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# SENATE FINANCE COMMITTEE REPORT

DATE: 4/21/90

FURTHER:

DATE TURNED INTO OFFICE: 4/23/90

The Finance Committee considered

CSHB 54 (Finance)

"An Act expanding the authority of the Older Alaskans Commission to make grants for adult day care programs and family respite care services for frail older persons and other similarly disabled adults; and changing the categories of services that may be included in a service program for older Alaskans."

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_
  - or adopt \_\_\_\_\_ CS \_\_\_\_\_
  - attached amendment(s)
  - \_\_\_\_\_ letter of intent adopted
- same title
  - new title
  - technical title change (HB only)

~~do pass~~

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) DOA 1/17/90

appropriation-no fiscal note

SIGNING DO PASS:

Power

Paul Frank

[Signature]

[Signature]

OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1. \_\_\_\_\_ 2. \_\_\_\_\_

Co-Chairs: Signatures and Recommendations

**FISCAL NOTE**

**REQUEST:**

Revision Date: 1/12/90  
Title: Expanding authority of the OAC to make grants for adult day care  
Sponsor: Ellis  
Requestor: Ellis

Agency Affected: Dept. of Administration  
BRU: Older Alaskans Commission  
Components: \_\_\_\_\_

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
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
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REVENUE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

**POSITIONS:**

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Connie J. Sipe, Executive Director *for*  
Division: Older Alaskans Commission

Phone: 465-3250  
Date: 1/16/90

Approved by Commissioner: Frank Baxter  
Agency: Department of Administration

Date: 1/17/90

Distribution (by preparer):

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

Adopted

Original sponsors: Ellis, Goll,  
Brown, and Hudson

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 54 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act expanding the authority of the Older Alaskans  
7 Commission to make grants for adult day care programs  
8 and family respite care services for frail older  
9 persons and other similarly disabled adults; and  
10 changing the categories of services that may be  
11 included in a service program for older Alaskans."

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

13 \* Section 1. AS 47.65.010 is amended to read:

14 Sec. 47.65.010. OLDER ALASKANS SERVICE PROGRAMS ACCOUNT. The  
15 older Alaskans service programs account is established in the Depart-  
16 ment of Administration. An amount to carry out the provisions of  
17 AS 47.65.010 - 47.65.050 [THIS CHAPTER] may be appropriated annually  
18 by the legislature to the account. The amount appropriated to the  
19 account shall be fully distributed by the Older Alaskans Commission to  
20 sponsors of older Alaskans service programs in accordance with the  
21 provisions of AS 47.65.010 - 47.65.050 [THIS CHAPTER].

22 \* Sec. 2. AS 47.65.040(a) is amended to read:

23 (a) A sponsor receiving a grant under AS 47.65.010 - 47.65.050  
24 [THIS CHAPTER] shall contribute to the total cost of the program or  
25 project. The contribution may be in cash or in-kind services. The  
26 amount of the sponsor's required contribution is determined by the  
27 application of the following formula: average per capita full and true  
28 value of all property in the municipality or community in which the  
29 project or program takes place divided by the average per capita full

1 and true value of all property in the state, and then multiplied by  
2 the contribution percentage to the estimated total program or project  
3 cost as determined by the commission at the time of approval of a  
4 grant application. However, the amount of the sponsor's contribution  
5 may not amount to more than 10 percent of the total program or project  
6 cost.

7 \* Sec. 3. AS 47.65.050 is amended to read:

8 Sec. 47.65.050. ADMINISTRATIVE REQUIREMENTS. Payments received  
9 by a sponsor under AS 47.65.010 - 47.65.050 [THIS CHAPTER] may be used  
10 only to meet costs of services which the commission has determined  
11 directly benefit older Alaskans. A payment may not be made by the  
12 commission under this section unless the commission determines that  
13 the sponsor

14 (1) [THE SPONSOR] meets accepted standards of fiscal ac-  
15 countability for public funds;

16 (2) [THE SPONSOR] can demonstrate, when requested, the  
17 actual cost of services which it is providing for the benefit of older  
18 Alaskans; and

19 (3) [THE SPONSOR] agrees to make available, upon request,  
20 all fiscal information relating to service for which payments are  
21 provided under AS 47.65.010 - 47.65.050 [THIS CHAPTER].

22 \* Sec. 4. AS 47.65 is amended by adding a new section to read:

23 Sec. 47.65.055. ADULT DAY CARE AND FAMILY RESPITE CARE. (a) In  
24 addition to administering grants for adult day care programs and  
25 family respite care services for older Alaskans under AS 47.65.010 -  
26 47.65.050, the commission may make grants under this section from  
27 funds otherwise available to it for adult day care programs and family  
28 respite care services for frail older persons and other similarly  
29 disabled adults.

1           (b) In order to fund grants under this section, the commission  
2 and the Department of Administration may seek and enter into contracts  
3 or grants with any party, including reimbursable service agreements  
4 with other state agencies.

5           (c) The commission shall, by regulation, set fees for services  
6 provided under this section. The fees must be based on a sliding  
7 scale formula that takes into account the client's income.

8           (d) Fees established under (c) of this section may not exceed  
9 the cost of the service. A person may not be denied service based  
10 solely on inability to pay a fee established under this section.

11           (e) In this section

12               (1) "frail older person" means a state resident who is at  
13 risk of institutional placement and

14                       (A) is age 55 or older; or

15                       (B) has Alzheimer's disease or a related disorder;

16               (2) "similarly disabled adult" means a state resident who  
17 is 18 years of age or older who is at risk of institutional placement  
18 but who is not a frail older person or an older Alaskan.

19 \* Sec. 5. AS 47.65.060(3) is amended to read:

20               (3) "service program" means the following general categor-  
21 ies of services to older Alaskans, including reasonable costs of  
22 administration:

23                       (A) nutritional programs;

24                       (B) volunteer programs;

25                       (C) adult day care programs and family respite care  
26 services [PROGRAMS FOR LEISURE-TIME AND RECREATIONAL ACTIVITIES];

27                       (D) health services;

28                       (E) housing services;

29                       (F) legal services and assistance;

- 1 (G) home health and homemaker services;  
2 (H) counseling;  
3 (I) information and referral services;  
4 (J) programs which train persons to work with or  
5 assist older Alaskans;  
6 (K) transportation services;  
7 (L) educational activities; and  
8 (M) employment services;

9 \* Sec. 6. AS 47.65.060 is amended by adding new paragraphs to read:

10 (5) "adult day care" means nonresidential care for a group  
11 of persons that offers supervision, custodial care, and other appro-  
12 priate social, indoor and outdoor recreational, physical, medical, or  
13 psychological services for persons at risk of institutional placement;

14 (6) "at risk of institutional placement" means that a  
15 person is either already a resident of an adult foster home or is  
16 likely to need placement in a 24-hour care residential or nursing  
17 facility, not including a mental health hospital;

18 (7) "family respite care" means intermittent and substitute  
19 care that provides relief for a family caregiver or adult foster home  
20 provider by providing intermittent care in the form of companionship,  
21 temporary supervision, and minor personal care to a person who is at  
22 risk of institutional placement; the service may be provided either in  
23 the home of the client or the caregiver, including in an adult foster  
24 care home if that is the client's residence.

MOST FREQUENTLY ASKED QUESTIONS AND ANSWERS

**What does this legislation accomplish?**

HB 54 makes important amendments to the statutes governing the Older Alaskans Commission. This bill would allow the OAC to make grants to non-profit adult day care and family respite care service providers in order to serve adults under the age of 60 in need of care. Such grants would be made subject to the availability of private, local, state, and federal funding.

**Is there a need for this legislation?**

This bill addresses a critical need to serve adults under the age of 60 in need of day care service. HB 54 recognizes the need for adult day care and respite services for a mixed group of clients, including seniors over 60 with general health problems, adults with Alzheimer's disease, victims of dementia, stroke victims, and the developmentally disabled.

**How much will this legislation cost/save?**

This bill expands the authority of the OAC in providing grant funding to adult day care and respite services to include funding for service to adults under the age of 60. Such grants would be made subject to the availability of private, local, state, and federal funding. Please note the zero dollar fiscal note submitted by the Department of Administration for this bill.

It is also important to note that HB 54 allows the OAC to set fees for these services based on a sliding scale formula, taking the client's income into consideration. At present clients of day care and respite providers ask for voluntary contributions. HB 54 allows providers to capture third-party payments, such as from long term care insurance. No individual would be denied service if unable to pay.

**What are the benefits generated to the state?**

Meeting the needs of community-based services which provide adult day care and family respite care can greatly increase the ability of seniors and disabled people to remain at home, thereby delaying or eliminating the need for costlier, state-funded forms of institutional care.

It is also important to note that this enabling legislation promotes less duplication of services by providing grant monies, as available, to existing adult day care and respite programs to serve a mixed age group of clients. It makes good sense, particularly from a cost perspective, for large and small communities to avoid duplication of services to different groups.