

SR

381

SENATE COMMITTEE REPORT

FURTHER

4/12/88

DATE TURNED INTO OFFICE 5/2/88

Mr. President:

Finance Committee considered SB 381

making a special appropriation to the Department of Health and Social Services for payment as grants to the Alaska Treatment Center; efd

and recommended

replace with _____ CS _____) same title
 or adopt _____ CS _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Approved by F/N Committee attached or adopted fiscal note(s)
 new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures: Paul F. G. ...]

[Handwritten signature: Paul F. G.]

[Handwritten signature: Jim ...]

[Handwritten signature: ...]

[Handwritten signature: ...]

[Handwritten signature: Rick Halford do pass]

Chairman signature and recommendation

Committee Backup attached

Introduced: 2/1/88
Referred: Health, Education and Social-Services
and Finance

5-1674A

Funding Information
General Fund \$150,000
Other Funds -0-
\$150,000

BY JOSEPHSON, STURGULEWSKI,
HENSLEY, RODEY, DUNCAN
AND SZYMANSKI

1 IN THE SENATE

2

SENATE BILL NO. 381

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Health and Social Services for payment as
8 grants to the Alaska Treatment Center; and providing
9 for an effective date."

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

11 * Section 1. The sum of \$55,000 is appropriated from the general fund
12 to the Department of Health and Social Services for payment as a grant
13 under AS 37.05.316 to the Alaska Treatment Center for the reimbursement of
14 cost overruns that have been incurred due to preexisting conditions encoun-
15 tered by the contractor in the remodeling of the center's therapeutic
16 swimming pool, located at a structure owned by the state.

17 * Sec. 2. The sum of \$95,000 is appropriated from the general fund to
18 the Department of Health and Social Services for payment as a grant under
19 AS 37.05.316 to the Alaska Treatment Center to offset declines in the
20 center's operating budget.

21 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: ..appropriation to DHSS for payment
as grants to Alaska Treatment Center
Sponsor: Josephson, Sturgulewski, etc.
Requestor: _____

Agency Affected: Health & Social Services
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The Department does not expect there to be any administrative costs associated with administering this grant.

Prepared by: Frank Hickey, Director *Frank Hickey* Phone: 465-3082
Division: Division of Budget & Finance *W. Kumpfer* Date: _____

Approved by Commissioner: Karen Pedersen, Acting *Karen Pedersen* Date: 4/11/88
Agency: _____

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

ALASKA STATE SENATE

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JUNEAU, ALASKA 99811
(907) 465-4525

May, 1988
Senate Finance

SPONSOR STATEMENT ON SB 381

What would SB 381 do?

The bill proposes a onetime appropriation of \$150,000.

The first \$55,000 would provide for reimbursement of unanticipated costs that were incurred during renovation of the Center's therapeutic swimming pool. The expenditures were necessitated by latent conditions unknown to the Center or its contractors at the time of the bid. These costs were absorbed by the Center's already diminished operating budget.

The remaining \$95,000 is proposed to help offset a decline in the Center's budget.

The total sum of \$150,000 will enable the Alaska Treatment Center to rehire three physical therapists and, in turn, to serve patients on the waiting list.

What is the Alaska Treatment Center?

It is the only nonprofit medical rehabilitative outpatient facility in Alaska. Since its formation in 1946 as the Alaska Crippled Children's Association, it has treated more than 30,000 adults and children from around the State.

The Center provides an array of physical, speech and occupation therapy services for diagnoses such as cerebral palsy, speech and language disorders, multiple sclerosis, traumatic head injuries, strokes, quadriplegia and paraplegia, and bone and muscle disabilities.

Perhaps most importantly from a public policy point of view, it renders services without regard for the client's ability to pay.

Why just a onetime operating grant?

This onetime appropriation is intended to help the Center make ends meet during a very critical budget shortfall. Once stability is achieved through this appropriation, private fundraising efforts and an endowment fund are expected to meet future needs.

The companion bill (SB 382) would create the Frank Ferguson endowment account to provide an ongoing source of funding to help defray the costs of clients who are unable to pay. It is mentioned here as a point of information to show that there is a real plan to provide transition from this onetime operating grant to a stable source of funding.

ALASKA STATE SENATE

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April 11, 1988
Senate HESS

SPONSOR STATEMENT ON SB 381

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**ALASKA
TREATMENT
CENTER**

Medical Rehabilitation Services

MEMO

DATE: April 4, 1988

TO: House Finance Committee
Senate House HSS Committee
Senate Finance CommitteeSIGNIFICANCE OF HB 428 TO THE
ALASKA TREATMENT CENTERA. Without the \$150,000 appropriation

1. ATC is unable to fill three vacant clinical positions lost in the staff cuts of 12/87. One physical therapist can treat between 10 - 40 patients/month, depending on severeness of illness or injury and intensity of medical need.
2. ATC will continue losing the revenue that three clinicians can generate - approximately \$4,000-10,000/month/each.
3. Continued struggle to meet payroll and operating expenses (ATC currently operates on cash deficit).
4. Patient waiting list will continue to grow (from mid-February to mid-March 1988 an estimated 43 patients were turned away or placed on waiting list).
5. In the mid-term, a diminishing referral base as doctors learn that ATC cannot accomodate patients. There are three outcomes: patients with limited needs will be referred elsewhere locally; those with comprehensive needs will be sent outside - if funding and family support are available; others will not receive care.
6. Staff morale will continue to deteriorate.
7. These budget items will be affected:
 - * Retirement program (third year!)
 - * Staff salaries
 - * Professional education
 - * Medical transcription jobs
 - * Operation of wheelchair van
8. ATC may be forced to look for cost savings in the treatment of the predominantly children, elderly and low income patients who need charity care.

Page 2

B. With the \$150,000 appropriation:

1. ATC can hire up to three clinicians.
2. ATC can admit patients on the waiting list, with the most acute needs receiving priority for admission.
3. By hiring three more therapists ATC can treat most of the patients on the waiting list and recover a normal caseload.
4. With clinical staff producing revenue, the pressure to operate on debt will be eased.
5. There will be an opportunity to reduce ATC's \$120,000 operating line of credit.
6. There will be an opportunity to anticipate funding of these budget items:
 - * Retirement fund
 - * Professional education
 - * Two medical transcription jobs
7. Clinical staff morale will improve.
8. ATC will be able to defer the economic pressure to ration charity care.

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FURTHER Finance

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[] do not pass

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[] individual recommendations

[] further referral to _____

[] letter of intent adopted _____

DFN

Committee [x] attached or [] adopted fiscal note(s)

[] new [] updated or [] previous

[x] zero [] fiscal impact

MEMBERS SIGNING DO PASS

[Handwritten signatures: Keith, Joe]

OTHER RECOMMENDATIONS

2 Ken Feunig - Do Not Pass
Include in Budget

Paul Fisher Do Pass
Chairman signature and recommendation

[x] Committee Backup attached