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SENATE FINANCE COMMITTEE REPORT

DATE: 2/13/90

FURTHER:

DATE TURNED INTO OFFICE: 2/22/90

The Finance Committee considered

SSSB 389

An Act relating to the Pioneers' Home.

and recommended:

replace with _____ CS _____
 or adopt _____ CS _____

same title
 new title
 technical title change (HB only)

attached amendment(s)

_____ letter of intent adopted

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 2/19/90

appropriation no fiscal note

SIGNING DO PASS

OTHER RECOMMENDATIONS:

Paul Kelly
James Duncan
Steve Brown
Irue Pearce
Paul Truch

Paul Kelly

1. *Paul Kelly* DO-PASS 2.

Co-Chairs: Signatures and Recommendations

1/B

FISCAL NOTE

REQUEST:

Revision Date: _____
Title : "An Act relating to the
Pioneers' Home"
Sponsor : Sen. Kerttula
Requestor : _____

Agency Affected : Dept. of Administration
BRU : Pioneers' Benefits
Components : Pioneers' Homes

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY91	FY92	FY93	FY94	FY95	FY96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
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	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Adding priority admission of persons in need of the care and benefits of the Home but who are not destitute would very slowly increase the revenues. This is very difficult to predict since the Division has very few admissions into Nursing and Assisted Living where priority now applies. Also most applicants who are destitute have some level of income.

Prepared by : Barbara Bathony *Barbara Bathony* Phone : 465-4400
Division : Pioneers' Benefits Date : 2-7-90

Approved by Commissioner : Frank S. Baxter *Frank S. Baxter* Date : 2/7/90
Agency : Department of Administration

Distribution (by preparer) :

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

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BY SEN. KERTTULA, Szymanski

1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 389

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Pioneers' Home."

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

8 * Section 1. AS 47.25.010(a) is amended to read:

9 (a) The state shall maintain an institution [FOR THE CARE OF
10 NEEDY PERSONS,] known as the Alaska Pioneers' Home. The principal
11 home shall be maintained at Sitka, and a branch may be maintained at a
12 site or sites designated by the commissioner of administration.

13 * Sec. 2. AS 47.25.020 is amended to read:

14 Sec. 47.25.020. ADMISSION TO HOME. (a) Every worthy person
15 residing in the state who is 65 years of age or older, has been a
16 resident of the state continuously for more than 15 years immediately
17 preceding application for admission, and [WHO] is [DESTITUTE AND] in
18 need of the aid or benefit of the home because of physical disability
19 or other cause, is eligible for [ENTITLED TO] admission to the home
20 under the conditions, limitations, and penalties prescribed by the
21 regulations of the Department of Administration. The spouse of a
22 person who is eligible for admission under other provisions of this
23 subsection is also eligible for admission to the home under the condi-
24 tions, limitations, and penalties prescribed by regulations of the
25 department if the spouse is 65 years of age or older and has been a
26 resident of the state continuously for more than 15 years immediately
27 preceding application for admission. In this subsection, "physical
28 disability or other cause" means inability to maintain a household
29 without regular assistance in shopping, housekeeping, meal prepara-

1 tion, dressing, or personal hygiene because of physical or medical
2 impairment, infirmity, or disability [A PERSON MAY NOT BE ADMITTED AS
3 A RESIDENT OF THE ALASKA PIONEERS' HOME UNDER THE PROVISIONS OF
4 AS 47.25.010 - 47.25.100 IF THE SUPPORT AND MAINTENANCE OF THE PERSON
5 IS IMPOSED BY LAW UPON A RELATIVE OR MEMBER OF THE FAMILY OF THE
6 PERSON].

7 (b) Every person admitted to the Pioneers' Home [, EXCEPT A
8 PERSON ADMITTED UNDER AS 47.25.030,] who receives income from any
9 source in excess of \$100 per month may be required by the Department
10 of Administration to pay the excess to the Department of Administra-
11 tion immediately upon receipt of the money in payment, or part pay-
12 ment, of the cost of the person's maintenance. However, the depart-
13 ment may not require in any month the payment of an amount greater
14 than the monthly rate set under AS 47.25.030(b) except to satisfy an
15 indebtedness incurred under AS 47.25.070.

16 (c) At the end of each month the payments made under (b) of this
17 section shall be transmitted to the commissioner of revenue [TOGETHER
18 WITH THE NAMES OF THE PERSONS MAKING THEM AND THE AMOUNT PAID BY
19 EACH]. The Department of Administration may pay to a resident without
20 funds the sum of \$100 per month.

21 (d) The money received by the commissioner of revenue under this
22 section shall be deposited in the general fund. The commissioner of
23 administration shall separately account for money deposited under this
24 section. The annual estimated balance in the account may be used by
25 the legislature to make appropriations to the Department of Adminis-
26 tration to carry out the purposes of AS 47.25.010 - 47.25.100.

27 * Sec. 3. AS 47.25.030(a) is amended to read:

28 (a) A person eligible for admission under AS 47.25.020 [CITIZEN
29 OF THE UNITED STATES OVER 65 YEARS OF AGE WHO IS A RESIDENT OF THE

1 STATE AND HAS BEEN A RESIDENT FOR NOT LESS THAN 15 YEARS CONTINUOUSLY
2 IMMEDIATELY PRECEDING APPLICATION, BUT WHO IS NOT DESTITUTE,] may on
3 application be admitted to the home upon agreement to pay to the state
4 a sum for each month [DAY] as the Department of Administration consid-
5 ers sufficient to compensate the state for the cost of care and sup-
6 port of the person at the home. When this agreement is entered into
7 the Department of Administration may receive [THE] security for the
8 payments that [, WHICH] it considers expedient.

9 * Sec. 4. AS 47.25.030(b) is amended to read:

10 (b) The Department of Administration shall adopt regulations
11 establishing a [DAILY OR] monthly rate for the compensation a resident
12 is to be charged under (a) of this section. The rate charged need not
13 fully compensate the state for the cost of care and support. The
14 commissioner of administration shall review the rate each year.

15 * Sec. 5. AS 47.25.035 is amended to read:

16 Sec. 47.25.035. EXCEPTION TO ADMISSION CRITERIA. An applicant
17 for admission to the home who has been a resident of the state for 30
18 years and is otherwise qualified for admission under AS 47.25.020 [OR
19 47.25.030] may not be disqualified for admission because of absence
20 from the state if the commissioner of administration determines the
21 absence was reasonable and admission is consistent with the intent of
22 AS 47.25.010 - 47.25.100 [THIS CHAPTER].

23 * Sec. 6. AS 47.25.070(a)(3), 47.25.070(a)(6), 47.25.070(b), 47.25.-
24 070(c), 47.25.070(d), and 47.25.070(e) are repealed.

An Analysis of the Need for

SSSB 389

The following is a narrative relating (1) the history of the procedure for admittance to Alaska's Pioneer Homes; and (2) explaining the suggested corrective legislation SSSB 389.

ORIGINAL PROCEDURE: When the Pioneer Homes were originally started the admittance procedure was two-pronged. They were open to anyone 65 yrs of age who had been a resident of the state continuously for 15 years immediately preceding application, and (1) "....were destitute and in need of the aid and benefit of the home because of physical disability or other cause...."; or, (2) "....who is not destitute....and upon agreement to pay to the state a sum each day....for the cost of care and support of the person at the home."

ADMINISTRATIVE INTERPRETATION: At some point in time, cloudy in most people's minds, it became an administrative determination that those persons who were destitute should have priority in admission to the homes. Regulations were promulgated and adopted providing for this type of priority admission procedure. One line of reasoning as to why this happened was that there were, at some time, too many residents of the homes who were paying for their care, in the manner of a hotel or boarding house, and did not really need the unique type of service the homes were intended to provide. This was considered inappropriate even though they were legally entitled to the opportunity as provided by the existing law. Another theory, suggested by some, was that the homes were really meant for indigents and that those other older Alaskans, with the financial means, should find private nursing or retirement homes and not look to the state for this type of care. Whatever the actual reason the administrative bureaucracy adopted, and put into actuality, the admission procedure that provides that indigents would be first if they were destitute irrespective of whether they were incapacitated or not.

ADMISSION INEQUITY: Needless to say the admission procedure presently in force, which has previously been described, is not only highly unsatisfactory, but is considered by many as grossly discriminatory. This is especially true when considering the concept upon which the homes were originally established. Presently the home's administrator has adopted two admission lists. One is an "indigents" list; the second list, I suppose, is labeled "others". No matter how long someone, who is in all other respects qualified for admis-

sion, is at the head of the "others" list, anyone who is judged destitute can apply and be placed on the "indigents" list and become admitted before anyone on the "others" list irrespective of how long that person has been waiting. Some seniors signed everything over to their heirs and declared themselves destitute in order to beat the system. The administrators responded by putting a requirement of being an indigent for two years prior to being allowed admittance. Obviously a problem exists and there is an urgency that it be resolved as rapidly as possible. The administrators recognize the need also and are hopefully looking to the legislature to rectify it.

CORRECTING THE PROBLEM: The Governor, the Pioneer Benefits Division, and the Pioneers of Alaska are all in agreement that SSSB 389 will go a long way in resolving the admittance problem. By removing the word "destitute" and defining the existing language "physical disability or other cause" this proposal appears to remove the discriminatory admission practice while at the same time equally protecting the rights of all our citizens. If SSSB 389 is adopted all applicants for entry to the Pioneers Homes will be judged equally (except in certain instances explained later). This judgement will be on their inability to maintain a household without regular assistance in shopping, housekeeping, meal preparation, dressing, or personal hygiene because of physical or medical impairment, infirmity, or disability and not on their ability to pay. The spouse of a person who qualifies for admission may also make application for admission at the same time the disabled person applies if the spouse is 65 yrs. of age and has been resident in the state continuously for 15 yrs. (This is the exception mentioned above.) The Dept. of Administration shall establish monthly rates of reasonable compensation a resident may be required to pay for his or her care if the person is financially capable of doing so. Under no circumstance will a person be refused admittance because of their failure of being able to pay. Conversely applicants who have alternate means of care will be encouraged to make use of them rather than overtax the limited space available in the Pioneers Homes.

ENDORSEMENT: The Pioneers of Alaska most heartily endorse SSSB 389 and recommend its earliest passage.

Bill Ray, Registered Lobbyist
Pioneers of Alaska