

HB

634

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

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

**REQUEST**

Bill/Resolution No.: CSHB 634 (HESS)  
 Title: An Act relating to the Board of  
 Nursing Home Administrators

Sponsor: House HESS  
 Requester: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Commerce & Economic Dev.  
 BRU: Occupational Licensing

Components: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**EXPENDITURES / REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	[.5]	[.5]
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	[.5]	[.5]

CAPITAL						
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REVENUE		-0-	-0-	-0-	-0-	-0-
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**FUNDING: (Thousands of dollars)**

GENERAL FUND		-0-	-0-	-0-	[.5]	[.5]
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	[.5]	[.5]

**POSITIONS:**

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

**ANALYSIS:** Attach a separate page if necessary.

This bill provides for continuation of the Board of Nursing Home Administrators and reduces the number of board members from five to three by attrition. One Anchorage member would attend only one meeting in FY 87, therefore, per diem cost of \$80 would be eliminated for FY 88-91. This cost is not reflected as it is under \$100 annually.

Prepared by: Jennifer Strickler, Management Analyst  
 Division: Occupational Licensing

(see attached for continuation)

Phone: 465-2144

Date: 3-17-87

Approved by Commissioner: [Signature]  
 Agency: Commerce and Economic Development

Date: 3/17/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 634 (HESS)

The reduction in cost shown for FY 90 and FY 91 reflects the elimination of one Juneau member whose term expires October 1, 1988. This member would attend the face to face meeting in FY 89 but travel and per diem cost of \$512 in FY 90 and FY 91 would be eliminated.

requirement. (1) The State's payment of premiums, deductibles, cost sharing, or similar charges under part B does not obligate it to provide the full range of part B services to recipients not covered by Medicare.

(2) The State plan must specify this exception if it applies.

(c) *Federal financial participation.*  
(1) No FFP is available in State expenditures for Medicare part B premiums for Medicaid recipients who receive no money payments under title I, IV-A, X, XIV, XVI (AABD), or XVI (SSI) of the Act. However, FFP is available in those expenditures for—

(i) AFDC families required to be covered under §§ 438.112 and 438.116 of this subchapter, those eligible for continued Medicaid coverage despite increased income from employment;

(ii) Recipients required to be covered under §§ 435.114, 438.134, and 438.112 of this subchapter, those eligible for continued Medicaid coverage despite increased income from monthly insurance benefits under title II of the Act; and

(iii) Recipients required to be covered under § 438.118 of this subchapter, those eligible for continued Medicaid coverage despite increased income from cost-of-living increases under title II of the Act.

(2) No FFP is available in State Medicaid expenditures that could have been paid for under Medicare part B but were not because the person was not enrolled in part B. This limit applies to all recipients eligible for enrollment under part B, whether individually or through an agreement under section 1843(a) of the Act. However, FFP is available in expenditures required by §§ 435.614 and 438.901 of this subchapter for retroactive coverage of recipients.

143 FR 45188, Sept. 29, 1978, as amended at 44 FR 17925, Mar. 22, 1979

§ 431.630 Coordination of Medicaid with Professional Standards Review Organizations.

(a) The State plan may provide for the review of Medicaid services by a PSRO designated under Part B of Title XI of the Act. Medicaid requirements for medical and utilization review shall be deemed to be met for

those services or providers subject to such contracted review.

(b) The State plan must specify how the contract with the PSRO satisfies the requirements that:

(1) The provisions of paragraphs (a), (b), (c), (g), (h), (i), (m), and (n) of § 431.503 of this subchapter are met;

(2) A monitoring and evaluation plan is in effect by which the State will assure satisfactory performance by the PSRO.

(3) The services and providers subject to PSRO review are identified; and

(4) The review activities performed by the PSRO are not inconsistent with those activities performed for the review of Title XVIII services, including a description of whether and to what extent PSRO determinations will be considered conclusive for payment purposes.

146 FR 48585, Oct. 1, 1981; 48 FR 84744, Nov. 4, 1983

*EDITORIAL NOTE:* Section 431.630 was revised at 48 FR 48585, Oct. 1, 1983. The reporting and/or recordkeeping requirement in § 431.60 is not required until OMB approval has been obtained. HCFA will publish a document in the Federal Register when OMB approves or disapproves these requirements.

#### Subpart N—State Programs for Licensing Nursing Home Administrators

##### § 431.700 Basis and purpose.

This subpart implements sections 1903(a)(29) and 1908 of the Act which require that the State plan include a State program for licensing nursing home administrators.

##### § 431.701 Definitions.

Unless otherwise indicated, the following definitions apply for purposes of this subpart:

"Agency" means the State agency responsible for licensing individual practitioners under the State's healing arts licensing act.

"Board" means an appointed State board established to carry out a State program for licensing administrators of nursing homes, in a State that does

not have a healing arts licensing act or an agency as defined in this section.

"Licensed" means certified by a State agency or board as meeting all of the requirements for a licensed nursing home administrator specified in this subpart.

"Nursing home" means any institution, facility, or distinct part of a hospital that is licensed or formally recognized as meeting nursing home standards established under State law, or that is determined under § 431.704 to be included under the requirements of this subpart. The term does not include—

(a) A Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Mass.; or

(b) A distinct part of a hospital, if the hospital meets the definition in § 440.10 or § 440.140 of this subchapter, and the distinct part is not licensed separately or formally approved as a nursing home by the State even though it is designated or certified as a skilled nursing facility.

"Nursing home administrator" means any person who is in charge of the general administration of a nursing home whether or not the person—

(a) Has an ownership interest in the home; or

(b) Shares his functions and duties with one or more other persons.

##### § 431.702 State plan requirement.

A State plan must provide that the State has a program for licensing administrators of nursing homes that meets the requirements of §§ 431.703 through 431.713 of this subpart.

##### § 431.703 Licensing requirement.

The State licensing program must provide that only nursing homes supervised by an administrator licensed in accordance with the requirements of this subpart may operate in the State.

##### § 431.704 Nursing homes designated by other terms.

If a State licensing law does not use the term "nursing home," the HCFA Administrator will determine the term or terms equivalent to "nursing home" for purposes of applying the require-

ments of this subpart. To obtain this determination, the Medicaid agency must submit to the Regional Medicaid Director copies of current State laws that define institutional health care facilities for licensing purposes.

##### § 431.705 Licensing authority.

(a) The State licensing program must provide for licensing of nursing home administrators by—

(1) The agency designated under the healing arts act of the State; or

(2) A State licensing board.  
(b) The State agency or board must perform the functions and duties specified in §§ 431.707 through 431.713 and the board must meet the membership requirements specified in § 431.706 of this subpart.

##### § 431.706 Composition of licensing board.

(a) The board must be composed of persons representing professions and institutions concerned with the care and treatment of chronically ill or infirm elderly patients. However—

(1) A majority of the board members may not be representative of a single profession or category of institution; and

(2) Members not representative of institutions may not have a direct financial interest in any nursing home.

(b) For purposes of this section, nursing home administrators are considered representatives of institutions.

##### § 431.707 Standards.

(a) The agency or board must develop, impose, and enforce standards that must be met by individuals in order to be licensed as a nursing home administrator.

(b) The standards must be designed to insure that nursing home administrators are—

(1) Of good character;  
(2) Otherwise suitable; and  
(3) Qualified to serve because of training or experience in institutional administration.

##### § 431.708 Procedures for applying standards.

The agency or board must develop and apply appropriate procedures and techniques, including examinations

MEMORANDUM

TO: HOUSE HESS COMMITTEE MEMBERS  
FROM: NANCY EENNETT, COMMITTEE STAFF  
DATE: FEBRUARY 24, 1986  
RE: HESS AGENDA

Today, we have three bills before the committee and a scheduling briefing on HB 98, relating to Medicaid services, which has been largely changed in the Senate.

HB 640 - Relating to the Board of Physical Therapy

This bill allows for the independent practice of physical therapists (without physician referral, as is the current practice), continues the board for four years, and deletes temporary permit reference for foreign trained therapists, as recommended by the Division of Occupational Licensing. The Sunset Review report is also in your folder.

Representative Gruenberg has requested a committee substitute, which may not be ready by meeting time, which repeals and re-enacts AS 08.84.120 Refusal, revocation and suspension of license and specifies that penalties for AS 08.84.130 (a) and (b) and AS 08.84.140 are a class B misdemeanor.

HB 634 - Relating to the Board of Nursing Home Administrators

This bill reduces, by attrition, the number of board members from five to three, and continues the board for four years. The Sunset Review report is also in your folder.

Representative Gruenberg has three amendments to offer.

HB 98 - Relating to Medicaid services

When this bill was in HESS last year, it was merely amending the Medicaid statute to comply with new federal requirements. The services (for pregnant women and children who would otherwise qualify for Medicaid services except that there are two parents in the home) were already adopted by the legislature in 1982, and were simply being moved from the optional to the mandatory category.

In Senate HESS, at the governor's request, personal care attendant services (at a cost to the state of \$500.0) has been added to the optional Medicaid services. Language has also been added to limit the medical facility rates set by the Medicaid Rate Commission to the amount of money appropriated by the legislature. The Senate also asked Rod Betit to

examine the medically needy Medicaid option for their consideration.

Other medical changes of interest: The Governor reduced the General Relief Medical Program from \$11.5 million to \$5 million and decreased Catastrophic Illness. Division Director, Rod Betit, will be here to address the Committee.

HB 497 - Relating to birth certificates, parental responsibility and child custody

The bill provides that a parent/s or legal guardian is responsible for a child's shoplifting behavior, requires the court to solicit information concerning the best interest of the child in disputed and undisputed custody situations, clarifies that a court may order child support in joint custody situations and repeals AS 18.50.160 (f), distinguishing the birth certificate of an illegitimate child.



Alaska State Legislature  
House of Representatives  
COMMITTEE ON HEALTH, EDUCATION  
AND SOCIAL SERVICES

OFFICIAL BUSINESS

POUCH V  
JUNEAU, AK 99811  
465-3759

February 24, 1986

Representative Ben Grussendorf  
Speaker of the House  
P.O. Box V  
Juneau, Alaska 99811

Dear Mr. Speaker:

The House Committee on Health, Education and Social Services has considered the Sunset Review of the Board of Nursing Home Administrators, and recommends that the board be continued. The Committee has introduced HB 634 to fulfill the findings of the Committee.

As required by AS 44.60.050 (c), the Committee submits the following findings:

(1) the extent to which the board, commission or program has operated in the public interest.

The Division of Legislative Audit found that the board served no public purpose and should be eliminated, however, the Committee finds that the existence of the board is required by federal Medicaid law and should therefore be maintained so that Alaskan nursing home residents may continue to qualify for Medicaid funds.

(2) the extent to which the operation of the board, commission or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Federal law requires the existence of this board as a criterion for qualification for Medicaid funding.

(3) the extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.

The statutes were amended to require biennial rather than annual licensing and to revoke licenses of those persons who do not uphold the board's standards.

(4) the extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations

and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

There have been four board meetings since 1982. For two meetings, there was insufficient hearing notice between time of publication and the meetings, and for a third meeting there was no notice.

(5) the extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.

The board announces proposed changes to regulations in the newspaper according to the Administrative Procedures Act.

(6) the efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which the board or commission is administratively assigned, or with the office of the ombudsman have been processed or resolved.

Only one complaint has been filed with the Division of Occupational Licensing in the past several years, and that complaint was dismissed as lacking merit. No complaints have been filed with the Office of the Ombudsman or the Attorney General's office.

(7) the extent to which the board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

50 persons are licensed as nursing home administrators in the state, with no evidence that unqualified practitioners have been licensed.

(8) the extent to which state personnel practices, including affirmative action practices, have been complied with by the board, commission or agency to its own activities and the area of activity or interest.

No complaints have been filed with the Office of Equal Employment Opportunity regarding the Board of Nursing Home Administrators.

(9) the extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

The Committee determined that the board should be reduced to three members to reduce the cost of operation. This change is reflected in HB 634, which the Committee introduced to continue the board.

As required by AS 44.60.050 (d), the Committee submits the following findings:

(1) an identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address.

The board needs to assure adequate notice of board meetings. The board wishes to investigate a preceptorship program and continuing

education requirements. The Committee determined that the board has the statutory authority to pursue these goals.

- (2) a statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments.

The purpose of the board is to license qualified nursing home administrators to protect the public and assure that Alaska receives Medicaid funding. The board is fulfilling this function.

- (3) an identification of any other programs having similar, conflicting or duplicate objectives.

There are no other programs having a duplicate function.

- (4) an assessment of alternative methods of achieving the purposes of the program.

Because the Medicaid regulations require licensure by a board composed of members of different medical professions, the Committee determined that there are no alternatives other than this board for licensing nursing home administrators.

- (5) an assessment of the consequences of eliminating the board, commission or program and consolidating its activities with another program, or of funding it at a lower level.

Elimination of the board would make the state of Alaska liable for federal Medicaid sanctions. Since institutional facilities account for over half of the Medicaid budget, this would not be in the state's best interest. In order to save money, the Committee has reduced the number of members on the board to three from five.

- (6) a justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication of or conflict with other efforts.

Since Alaska has no combined medical licensing boards which would meet federal regulations, the board must be continued.

- (7) any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest.

The Committee recommended that reduction of the board be accomplished by attrition. The Division of Occupational Licensing recommended that the meetings be reduced to one per year, but the Committee felt that teleconferenced meetings can and should be held so that the board can fulfill the mandate of AS 08.70.040 at little cost to the state. Such meetings will also allow the board to develop its proposed preceptorship program.

The Committee also recommends that licensing fees for the board be raised in order to produce income necessary to cover the operating

expenses of the board.

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Representative Max F. Gruenberg, Jr., Co-Chair  
House Health, Education and Social Services Committee

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Representative Niilo Koponen, Co-Chair  
House Health, Education and Social Services Committee

expenses of the board.

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Representative Max F. Gruenberg, Jr., Co-Chair  
House Health, Education and Social Services Committee

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Representative Niilo Koponen, Co-Chair  
House Health, Education and Social Services Committee

Introduced: 2/17/86  
Referred: Health, Educatio. &  
Social Services, Labor & Commerce  
and Finance

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 634

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Board of Nursing Home Admini-  
7 strators; and providing for an effective date."

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

9 \* Section 1. AS 08.03.010(c)(9) is amended to read:

10 (9) Board of Nursing Home Administrators (AS 08.70.010) --  
11 June 30, 1990 [1986].

12 \* Sec. 2. AS 08.70.020(a) is amended to read:

13 (a) The board consists of three [FIVE] members: one [TWO]  
14 nursing home administrator [ADMINISTRATORS] licensed under this  
15 chapter and practicing in the state, a registered nurse licensed in  
16 the state and having no direct financial interest in any nursing home,  
17 and one person [TWO PERSONS] from the general public.

18 \* Sec. 3. TRANSITION. Notwithstanding the provisions of AS 08.70.-  
19 020(a) as amended by sec. 2 of this Act, the members of the Board of Nurs-  
20 ing Home Administrators on the effective date of this Act remain on the  
21 board until their terms expire or the positions otherwise become vacant.

22 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
23 10.070(c).