

HB

150

3111 C STREET, SUITE 455
ANCHORAGE, ALASKA 99503
(907) 561-7828

WHILE IN SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 485-3704

ALASKA STATE HOUSE

CHAIR
RULES COMMITTEE


JUDICIARY

SPECIAL COMMITTEE ON INTERNATIONAL
TRADE & TOURISM

LEGISLATIVE COUNCIL

REPRESENTATIVE JOHNNY ELLIS MEMORANDUM

TO: Rep. Georgianna Lincoln, co-Chair
House Health, Education and Social Services Committee

FROM: Rep. Johnny Ellis 

DATE: March 19, 1991

RE: House Bill 150

Thank you for scheduling House Bill 150.

HEALTH CENTER EXPANSION

House Bill 150 appropriates \$1.28 million for the expansion of the Anchorage Neighborhood Health Center. The Health Center needs to expand in order to serve uninsured and low income people. In 1990, over 58 percent of the Health Center's patients were uninsured. An additional 24 percent were Medicaid and/or Medicare patients.

CANNOT SERVE 75% OF ANCHORAGE AREA PATIENTS

At this time, ANHC is only able to treat 25 percent of Anchorage's low income residents. They cannot meet the needs of the other 75 percent without additional space and health care providers.

ANHC SERVES MORE THAN ANCHORAGE

Additionally, the numbers of patients served who live outside the Anchorage area is increasing. In 1989, nine percent of ANHC's patients were from outside the Anchorage, Palmer, Wasilla and Girdwood area. In 1990, the number had nearly doubled to 17 percent.

CUTS TO ANHC

The ANHC was hit hard by Governor Cowper's Social Services Block Grant and line item vetoes in 1990. The losses to ANHC totalled \$687,000, which amounts to 22 percent of the ANHC FY91 budget. But the losses to low income, uninsured and homeless people of Anchorage is much worse. The cuts eliminated dental services at ANHC and resulted in losses in maternal and child health programs, cancer screening programs and health care for the homeless. Additionally, it eliminated a grant for prenatal care and delivery services for low income high risk patients.

HEALTH CARE IS NECESSARY

The ANHC needs help to recover from last year's vetoes. The proposed budget to expand the building and thus serve more low-income residents seems miniscule in comparison to the cost of leaving people without any sort of health care.

— Over —

Sponsor Statement

**ANCHORAGE NEIGHBORHOOD HEALTH CENTER
SOURCES AND APPLICATIONS OF FUNDS**

SOURCES:

Request for funds from the State Legislature and/or Governor's Office	\$1,280,000
Community Development Block Grant (pending approval)	32,000
Community Development Block Grant	<u>25,000</u>
TOTAL SOURCES	<u>\$1,337,000</u>

APPLICATIONS:

Bid Ready Architectural Package	\$ 57,000
New Construction	518,000
Site Work	150,000
Cut and Patch existing building at addition interface	100,000
Construction Contingency (10% of new construction)	76,800
Existing Building Renovation	51,800
Upgrading Existing Mechanical Systems	125,000
Project Administration	71,775
Purchase of Adjacent Lot for Parking	50,000
Demolition of Building on Adjacent Lot	15,000
Paving and Lighting for Additional Parking	31,625
Equipment and Furniture	<u>90,000</u>
TOTAL CONSTRUCTION COSTS	<u>\$1,337,000</u>

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Anchorage Neighborhood Health Center
Sources and applications of Funds

ANCHORAGE NEIGHBORHOOD HEALTH CENTER CAPITAL EXPANSION

The need for low-cost health care services in Alaska is highlighted by the following remark from the Anchorage Daily New, February 1991: "Today, an estimated 90,000 Alaskans - nearly double the number of a decade ago - lack adequate medical insurance or do not have any insurance at all, according to a State legislative task force." The cost of uncompensated care is particularly high in Alaska because there are no State or County hospitals available. The municipal health services are staffed by nurse practitioners who provide well-child care, immunization, STD services, etc. By comparison, in Seattle, uninsured persons who are cared for by the city or county become a financial burden on all taxpayers of the city because they most likely are treated by public facilities. Anchorage Neighborhood Health Center continues to be the only Public Health Services Act Community Health Center in the State of Alaska providing primary health care services to medically indigent, low-income, uninsured individuals residing in the Municipality of Anchorage.

The major objective for 1991 continues to be the need for more space for treating patients and more parking area outside the facility. Center providers continue to operate without adequate space. When all providers are present, there are only about two exam rooms per provider, which reduces efficiency and results in patient backup in the waiting room. U.S. Public Health Services recommends three exam rooms as a minimum for each medical provider. The medical providers who work on the main floor have no private work space. Each small provider office is shared by four providers. Providers cannot make private phone calls or concentrate on their work because of conversations, staff going in and out of the room, phones ringing, etc. The Center desperately needs more exam rooms, some private office space for providers, and an expanded waiting area for patients. At busy times, some patients must stand because of inadequate waiting room space. Patients continue to complain about the lack of adequate parking, especially during the winter months (about six months of the year), when street and alley parking is difficult or impossible due to the height of the snow. In addition, a portion of the Center's parking area is used for piling snow taken from the rest of the parking lot. The Municipality has advised the Center that it will need to provide additional parking spaces for any future expansion. An upgraded mechanical room is also needed to accommodate the expansion, but more importantly, an emergency lighting system is needed.

Although the planned expansion may see contradictory in light of the Governor's budget cuts of July 1990, we believe there is no significant related impact. While Dental funds were cut to the extent that the program was discontinued, our capital investment and community need is such that these dental offices should not be renovated to accommodate medical services. In addition, the loss of the Prenatal grant impacted high-risk obstetric patients, many of whom are referred elsewhere. These patients may still utilize the Center for basic health care. Patient load has not been significantly impacted.

In Alaska, the drop in oil prices in the late 1980s led to the governor's reduction of the State budget in July 1990. ANHC's response to these budget reductions has been to discontinue the dental program and contracted service for high-risk pregnant patients. The cuts have had no impact on the numbers of patients being seen by the medical clinic. The overcrowding in the medical clinical areas of the ANHC physical plant still exists. ANHC is pursuing an expansion and renovation plan for the physical plant.

ANCHORAGE NEIGHBORHOOD HEALTH CENTER CAPITAL EXPANSION

The mission of the Center is to provide primary medical, dental and related health care services responsive to the community needs. ANHC is the only source of comprehensive primary medical care for low income persons in Anchorage. The Center offers a sliding fee scale for low and moderate income persons and has a policy of never refusing treatment due to a patient's inability to pay.

The population of Anchorage is about 235,000, with approximately 48,000 low income persons as defined by Federal poverty guidelines for Alaska which is set at 125% of the poverty level for the "lower 48" states. The State of Alaska, based on a more realistic application of cost differences, has a higher level of income for establishing the poverty level (138%). Under the State of Alaska formula about 60,000 persons in Anchorage would be considered low income. In 1989, 48% of the Center's patients were below the Federal poverty guidelines. Compared to 1990, the percentage of users who have incomes below this poverty level has increased by 8%. Approximately three quarters of the Center's patients are below the poverty guidelines for Alaska.

In 1990, 58% of the Center's patients were uninsured. An additional 24% were Medicaid and/or Medicare patients. ANHC serves a diverse ethnic population. The Center's patients include a higher proportion of Blacks and Hispanics than does the Anchorage area. Sixty-six percent of the patients served by the Center reside in the four medically underserved and low income subcommunities of Anchorage: Fairview, Muldoon, Spenard and Mountain View.

ANHC is only able to treat 25% of Anchorage's low income residents. Our ability to meet the needs of the other 75% is hindered by lack of space and health care providers. In 1989, Anchorage Neighborhood Health Center had 39,000 patient visits. Preliminary statistics for 1990 indicate an increase in medical visits over 1989. This steady growth in patients has caused a need for building expansion.

The proposed 2,800 square foot building expansion and related renovation would provide for adequate examination rooms, treatment rooms and offices for physicians and other health care providers. Patient waiting areas would be enlarged to relieve overcrowding. The laboratory would be enlarged to improve patient care and increase efficiency. An emergency lighting and fire alarm system would be added. Finally, additional furniture and equipment such as examination tables, and medical instruments would be purchased to make the expanded facilities fully functional. Building expansion line item cost detail is provided on page three.

ANCHORAGE NEIGHBORHOOD HEALTH CENTER
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Hess Mmbis:
- Arrived in
Rep. Sinco's office
on March 28th.

- Do not know from whom!

- Related to HB150
which was considered
in HESS on 3/27/91.

PB

7-LS0036A

HOUSE BILL NO. 150

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ELLIS, Brown

Introduced: 2/20/91

Referred: Health, Education and Social Services, Finance

Funding Information:	General Fund	\$1,280,000
	Other Funds	-0-
		<u>\$1,280,000</u>

A BILL

FOR AN ACT ENTITLED

1 "An Act making a special appropriation to the Department of Health and Social Services
2 for a grant to the Anchorage Neighborhood Health Center; and providing for an effective
3 date."

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

5 * Section 1. FINDINGS. The legislature finds that the Anchorage Neighborhood Health Center
6 provides primary medical, dental, and related health services necessary to meet community needs; the
7 center is the only source of primary health care for low income persons in Anchorage; the center can
8 only treat 25 percent of the over 48,000 low income persons in Anchorage due to a shortage of space;
9 expansion of the center is necessary in order to meet community needs for health care services.

10 * Sec. 2. The sum of \$1,280,000 is appropriated from the general fund to the Department of Health
11 and Social Services for payment as a grant under AS 37.05.316 to the Anchorage Neighborhood Health
12 Center for expansion of facilities.

13 * Sec. 3: The appropriation made by this Act is for a capital project and lapses under AS 37.25.020.

14 * Sec. 4. This Act takes effect July 1, 1991.

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* DELIVER TO: LHSCHES
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* ORIGINAL
* SENT: 03/27/91 TIME: 08:33
* FROM: LIOCMIL
* SUBJECT: 91-03-127;FS;(H)HESS;3/27
* PRINT DATE: 03/27/91 TIME: 08:34
*
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SUBJECT LINE TO READ: TC NO.; FL FS; SHORT SUBJECT; DATE

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T/C NO: 91-03-127
DATE: 3/27
SPONSOR: H HESS
SUBJECT: HB 149, 150, 173, SB 43
MODERATOR: JUDY
SITE: ANCHORAGE

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FINAL STATISTICS

TO TESTIFY

NAMES/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. ELEANOR ANDREWS/ANHC	715 L ST	276-1454	HB 150
2. LINDA WEBBER/AKPA	1227 W 9	276-4910	HB 163

*Alaska
Native
Health
Corporation*

TO OBSERVE:

NAME/ REPRESENTING	ADDRESS	PHONE	BILL NO.
1. ROSYLAND FRAZIER/ANHC	715 L ST	258-7888	HB 150

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TESTIFIED: 2
UNABLE: 0
OBSERVED: 1
TOTAL: 3

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START TIME: 7:30 AM END TIME: 10:00

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HOUSE COMMITTEE REPORT

(7)

Date Referred: February 20, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/27/91

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 150

HOUSE BILL NO. 150

APPROP: ANCHORAGE NEIGHBORHOOD HEALTH CTR

"An Act making a special appropriation to the Department of Health and Social Services, for a grant to the Anchorage Neighborhood Health Center; and providing for an effective date."

RECOMMENDATIONS:

be replaced with _____ [] the same title
 [] a new 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 _____

[] fiscal note(s) _____

[] zero fiscal note _____

[] zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
<i>Cheri Davis</i>				
<i>George Davis</i>	<i>J. G. Gonzales</i> (GONZALES)		X	
<i>Betty Davis</i>	(CARNEY)			
<i>Betty Davis</i>				
<i>Mary Miller</i>	<i>Mary Miller</i> (LINCOLN)		X	
<i>[Signature]</i>				

[Signature]
CO-Chairman's Signature