

**HB**

**54**

# FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: Relating to the Older  
Alaskans Commission  
 Sponsor: Ellis  
 Requestor: House Rules Committee

Agency Affected: None  
 BRU: \_\_\_\_\_  
 Components: \_\_\_\_\_

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

OPERATING	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
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<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS: N/A**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Fiscal Note updated from previous year.

Prepared by: Rep. Ben Grussenorf, Chairman  
 Division: House Rules Committee

Phone: 465-3764  
 Date: 1/12/90

Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

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

**Distribution (by preparer):**

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

SENATE COMMITTEE REPORT

DATE: January 16, 1990

FURTHER: State Affairs  
Finance

DATE TURNED INTO OFFICE: 4/2/90

H E S S, Committee considered CS FOR HOUSE BILL 54 (Fin)

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) \_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

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

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

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

[Signature] (No Rec)  
[Signature] (no Rec.)  
\_\_\_\_\_  
\_\_\_\_\_

Dave Frick (Do Pass)  
Chair: Signature and Recommendation

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. House Bill 54 encourages the OAC to seek available funds to more efficiently serve adults with Alzheimer's disease, developmental disabilities, or other related disorders

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# ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP



CHAIR  
HEALTH, EDUCATION & SOCIAL SERVICES

JUDICIARY

SPECIAL COMMITTEE ON  
FOREIGN & DOMESTIC TRADE

*Adult Day  
Care*

FEB 20 1990

REPRESENTATIVE JOHNNY ELLIS

## MEMORANDUM

TO: Sen. Paul Fischer, Chair, Senate HESS Committee

From: Rep. Johnny Ellis *JE*

Date: February 20, 1990

RE: CSHB 54(FIN); grants for adult day care and respite care services

I respectfully request once again that you schedule CSHB 54(FIN) for a committee hearing at your earliest possible convenience.

I have introduced this legislation in response to the enormous need for adult day care programs and family caregiver respite in Alaska. CSHB 54(FIN) makes important amendments in the statutes governing the Older Alaskans Commission. These changes are necessary to allow the commission 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 who are in need of care. Such grants are made subject to the funding availability of private, local, state, and federal funding.

Presently, the OAC is the only funding source for adult day care. However, there are many adults in need of day care who are not seniors. CSHB 54(FIN) recognizes the need for day care 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. This bill addresses a critical need to serve these adults under the age of 60.

This bill also addresses the need for "time out" or respite care for families who care for disabled adults or seniors. Respite care can indefinitely extend the ability of a family to continue in-home care. It provides family members with periodic breaks to alleviate stress created by the demands of caring for adults with special needs. While respite care is available in certain areas of the state for families of the developmentally disabled, it is currently available for seniors only in the Fairbanks area.

Memorandum  
February 20, 1990  
Page Two

It is important to note that CSHB 54(FIN) allows OAC to set fees for these services based on a sliding scale formula that considers the client's income. No individual would be denied service if unable to pay for such a service.

Upon introduction, CSHB 54(FIN) was referred to the Health, Education & Social Services Committee, the State Affairs Committee, and the Finance Committee. The HESS Committee adopted a HESS substitute for HB 54 which amended the title, added "indoor and outdoor recreational" (services) to the definition of "adult day care" in Section 6 on page 4, and deleted a reference to time, ("within the next six months"), in the definition of "at the risk of institutional placement" as well. The State Affairs Committee moved the HESS CS for HB 54.

The Finance Committee adopted a Finance substitute for HB 54, which deleted language in Section 4 (c) on page 3, referring to the income of the client's immediate caregiver family in determining the fee schedule for adult day care and family respite care. As amended, the sliding scale fee formula will take into account the client's income in determining any appropriate fees to be assessed.

You are welcome to contact me or Rex Gist of my staff if you have any questions. I appreciate your time and consideration.

# Older Alaskans Commission

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Juneau, Alaska 99811-0209  
907/465-3250

## POSITION PAPER COMMITTEE SUBSTITUTE HOUSE BILL 54

The Older Alaskans Commission (OAC) strongly urges the passage of CSHB 54. CSHB 54 contains two major changes which pave the way for developing an expanded funding base for the adult day care and respite services offered by grant programs funded through the OAC.

First, CSHB 54 allows adult day care and respite providers to capture third-party payments, such as from long term care insurance, by authorizing the OAC to set fees for these services, along with a sliding fee schedule. (Clients are now asked to make voluntary contributions for service.)

Secondly, CSHB 54 allows the OAC and its grantee providers to serve adults under the age of 60, if alternate funding or third-party sources to support the expanded service can be found e.g., Alzheimer's victims younger than 60 might be served with funding from community mental health grants).

Although some day care centers or respite providers might choose to restrict their client population to seniors, providers in smaller communities might be able to open an economically viable day care service only if they accept a broader group of clients. For example, a day care center in a town the size of Homer could serve a majority of seniors (over 60), stroke victims or Alzheimer's victims ranging in age from 45 to 60, and a few developmentally disabled adults. Note however, that CSHB 54 does not require the OAC or any of its grantees to offer services to persons under 60.

The Older Alaskans Commission has funded adult day care centers since 1980, and currently funds eight day care centers and two in-home respite programs. In FY 89, the day care centers served 209 older Alaskans, and 75 other seniors received respite service. So far, these programs have been based in larger communities, but the need is growing in smaller communities as well. Also, many "similarly disabled adults" who are not 60 are in need of day care or respite services. CSHB 54 authorizes the OAC to seek creative ways to meet these needs for community-based services--services which keep people in their homes, and which enable family caregivers to maintain home care for a longer period of time.

Although CSHB 54 will assist in the maintenance and possible expansion of adult day care centers and respite programs, it actually contains the first state statutory reference to these particular types of service. Until now, the OAC has operated such programs under the definitions contained in the federal Older Americans Act, or the general category of "health services" in AS 47.65.060 (3)(D). By inserting adult day care and respite as separately authorized services, at page 3, lines 22 and 23, the legislature will give recognition to the importance of these services. (At the same time, deletion of reference to leisure-time and recreational activities recognizes and sanctions the OAC's priority to fund home and community services to promote independent living, and to leave leisure-time activities, valuable as they are, to local efforts.)

The Older Alaskans Commission believes strongly in the value of adult day care and family respite care services. They are an integral part of the OAC's policy to promote independent living which, for many seniors or other disabled persons, can delay or eliminate the need for costly and restrictive institutional placements. Therefore, the Older Alaskans Commission supports the passage of CSHB 54.

APPROVED:

Francis B. Toland  
Peggy Burgin, Chair  
Older Alaskans Commission

DATED: 1/16/90

REVIEWED:

Frank Baxter  
Frank Baxter, Commissioner  
Department of Administration

DATED: 1/17/90

[NOTE: A chart showing current OAC adult day care and family respite care providers, clients, and funding is attached.]

## 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						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>	0	0	0	0	0	0
<b>REVENUE</b>	0	0	0	0	0	0

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

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

Prepared by: Connie J. Sipe, Executive Director *for* Francis B. Inland  
Division: Older Alaskans Commission  
Approved by Commissioner: Frank Baxter *Baxter*  
Agency: Department of Administration

Phone: 465-3250  
Date: 1/16/90  
Date: 1/17/90

Distribution (by preparer):

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

OLDER ALASKANS COMMISSION

CSHB 54  
Attachment to  
Position Paper

ADULT DAY CARE CENTERS AND FAMILY RESPITE PROGRAMS  
FUNDED BY THE OAC -- FY 90

<u>Project Name &amp; Community</u>	<u>No. of Clients</u> (Average Daily)	<u>OAC Funding</u>
Daybreak Day Care (Anchorage Community Mental Health)	23	\$ 165,518
Serendipity Day Care-Anchorage (Salvation Army)	24	138,775
Rendezvous Day Care--Ketchikan (Easter Seal)	16	97,403
The Bridge Day Care--Juneau (Southeast Senior Services)	33	64,600.
Forget-Me-Not Day Care-- (City of Kenai)	12	79,883
Palmer/Mat-Su Day Care	12	51,300
<i>Local ? match?</i> Caring and Sharing Day Care (Chugiak Senior Center)	19	109,878
Fairbanks Resource Agency Day Care	20	75,300
Senior Respite Care--Fairbanks Resource Agency	44	74,918
Respite Care -- Anchorage (Home Health Care)	12	19,824
Homer Day Care Development		12,000
PROJECTED TOTAL CLIENTS SERVED	FFY 89: 284	TOTAL: \$ 889,399

ESTIMATE OF PER CLIENT COST -- FY 88

Exact client costs are difficult for the OAC to calculate, as some day care clients attend the center five days a week, others only once to twice. Similarly, the Fairbanks respite program offers up to 40 hours per month of respite care, but families vary in their actual hourly usage.

	<u>Adult Day Care</u>	<u>Respite Care</u>
Approx. Unit Cost in OAC funds	\$ 3.52 hour	\$ 8.53 hour
Annualized Cost in OAC funds per client	\$1,917 per year	\$1,582 per year