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FISCAL NOTE

No. 1

Bill Version: SB396

BILL (S) Publish Date: 3-9-92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected Health and Social Services
 Title: Medical costs...children in custody BRU: DFYS - Purchased Services
 Component: Foster Care
 Sponsor: Senator Collins
 Requestor: Governor COMPONENT SERIAL NO. 0252

Expenditures/Revenues

(Thousands of Dollars)

	FY93	FY94	FY95	FY96	FY97	FY98
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING:

(Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

This bill is critical to the Division of Family and Youth Services. There will be no increased costs incurred if this bill passes, but there is a serious potential for a sizeable increase in foster care costs if it does not pass.

Prepared by: Brian Saylor, Deputy Commissioner *Brian Saylor*
 Division: Family and Youth Services

Phone: 465-3030
 Date: February 25, 1992

Approved by Commissioner: *[Signature]*
 Agency: Department of Health and Social Services

Date: 3/3/92

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

Changes in CS SB 396 HES
 have no fiscal impact. This
 fiscal note is appropriate.
[Signature]
 date Course Aide(initial)

Alaska State Legislature


During Session
State Capitol
Juneau, Alaska 99801-1182
(907) 465-2828

During Interim
3111 C Street, Suite 540
Anchorage, Alaska 99503
(907) 561-2040



Senator Virginia Collins

To: Rep. Dave Donley, Chair
House Judiciary Committee

From: Senator Virginia Collins 

Re: CSSB 396 (HES)

Date: May 8, 1992

Please schedule CSSB 396 (HES) for a hearing before your committee.

CSSB 396 (HES) clarifies the responsibilities of the Department of Health and Social Services and parents for children who are committed to the custody of the department and are placed by the department with the parents.

In the August 1991 decision in the case of In re E.A.O., the Alaska Supreme Court ruled that the department must pay for the medical costs of children in state custody even though the children live with their parents.

The ramifications of this decision are enormous. The state will be responsible for substantial expenses in medical care, and, it may be held liable for other costs of child rearing such as food, shelter, and education.

CSSB 396 (HES) responds to the costly implications of this recent court decision.

Thank you for your consideration of this request.



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Senator Virginia Collins

CSSB 396 (HES)

Clarifying parental responsibilities for a child in state custody

CSSB 396 (HES) clarifies the responsibilities of the Department of Health and Social Services and parents for children who are committed to the custody of the department and are placed by the department with the parents.

The bill responds to a recent Alaska Supreme Court decision that will incur new and potentially substantial costs to the state.

In the August 1991 decision in the case of In re E.A.O., the court reversed a lower court decision and ruled that the state must pay for the medical costs of a child in state custody even though the child lives with his or her parents. Prior to this decision, the state only paid for medical care costs of children in its custody who were placed out-of-home.

The ramifications of this decision may also lead to the state's being held liable for other costs of child rearing such as food, shelter, and education.

In an era of projected declining revenues, CSSB 396 (HES) responds to these costly implications.

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 27, 1992

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 5/8/92

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: CSSB 396(HES)

CS FOR SENATE BILL NO. 396 (HES) PARENTAL CARE FOR CHILD IN STATE CUSTODY
 "An Act clarifying the responsibilities of the Department of Health and Social Services and parents for children who are committed to the custody of the department and are placed by the department with the parents; and providing for an effective date."

- RECOMMENDATIONS: the same title
 be replaced with _____ 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) _____ 3-9-92
 zero fiscal note _____ zero fiscal note(s) Senate HSS

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>J. C. Gonzalez</i>	-	<i>[Signature]</i>			✓
<i>Cheri Davis</i>	-	<i>[Signature]</i>			
<i>Betty Davis</i>	✓				
<i>[Signature]</i>	✓				

[Signature]
 CHAIRMAN'S SIGNATURE

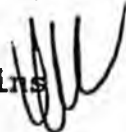
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Anchorage, Alaska 99503
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Senator Virginia Collins

To: Rep. Georgianna Lincoln, Co-Chair
House HESS Committee

From: Senator Virginia Collins 

Re: CSSB 396 (HES)

Date: April 29, 1992

Please schedule CSSB 396 (HES) for a hearing before your committee.

CSSB 396 (HES) clarifies the responsibilities of the Department of Health and Social Services and parents for children who are committed to the custody of the department and are placed by the department with the parents.

In the August 1991 decision in the case of In re E.A.O., the Alaska Supreme Court ruled that the department must pay for the medical costs of children in state custody even though the children live with their parents.

The ramifications of this decision are enormous. The state will be responsible for substantial expenses in medical care, and, it may be held liable for other costs of child rearing such as food, shelter, and education.

CSSB 396 (HES) responds to the costly implications of this recent court decision.

Thank you for your consideration of this request.

Sponsor Statement



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

March 16, 1992

SUBJECT: Sectional Summary of CSSB 396 (HES)
TO: Members, Senate Judiciary Committee
FROM: Senator Virginia Collins *VC*

What follows is a sectional analysis of the above described bill. As a preliminary matter, please note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 amends AS 47.10.084(a) by clarifying responsibilities of a child's parent when a child is committed to state custody and placed by the state with the child's parent.

Section 2 makes the Act retroactive to August 30, 1991, the date of the Supreme Court decision in the case of In re E.A.O.

Section 3 makes the Act effective immediately.

sectional analysis

SENATE BILL 396

"An Act clarifying the responsibilities of the Department of Health and Social Services and parents for children who are committed to the custody of the department and are placed by the department with the parents; and providing for an effective date."

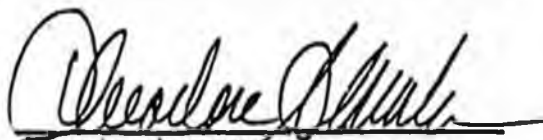
The Department of Health and Social Services strongly supports SB396, which clarifies the responsibilities of the Department for children committed to its legal custody who continue to reside with the parent or parents. The Bill amends AS 47.10.084(a) to expressly require a parent or parents to provide for the day to day care of their children if the children are residing with them when the state has legal custody as a result of child protective services purposes.

This bill was made necessary as a result of the Alaska Supreme Court ruling in the case of In re E.A.O., 816 P.2d 1352 (Alaska 1991), in which the court ruled that the current AS 47.10.084 requires the department to pay for medical costs associated with the care of children, even though they live with their parents. The department has never interpreted the statute in this manner in the past. Therefore, absent an amendment, the department will incur substantial additional financial expenses for these medical costs and may also be exposed to legal suits to resolve the responsibility for other costs of child rearing, including food, shelter, and education, while a child is placed at home by the department. The department has not budgeted for these type of costs, and these costs would significantly impact our budget, as well as the Medicaid budget. Although the court did acknowledge a possible right of reimbursement from the parents, the collection would not be practical nor cost-effective.

The bill provides for a retroactive effective date to August 30, 1991, the date that the court issued its ruling. A retroactive effective date is necessary to avoid the additional unbudgeted expenses and to resolve a legal question as to the department's responsibilities for other expenses, such as shelter, which the court did not direct address in its decision.

The Department of Health and Social Services urges the passage of this bill.


Deputy Commissioner
Health and Social Services


Commissioner
Health and Social Services

Date: 3/3/92

Date: 3 March 1992