

SB

444

I USE COMMITTEE REPORT

(11)

Date Referred: May 17, 1991

FURTHER REFERRALS:

Date of Committee Action: 5/11/92

The FINANCE Committee considered:

CSSB 44(FIN)

CS FOR SENATE BILL NO. 44 (FINANCE)

CONSTRUCTION & OPERATION OF VETS' HOME

"An Act relating to the establishment and operation of state veterans' home facilities; and providing for an effective date."

RECOMMENDATIONS:

be replaced with HCS CS SB 44 (FIN) the same title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact Admin

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Mike Swane</u> NAUAYRE	✓				
<u>Mark Bahr</u> Bahr	X				
<u>Kay Brown</u> BROWN	✓				
<u>Madonna</u> Koponen	✓				
<u>Robert J. Jacko</u> JACKO	✓				
<u>Robert Phillips</u> Phillips	✓				
<u>Ronald J. Larson</u> LARSON	X				
<u>Fi Ulmer</u> Ulmer	X				

Mike Swane NAUAYRE
CHAIRMAN'S SIGNATURE

FISCAL NOTE

BILL NO. HCSCSSB 44

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: May 8, 1992
Title: State Veterans Home
Sponsor: Senator Kerttula
Requestor: Finance Committee

Department Affected: Administration
BRU: Pioneers' Benefits
Component: Pioneers' Homes

COMPONENT

0	0	:	3	4
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	45.0	545.5	1,828.5	1,828.5	1,828.5
TRAVEL	5.0	3.0	5.0	15.0	3.0	3.0
CONTRACTUAL	80.0	0	245.0	857.0	857.0	857.0
SUPPLIES	0	0	25.0	129.0	129.0	129.0
EQUIPMENT	0	0	0	0	10.0	10.0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	2.0	10.0	10.0	10.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	85.0	48.0	822.0	2,839.5	2,837.5	2,837.5

CAPITAL	0	10,720.0	50.0	0	0	0
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REVENUE FUND SOURCE:	85.0	6,968.0	50.0	690.3	690.3	690.3
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FUNDING: (Thousands of Dollars)

GENERAL FUND	85.0	3,800.0	822.0	2,149.2	2,147.2	2,147.2
FEDERAL FUNDS	0	6,968.0	45.0	322.7	322.7	322.7
OTHER FUND SOURCE	0	0	55.0	367.7	367.7	367.7
TOTAL	85.0	10,768.0	922.0	2,839.6	2,837.6	2,837.5

POSITIONS:

FULL-TIME	0	1	1	32	32	32
PART-TIME	0	0	25	9	9	9
TEMPORARY	0	0	0	5	5	5

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Dennis L. DeWitt, Director
Division: Pioneers' Benefits

Phone: 465-4400
Date: May 8, 1992

Approved by Commissioner: Nancy Bear Usera
Agency: Administration

Date: 5/8/92

Distribution (by preparer): Legislative Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

FISCAL NOTE

No. 3

Bill Version: HCS CSSB 44 (MLV)

(H) Publish Date: 5/15/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: May 14, 1991

Department Affected: Military and Veterans Affairs

Title: Establishment and operation of

BRU: Veterans Affairs

State Veterans home

Component: Veterans Home

Sponsor: Sen. Kertulla

Requestor: House DMVA Committee

COMPONENT SERIAL NO.

N	E	W	
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES			170.5	170.5	170.5	170.5
TRAVEL			3.0	3.0	3.0	3.0
CONTRACTUAL			2577.5	2577.5	2577.5	2577.5
SUPPLIES						
EQUIPMENT				10.0	10.0	10.0
LAND & STRUCTURES						
GRANTS, CLAIMS			6.0	6.0	6.0	6.0
MISCELLANEOUS						
TOTAL OPERATING			2757.0	2767.0	2767.0	2767.0

CAPITAL						
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REVENUE			669.3	669.3	669.3	669.3
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FUNDING: (Thousands of Dollars)

GENERAL FUND			2087.7	2097.7	2097.7	2097.7
FEDERAL FUNDS			322.7	322.7	322.7	322.7
OTHER			346.6	346.6	346.6	346.6
TOTAL						

POSITIONS:

FULL-TIME			3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared By: Jeff Morrison, Director

Phone: 465-4600

Division: Administrative Support and Services

Date: 14 May 91

Approved by Commissioner: _____

Morrison for

Hugh I. Cox III

Agency: Military and Veterans Affairs

Date: 14 May 91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE TO CSSB 44 (FIN)
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
May 14, 1991

This fiscal note was prepared relying on information provided by the Division of Pioneer Benefits. There has not been sufficient time to perform an independent and thorough analysis of the impact of this bill on DMVA, and further in depth study may require adjustments to the projected operating costs of a state veterans home.

This fiscal note is based on the following assumptions:

1. Any funding to construct a state veterans home would be the subject of a separate appropriation bill or an appropriation in a capital budget bill. Capital costs are not shown in this fiscal note because the bill is authorizing legislation only.
2. Testimony to date for this bill has assumed a state veterans home the approximate size of the Juneau Pioneers Home, with 32 nursing beds and 20 residential beds. Construction costs for such a home would be approximately \$3,000,000 state funds and \$5,570,000 federal funds.
3. For ease of understanding this fiscal note, the assumed start-up operating date of a state veterans home is July 1, 1993 (i.e., FY94). If capital funds were appropriated in the 1991 legislative session, the actual start-up date could be as soon as April 1, 1993.
4. In the event that capital funds are appropriated in the 1991 legislative session for construction of a state veterans home, DMVA would request that some of those capital funds be used to fund the administrative costs of overseeing the design of the home, and to prepare the requests for proposals to operate the home under contract. These expenses would be from the capital budget appropriation, if there is one, and are not shown on this fiscal note.

The attached letter from Barbara Bathony, the Director of the Division of Pioneer Benefits, provides an estimate of the normal annual operating costs of the state veterans home being proposed, if the operation of the home were contracted out to the maximum extent possible. This letter is used as the basis of the DMVA fiscal note, with the following exceptions for the reasons noted:

1. Because of the lack of a health care infrastructure of professionals in DMVA, we will need the administrative person charged with monitoring the contract with the health care organization running the veterans home to be at least an Admin Officer, with an increase in cost of \$15,000 per year.
2. We foresee a need to draw on the expertise in the Division of Pioneer Benefits a great deal in the establishment, start-up, and continued operation of the veterans home. This will require a reimbursable services agreement, at a rough estimated cost of \$20,000 per year. The RSA for this purpose would be charged to the capital budget for the first two years, until the veterans home was operational.
3. Travel costs are expected to be higher than indicated in Ms. Bathony's letter because of the need for the Veterans Affairs director and Administrative Officer to visit Juneau a few times each year to consult with the Division of Pioneer Benefits on operation of the veterans home.

4. Federal operating revenue projections are based on per diem paid by Department of Veterans Affairs (32 nursing residents @ \$22/day; 20 domiciliary residents @ \$9/day)

5. State operating revenue projections are based on collecting room rent from residents based on charges of \$800/month for nursing beds, and \$525/month for residential beds. Based on experience of Pioneers Homes, it is assumed that approximately 80% of the possible revenue can be collected due to vacancies and inability to pay.

Fiscal Note, CSSH 44 (FIN), page 3 of 6

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STATE OF ALASKA

- WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

P.O. BOX CL
JUNEAU, ALASKA 99811-0211
PHONE: (907) 465-4400

March 13, 1991

The Honorable Jay Kerttula
Alaska State Senator
P.O. Box V
Juneau, AK 99811

Dear Senator Kerttula:

This letter is in response to your request to calculate the cost projections for the operation of the Veterans Home in Palmer under full management contract. This would include the labor, all professional and other subcontracts, all supplies, except building maintenance and capital expenditures.

The cost reductions are based on the savings of about 19% in the food service/laundry/housekeeping section, a savings of about 10% in the cost of nurses aides and office personnel, an increase of 15% for the Administrator, and an increase in the cost of licensed nursing personnel. All costs are based on FY 1992.

Personnel costs:

1 Maintenance Mechanic	\$59,000
1 Maintenance Worker	\$51,500
1 Admin. Assist. in Central Office Anch.	\$45,000

Travel to inspect home, site visits to Palmer	\$1,000
--	---------

Contractual:

Food Service/Housekeeping/Laundry includes supplies for these areas	\$630,325
Professional contracts, utilities, etc.	\$227,075
Office, nursing labor	\$1,515,130
Administration, management fee	\$185,000

Grants to destitute residents	\$6,000
-------------------------------	---------

Total cost of operation under
management contract

\$2,685,030

2,720,030 *jm*

The above figure are a rough estimate. By the year 1994 the first full operation of the facility the cost may increase. The above

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FN, CSSB 44, p. 416

March 13, 1991

estimate also stipulates that medical supply costs will not increase drastically, and that medications will be paid for by the Veterans Administration. The cost of medication per residents in the Pioneers' Home in 1990 was from \$130-200 average.

Sincerely,

Barbara Bathony

Barbara Bathony, Director
Division of Pioneers' Benefits

bb1/0313-c
Enclosure

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FN, CSSB 44, p. 5/6

Juneau Pioneers' Home
 State-Operated v. Contracting
 Food Service, Housekeeping, Laundry
 March 12, 1991

State Staffing	#	Time Status	Per Employee	Total
Food Service Contract				\$129,300
Food Service Wkr. WG60	3	FT	\$41,000	\$123,000
Food Service Wkr. WG60	3	PT	\$29,600	\$88,800
Food Service Wkr. WG60	1	NP	\$2,500	\$2,500
Cook II WG57	2	FT	\$47,500	\$95,000
Cook II WG57	2	PT	\$36,180	\$72,360
Housekeeping/Laundry				
Custodian I WG60	3	FT	\$39,900	\$119,700
Custodian I WG60	1	PT	\$17,263	\$17,263
Custodian I WG60	1	NP	\$2,500	\$2,500
Custodian II WG59	1	FT	\$45,185	\$45,185
Custodian II WG 59	1	PT	\$31,900	\$31,900
Laundry Worker WG60	2	FT	\$40,000	\$80,000
Cust. Svcs. Foreman WG54	1	FT	\$56,000	\$56,000
Misc. Household Supplies				\$45,000
Total	21			\$779,208

Contracting	Total	Total Savings	Total Percentage
Food Service/Housekeeping/Laundry	\$630,325	\$148,883	19.11%

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FN, CSSB 44, p.6/6

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HOUSE CS FOR CS FOR SENATE BILL NO. 44 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS KERTTULA, Pourchot, Duncan

REPRESENTATIVE Ivan

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the establishment and operation of state veterans' home facilities; and
2 providing for an effective date."

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

4 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

5 (1) under the Veterans Health Services and Research Administration State Home Program
6 in the United States Department of Veterans Affairs, funds are available to help states establish state
7 veterans' homes;

8 (2) priority under the federal program is granted to states that have not previously
9 received a veterans' home grant and have high unmet needs for care of veterans;

10 (3) a large number of veterans reside in Alaska; and

11 (4) there is no state veterans' home to meet the needs of these veterans.

12 (b) The purpose of this Act is to direct the Department of Administration to establish and operate
13 state veterans' homes in such a manner as to be eligible for the maximum amount of federal funds for
14 the homes.

1 * Sec. 2. AS 44.21.020 is amended to read:

2 Sec. 44.21.020. DUTIES OF DEPARTMENT. The Department of Administration shall

3 (1) [REPEALED

4 (2)] make surveys and studies to improve administrative procedures, methods, and
5 organization;

6 (2) [(3)] keep general accounts;

7 (3) [(4)] approve vouchers and disburse funds for all purposes;

8 (4) [(5)] operate centralized purchasing and supply services, and necessary
9 storerooms and warehouses;

10 (5) [(6)] allot space in state buildings to the various departments according to
11 need and available space;

12 (6) [(7)] supervise telephone, mailing, messenger, duplicating, and similar services
13 adaptable to centralized management;

14 (7) [(8)] administer the public employees' retirement system and teachers'
15 retirement system;

16 (8) [(9)] administer a statewide personnel program, including central personnel
17 services such as recruitment, examination, position classification, and pay administration;

18 (9) [(10)] administer the Alaska Pioneers' Homes;

19 (10) [(11)] administer and supervise a statewide automatic data processing
20 program;

21 (11) [(12)] REPEALED

22 (13)] study, design, implement, and manage the telecommunications systems and
23 services of the state under AS 44.21.305 - 44.21.330;

24 (12) [(14)] administer the office of equal employment opportunity;

25 (13) administer state veterans' home facilities; in carrying out its duties under
26 this paragraph, the department shall consult with the Department of Military and Veterans'
27 Affairs.

28 * Sec. 3. AS 44.21 is amended by adding a new section to read:

29 Sec. 44.21.035. STATE VETERANS' HOME FACILITIES. (a) The Department of
30 Administration shall apply for federal assistance to establish and operate state veterans' home
31 facilities that provide domiciliary care. The department, within available funds, shall establish

1 and operate veterans' homes at sites selected by the commissioner of administration after
2 consultation with the adjutant general and veterans' organizations.

3 (b) A person who resides in a veterans' domiciliary home operated under this section
4 shall pay the Department of Administration a monthly charge established by the department by
5 regulation in payment of the cost of the care. The charges shall be designed so that, when
6 combined with federal or other nonstate assistance that may be received on behalf of the
7 residents, all costs of care are paid by residents. The regulations may provide for exemptions
8 or reductions based upon hardship.

9 (c) In this section, "domiciliary care" means care given in a state home for veterans, as
10 that term is defined in 38 U.S.C. 101(19), that does not provide nursing home care or related
11 medical services and that meets the standards required under 38 U.S.C. 5034.

12 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

HOUSE CS FOR CS FOR SENATE BILL NO. 44 ()
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): SENATORS KERTTULA, Pourchot, Duncan

REPRESENTATIVE Ivan

A BILL

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8 organization;

9 (2) [(3)] keep general accounts;

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11 (4) [(5)] operate centralized purchasing and supply services, and necessary
 12 storerooms and warehouses;

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 14 need and available space;

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2 adaptable to centralized management;

3 (7) [(8)] administer the public employees' retirement system and teachers'
4 retirement system;

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6 services such as recruitment, examination, position classification, and pay administration;

7 (9) [(10)] administer the Alaska Pioneers' Homes;

8 (10) [(11)] administer and supervise a statewide automatic data processing
9 program;

10 (11) [(12) REPEALED

11 (13)] study, design, implement, and manage the telecommunications systems and
12 services of the state under AS 44.21.305 - 44.21.330;

13 (12) [(14)] administer the office of equal employment opportunity;

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15 this paragraph. the department shall consult with the Department of Military and Veterans'
16 Affairs.

17 * Sec. 2. AS 44.21 is amended by adding a new section to read:

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19 Administration shall apply for federal assistance to establish and operate state veterans' home
20 facilities that provide domiciliary care. The department, within available funds, shall establish
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22 consultation with the adjutant general and veterans' organizations.

23 (b) A person who resides in a veterans' domiciliary operated under this section shall pay
24 the Department of Administration a monthly charge established by the department by regulation
25 in part payment of the cost of the person's care. The charges shall be designed so that, when
26 combined with federal assistance that may be received on behalf of the residents, substantially
27 all costs of care are paid by residents. The regulations may provide for exemptions or reductions
28 based upon hardship.

29 (c) In this section, "domiciliary care" means care given in a state home for veterans, as
30 that term is defined in 38 U.S.C. 101(19), that does not provide nursing home care and that meets
31 the standards required under 38 U.S.C. 5034.

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

BY SEN. ZHAROFF

LETTER OF INTENT FOR
CS SB 44 (FIN)

It is the intent of the legislature that passage of SB 44, "An Act relating to the establishment and operation of state veterans' home facilities; and providing for an effective date." should not preclude communities other than those in the Matanuska-Susitna Valley area from being considered as the site of the first state veterans' home in Alaska.

Senate adopted 5/10/91

STATE OF ALASKA

WALTER J. HICKEL, GOVERNO

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

P.O. BOX CL
JUNEAU, ALASKA 99911 0211
PHONE: (907) 465-4400

March 13, 1991

The Honorable Jay Kerttula
Alaska State Senator
P.O. Box V
Juneau, AK 99811

Dear Senator Kerttula:

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The cost reductions are based on the savings of about 19% in the food service/laundry/housekeeping section, a savings of about 10% in the cost of nurses aides and office personnel, an increase of 15% for the Administrator, and an increase in the cost of licensed nursing personnel. All costs are based on FY 1992.

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management contract

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FN, CSSB 44, p. 416

March 13, 1991

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Sincerely,

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Barbara Bathony, Director
Division of Pioneers' Benefits

bb1/0313-c
Enclosure

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FN, CSSB 44, p.5/6

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COMMITTEE COPY



Alaska State Legislature

SENATE

Official Business

MEMORANDUM

P.O. Box V
State Capitol
Juneau, Alaska 99811

mike
TO: Representative Mike Navarre
Co-Chair, House Finance Committee

FROM: Senator Jay Kerttula *Jay*

SUBJECT: Senate Bill 44 and SJR 9 - Veterans' Homes

DATE: January 14, 1992

I would appreciate it if you would calendar House CS for CS for Senate Bill 44(State Affairs), authorizing the Department of Military and Veterans' Affairs to construct and operate veterans' homes in the Matanuska-Susitna Valley and at other sites within the state. As you may be aware, this bill has strong support from groups representing more than 65,000 Alaskan veterans.

SJR 9 is companion legislation to SB 44 which urges the federal government to approve the state's application for funds to establish and maintain a state veterans home.

As authorized by Title 38 United States Code 5031-5037, the federal government assists states in constructing, acquiring, expanding, remodeling or altering buildings for furnishing domiciliary or nursing home care to veterans in state homes. The federal government pays up to 65% of the construction or alteration costs of the building or buildings. They also assist with operational costs by paying a per diem rate which varies according to the type of care provided.

State veterans' homes are medium to large facilities which have domiciliary, infirmary, and nursing care beds. Currently, there are 63 homes in 38 states, with two more homes under construction. Admission requirements vary from from state to state, with up to 25 percent of the occupants allowed to be nonveterans.

I would appreciate your favorable consideration of this request.

Alaska State Legislature



Sen. Jay Kerttula, Co-Chairman
Sen. Pat Pouchot, Co-Chairman

Sen. Al Adams
Sen. Jim Duncan
Sen. Lyman F. Hoffman
Sen. Dick Shultz
Sen. Rick Uehling

Senate Finance Committee

State Capitol
Juneau, AK 99801-1182
(907) 465-1200
(907) 463-3066 Fax

Box 1009
Palmer, AK 99645
(907) 376-2675
(907) 376-0315 Fax

SPONSOR STATEMENT Veterans' Legislation by Senator Jay Kerttula

There are over 70,000 veterans residing in Alaska. Presently, there is no veterans' home in Alaska. The federal government will provide funding for 90 days of nursing home care for veterans in Alaska but after this, veterans who are not medicaid eligible must travel outside of Alaska for care. This results in veterans being separated from home and family; in some cases, veterans are homeless and "on the street" in Alaskan communities.

Alaska's veterans' organizations contacted Senator Kerttula to ask for his assistance in establishing a veterans' home in Alaska to alleviate the present situation.

As a result, Senator Kerttula has submitted two bills to the legislature relating to veterans' homes.

Senate Bill 44 is enabling legislation which allows the Department of Administration to establish veterans' homes in the Matanuska-Susitna Valley and other locations. This is patterned on the Department of Administration's authority to administer pioneers' homes in Alaska.

The Matanuska-Susitna Valley offers a location where there is a large amount of available land, a readily available work force, a large number of resident veterans, close proximity to an urban area and close proximity to a pioneers' home.

The Veterans Administration administers a grant program for the construction of veterans homes known as Grants to States for Construction or Acquisition of State Home Facilities.

Providing the state meets certain requirements, the Veterans Administration contributes 65 percent of the construction costs. The Veterans Administration also provides a per diem to the state for veterans in domiciliary or nursing home beds.

There is a total estimated construction cost of approximately \$8.57 million. The land and utilities hook-up will be provided by the City of Wasilla or the City of Palmer.

Senate Joint Resolution 9 urges the federal government to approve the state's application for funds to establish and maintain a state veterans' home.

information on state veterans' homes provided by Senator Kerttula:

A state veterans' home is different from a veterans' hospital:

A state veterans' home is established by a state for veterans disabled by age, disease, or otherwise who is incapable of earning a living. A state home does not provide hospital care.

How are construction grants awarded?

First priority is accorded to applications for which a state has appropriated at least 35 percent of its share. Alaska would be at the top of this priority list since we do not have a veterans home. (Several states have more than one home.)

A state veterans' would not compete with private nursing homes:

There are over 63,000 veterans in Alaska. The VA will only reimburse in-state private nursing home care for Alaskan veterans for approximately 90 days. Currently, the VA sends approximately 12 Alaskans a year to nursing beds in state veterans' homes and federal VA hospitals outside the state. These 12 Alaskans have used up the 90 days for which the VA will reimburse in-state nursing homes. These 12 veterans are not medicaid-eligible, otherwise medicaid would pay the cost of their nursing care in Alaska.

Many veterans are ineligible for medicaid, so a private nursing home is not an option.

Private nursing homes charge more than \$200 a day. Medicaid pays the total charges for 70 percent of private nursing home patients. Many patients need to completely deplete their personal resources before they are medicaid-eligible. This is not an option for most veterans. Anyone who receives more than \$1,221 a month is ineligible for medicaid. Disabled veterans receive between \$76 and \$1,600 per month in disability payments, alone. Together with social security and pension plans, disability payments put many veterans over the medicaid limit.

There is a shortage of long-term nursing care beds in the Anchorage/Mat Su Area.

As of January 31, 1991, there were only 9 vacant beds in the Anchorage/Mat Su Area.

11 2

**PROPOSAL BY SENATOR KERTTULA
FOR AN ALASKA STATE VETERANS' HOME
IN THE MATANUSKA-SUSITNA VALLEY**

	STATE COST	
Land Acquisition:	-0-	In-kind donation from the Matanuska-Susitna Borough or existing state land. Value of \$1.5 million, no state appropriation required.
Construction Costs:	\$3,000.0	Total estimated construction cost of \$8,570.0, based on the construction cost of the Juneau Pioneers' Home. Federal share of \$5,570.0 As with the pioneers' homes, no certificate of need process anticipated, therefore no need for a study.
Annual Operating Costs	\$1,709.6	Total annual operating cost of \$2,400.0 in FY 90 dollars, identical to the Juneau Pioneers Home, with 20 residential beds and 32 nursing beds. \$322.7 in revenue from the Veterans Administration, based on \$9 per day for residential beds and \$22 per day for nursing beds. \$367.7 annual revenue in rent from the residents, based on a rental charge of \$640 per month for nursing beds and \$508 per month for residential beds. Veterans on disability receive between \$76 and \$1,500 per month. Veterans who reside in state homes receive no reduction in veterans benefits, so these funds would be available for rent.
Services Provided:		Anticipated to be identical to the Juneau Pioneers' Home: physical therapist on staff, occupational therapist on contract, speech therapist on

contract, pharmacist on contract, dentist on contract, and medical doctor on contract. A dietician would be included as a part of the food services contract, not only to design the meal plan but also to work with residents to determine their dietary needs.

Demand/Need

It is estimated that there are between 63,000 and 73,000 veterans in Alaska. Currently the VA sends 12 Alaskans a year outside the state to nursing home placement, as the VA will only reimburse private nursing home care in Alaska for approximately 90 days. The VA does not know how many Alaskans leave the state every year to go to domiciliary beds in outside homes -- these veterans leave the state on their own to establish residency in whichever state they are entering. The St. Francis Homeless Shelter in Anchorage currently houses between 280 and 300 people every night, out of which 50 are veterans. The San Francisco Shelter in Anchorage is specifically geared towards the elderly homeless, and has 11 beds. The San Francisco Shelter houses between 6 - 7 veterans every night. In the St. Francis Shelter, 5/6 of the nightly residents are men, and 45 % of the Native men are veterans and 60 % of the Caucasian men are veterans.

**Proposed
Eligibility Requirements:**

A veteran with an Honorable or General Discharge, or spouse or widow of the same. One or more days active duty in a war period or, if peacetime, is over 65. If under 65, must have a service-connected disability. Must be a resident of Alaska for one year prior to application, and be unable to be gainfully employed. (Based on West Virginia criteria). Veterans have first priority, veterans' spouses or widows have second priority. (Wyoming criteria).

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

STEVE COWPER, GOVERNOR

P.O. BOX CL
JUNEAU, ALASKA 99811-0211
PHONE: (907) 465-4400

August 6, 1990

The Honorable Steve Frank
Alaska State Senator
119 N. Cushman, Room 213
Fairbanks, Alaska 99701

Dear Senator Frank:

This letter is in response to your inquiry dated July 25, 1990 on the number of veterans living in the Pioneers' Homes.

The table below has the number of veterans tabulated by Home and by residential, assisted living and skilled nursing care.

	<u>Residential</u>		<u>Assisted Living</u>		<u>Nursing</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Sitka	0	0	3	0	2	0
Fairbanks	6	1	0	0	6	0
Palmer	4	0	0	0	5	0
Anchorage	10	1	3	1	6	0
Ketchikan	2	0	0	0	1	0
Juneau	5	0	0	0	1	0

The number of veterans in the homes has increased dramatically over the last few years and the subject of building a veterans home has been discussed frequently. The latest discussion was with Secretary Edward Derwinski from Washington, DC while on his recent trip to Alaska. I approached him on designating one wing of the homes to veterans. His reply was that veterans do not want to be together with any other facility and the Veterans Administration would therefore only pay for free standing veterans homes.

The cost of care is more difficult to provide. The homes provide very flexible care, since we do not fall mandatorily under specific licensing guidelines, i.e., for Medicaid reimbursement. Our care given in assisted living is therefore much closer to the intermediate nursing care of the private sector. The estimated cost of care per month as of June 1990 for residential is \$1,925.14 of which the resident pays 27%, assisted living \$2,010.07 of which the resident pays 31%, and skilled nursing care cost is \$5,352.48 of which the resident pays 15%. The charges do not include medications. Medications are an additional charge to the residents and amount to an average of \$120 a month. Medicaid rates include

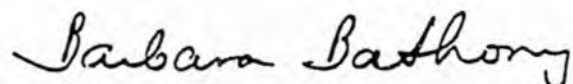
medications. The above calculations do not include the Sitka home. The Sitka home has many vacancies and we are in the process of reducing the staff and converting beds to be more economical.

I hope this will assist you in your research on a veterans home.

Very fortunately I was able to be present during the recent town meetings on the closure of Denali Center. Enclosed is my personal view on what the community needs and would most benefit from for the long term future of this great city.

Please feel free to contact me for further research on the subject of integrated care for the elderly.

Sincerely,



Barbara Bathony, Director
Division of Pioneers' Benefits

Enclosure

WP1/ltr/0803



Heritage Place

232 Rockwell Avenue
Soldotna, Alaska 99669
907-262-2545

May 16, 1991
Rep. Gene Kubina, Chair
House State Affairs Committee
P.O. Box V, MS 3100
Juneau, Ak. 99811

Re: Consideration of SB 44, "Veteran's Home"

Dear Rep. Kubina:

It is my understanding that your committee will be taking up consideration of SB 44 this afternoon at 4:00pm. I would like to suggest that the committee hold a teleconference on this bill to give communities across the state further opportunities to testify as to the both the advantages and disadvantages of the legislation. At this time I would wish to ask the following questions concerning the establishment of a Veteran's Home.

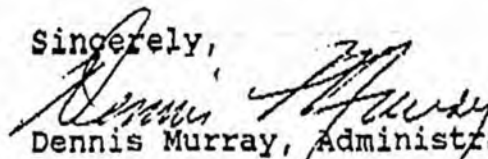
- a) How will this legislation provide greater access for Veterans to health care in their local communities?
- b) Does the legislation contemplate a facility which provides skilled nursing care, or will the facility focus on residential services, i.e., domiciliary care?
- c) As the state is already struggling with "What to Do" with the facilities and staffing at Harborview Developmental Center, wouldn't it be appropriate to include this question with the study which is to be completed in the interim, i.e., are more facilities needed at this time?
- d) Since the state desires to help Veterans with nursing care as contemplated in this legislation, why not simply appropriate the necessary funding for the utilization of existing community nursing care facilities in the communities where the veterans reside with their families and friends. Would that not be both cost-effective and provide the greatest access at the local level?
- e) Since the legislature has focused a great deal of time and energy on health care cost containment, has there been an analysis of the impact such a new facility would have on both the cost and access to care in communities across the state, and most particularly the small rural combined hospitals/nursing homes in Cordova, Kodiak, Homer, Wrangell, Petersburg, Ketchikan and Nome?

Page 2
Letter to Gene Kubina

There is certainly a need to address the problems for Veterans obtaining access to long term care services. In part, the Veterans are part of a larger question of financing for institutional services. Nationally, there are presently only two major mechanisms. They are the Medicaid System and Individual Self-Pay. In Alaska there is a dilemma of coverage for those persons who because of income do not qualify for medicaid protection. That dilemma was addressed in the early 1980's through the medicaid state exception program. Unfortunately, the administration and legislature have been unable to fund that program since 1985.

Thank you for the opportunity to have input. I do hope that this legislation can be held over for the second session. During the interim this question should be part of all discussions with respect to the state's role and commitment to fund health care for the Veteran and for other Alaskans.

Sincerely,


Dennis Murray, Administrator

cc. Rep. Mike Navarre
Rep. Gail Phillips

ALASKA NURSING HOMES CENSUS

FACILITY	MEDICAID PER DIEM RATE	CERTIFIED CAPACITY		MEDICAID/GRM PLACEMENTS		NON-DMA PLACEMENTS		TOTAL CENSUS	VACANT BEDS	% OCCUPANCY OF TOTAL BEDS	
		SNF/ ICF	SWING BEDS	ICF	SNF	MEDI- CARE	** OTHER			OVERALL	MEDICAID
CORDOVA HOSPITAL LTC	\$282.90	10	4	9	2	n/a	0	11	3	79%	79%
DENALI CENTER (Fairbanks)	199.79	101	0	35	13	5	8	61	40	60%	48%
HERITAGE PLACE (Soldotna)	220.51	45	0	23	1	4	6	34	11	76%	53%
ISLAND VIEW MANOR (Ketchikan)	237.70	46	0	17	1	5	3	28	18	61%	39%
KOTZEBUE SENIOR CITIZEN CARE CTR.	205.87	9	0	6	3	0	0	9	0	100%	100%
KODIAK ISLAND HOSPITAL LTC	234.13	19*	4	17	n/a	0	3	20	3	87%	74%
MARY CONRAD CENTER (Anchorage)	220.08	73*	0	72	n/a	n/a	1	73	0	100%	99%
OUR LADY OF COMPASSION (Anchorage)	184.69	224	0	138	55	4	20	217	7	97%	86%
PETERSBURG HOSPITAL LTC	256.27	14	4	10	0	0	1	11	7	61%	56%
QUIYAANA CARE CENTER (Nome)	292.48	15*	0	14	n/a	n/a	0	14	1	93%	93%
SOURDOUGH PLACE (Valdez)	212.18	16*	0	10	n/a	n/a	4	14	2	88%	63%
SOUTH PENINSULA HOSP. LTC (Homer)	265.21	18	4	15	0	n/a	1	16	6	68%	73%
ST. ANN'S NURSING HOME (Juneau)	209.64	45	0	30	6	0	3	39	6	87%	80%
VESLEY REHAB. CARE CENTER (Seward)	165.42	66	0	41	0	n/a	4	45	21	68%	62%
WRANGELL GENERAL HOSPITAL LTC	290.09	14	4	8	2	0	2	12	6	67%	56%
SWING BEDS (Acute to LTC):											
CENTRAL PEN. HOSPITAL (Soldotna)	181.75	0	4	0	0	0	0	0	4	0%	0%
SEWARD GENERAL HOSPITAL	177.51	0	2	0	0	1	0	1	1	50%	0%
SITKA COMMUNITY HOSPITAL	181.75	0	2	0	0	1	0	1	1	50%	0%
VALDEZ COMMUNITY HOSPITAL	181.75	0	4	2	0	0	0	2	2	50%	50%
VALLEY HOSPITAL (Palmer)	181.75	0	4	0	0	3	0	3	1	75%	0%
TOTAL:			751	447	83	23	56	611	140	79%	71%

* - beds certified ICF only.
 ** - includes VA, private pay,
 insurance, and other.

KAREN MARTZ
 DIVISION OF MEDICAL ASSISTANCE (907) 461-2171

DATE

Karen Mertz 3/27/91

RECEIVED MAY

Alaska Pioneers' Home System

Occupancy Report
for the period
beginning 03/27/91
through 04/26/91

Barbara Bathony
Barbara Bathony, Director
Division of Pioneers' Benefits
Department of Administration

Residential Beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	66	52	22	109	19	20	288
Unavailable	0	0	0	0	0	0	0
Occupied	36	42	19	97	18	19	231
Occupied (%)	54.5	80.8	86.4	89.0	94.7	95.0	80.2
Vacant	30	10	3	12	1	1	57
Waiting	3	1	0	0	10	4	18
Surplus (Deficit)	27	9	3	12	(9)	(3)	39
Surplus/Deficit (%)	40.9	17.3	13.6	11.0	(47.4)	(15.0)	13.5
Destitute	4	0	0	1	1	0	6

Assisted Living Beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	20	4	17	25	0	0	66
Unavailable	0	0	0	0	0	0	0
Occupied	19	4	13	25	0	0	61
Occupied (%)	95.0	100.0	76.5	100.0	0.0	0.0	92.4
Vacant	1	0	4	0	0	0	5
Waiting	5	5	4	12	0	0	26
Surplus (Deficit)	(4)	(5)	0	(12)	0	0	(21)
Surplus/Deficit (%)	(20.0)	(125.0)	0.0	(48.0)	0.0	0.0	(31.8)
Destitute	5	1	1	2	0	0	9

Nursing Beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	26	45	46	82	28	32	259
Unavailable	0	0	0	0	0	0	0
Occupied	26	44	41	82	28	31	250
Occupied (%)	100.0	97.8	89.1	100.0	92.9	96.9	96.5
Vacant	0	1	5	0	2	1	9
Waiting	28	34	0	46	20	38	164
Surplus (Deficit)	(26)	(33)	5	(46)	(18)	(37)	(155)
Surplus/Deficit (%)	(100.0)	(73.3)	10.9	(56.1)	(64.3)	(115.6)	(59.8)
Destitute	7	17	17	28	10	10	89

Infirmiry Beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	3	3	2	4	2	2	16
Days Available	93	93	62	124	62	62	496
Days Occupied	72	18	0	60	44	0	194
Days Occupied (%)	77.4	19.4	0.0	48.4	71.0	0.0	39.1
Residents	5	2	0	9	2	0	18
Residents (%)	13.9	4.8	0.0	9.3	11.1	0.0	7.8

Total beds	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Available	115	104	87	220	49	54	629
Unavailable	0	0	0	0	0	0	0
Occupied	81	90	73	204	44	50	542
Occupied (%)	70.4	86.5	83.9	92.7	89.8	92.6	86.2
Vacant	34	14	14	16	5	4	87
Waiting	34	40	4	58	30	42	208
Surplus (Deficit)	0	(26)	10	(42)	(25)	(38)	(225)
Surplus/Deficit (%)	0.0	(25.0)	11.5	(19.1)	(51.0)	(70.4)	(35.8)
Destitute	16	18	18	31	11	10	104

Status Changes	Sitka	Fairbanks	Palmer	Anchorage	Ketchikan	Juneau	Total
Admissions							
Residential	3	2	1	3	0	0	9
Assisted Living	0	0	0	0	0	0	0
Nursing	0	0	0	0	2	0	2
Total	3	2	1	3	2	0	11
Discharges							
Residential	0	0	0	0	0	0	0
Assisted Living	0	0	0	0	0	0	0
Nursing	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
Deaths							
Residential	0	0	2	1	0	0	3
Assisted Living	0	0	0	1	0	0	1
Nursing	1	3	2	2	1	0	9
Total	1	3	4	4	1	0	13
Transfers							
Residential							
to Assisted Living	0	0	0	0	0	0	0
to Nursing	1	2	0	0	0	0	3
wait Assisted Living	0	15	0	2	0	0	17
wait Nursing	0	0	0	0	0	0	0
Assisted Living							
to Residential	0	0	0	0	0	0	0
to Nursing	0	0	0	0	0	0	0
wait Residential	0	0	0	0	0	0	0
wait Nursing	0	0	0	4	0	0	4
Nursing							
to Residential	0	0	0	0	0	0	0
to Assisted Living	0	0	0	0	0	0	0
wait Residential	0	0	0	0	0	0	0
wait Assisted Living	0	1	0	0	0	0	1

DOCUMENTS WHICH HAVE NOT BEEN
FILMED BUT ARE AVAILABLE IN THE
ORIGINAL FILE INCLUDE:

*Memo from Legis. Research Agency
4/16/90 Request No. 91.045*

*Re: Cost of Applying for a State
Veterans Home in Alaska*