fairbanks, AK 99701

#232005
\$111.98/day
07-01-82

PHH-Treatment Unit
C/O Pres. Hospitality House
1401 Kellum Street
Fairbanks, AK 99701

#004247
\$111.98/day
07-01-82

BARROW

North Slope Borough Rec. Hm.
Box 69
Barrow, AK 99723

#233001
\$170.80/day
07-01-82

BETHEL

Bethel Receiving Home
Box 271
Bethel, AK 99559

#231001
\$75.52/day
07-01-82

Bethel Group Home
P.O. Box 385
Bethel, AK 99559

#004227
\$59.06/day
07-01-82

NOME

Nome Receiving Home
Box 1033
Nome, AK 99762

#005412
\$109.20/day
07-01-82

OUT OF STATE

Excelsior Youth Center
15151 E. Quincy Avenue
Denver, CO 80015

#247011
\$64.77/day
07-01-81

Griffith Center
1546 Cole Blvd. #225
Golden, CO 80401

#247004
\$78.90/day
10-23-81

Turnstyle
1220 Laredo Street
Aurora, CO 80011

#247009
\$33.36/day
08-07-81

FAIRBANKS

NOME/KOTZEBUE/BARROW

BETHEL

Foster Care: ages 12-19	\$18.97/day	\$22.65/day	\$21.86/day
Emergency Foster Care: (all ages)	\$23.71/day	\$28.31/day	\$27.32/day

Bethel Receiving Home



Superior Court
State of Alaska
FOURTH JUDICIAL DISTRICT
P.O. BOX 130
BETHEL, ALASKA
99559

CHAMBERS OF
CHRISTOPHER R. COOKE, PRESIDING JUDGE

PHONE: (907) 543-2298

November 1, 1982

Mr. John Pugh, Director
Division of Family and
Youth Services
Pouch H-05
Juneau, Alaska 99811

Re: Bethel Receiving Home

Dear Mr. Pugh:

It has come to my attention that the Bethel Receiving Home is in serious financial trouble. The home is operating at a substantial loss and will soon be forced to close unless additional revenue can be secured.

The Receiving Home provides temporary shelter for juveniles detained in delinquency proceedings and emergency foster care for children in need of aid. Loss of the Receiving Home would have a great adverse impact upon the Alaska Court System and this region since it is the only facility of its type in this area.

Without the Receiving Home, juveniles detained in delinquency proceedings would have to be housed in the substandard Bethel City Jail and, at great expense and inconvenience, McLaughlin Youth Center in Anchorage. Emergency foster homes for neglected or abused children would have to be found on a case-by-case basis. This would constitute a giant step backward for the juvenile justice system in this region and for the local and regional operations of your department.

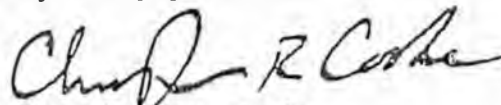
One reason for the Receiving Home's financial plight is the cost of care rate paid by your department. Currently that rate is \$75.52 per day while comparable facilities in Nome, Juneau and Anchorage receive

Mr. John Pugh
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\$116.97, \$106.17 and \$149.85, respectively. The Receiving Home would be financially viable if their daily rate were in the vicinity of \$100.00 or if bed space could be provided to your agency on a monthly retainer basis.

I would appreciate your prompt attention to this situation. If the Bethel Receiving Home is forced to close, this community, the 56 villages of our region, and both our agencies will suffer. With your cooperation I hope that such a drastic result can be avoided.

Very truly yours,



Christopher R. Cooke
Superior Court Judge

CRC/bn

cc: ✓ Senator John Sackett
Representative Tony Vaska
David E. Arnold
Gloria Hawkins
Bob Buttane
Loreen Foster
Don Constantine
Jim Shanks
Laurie Otto