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Alaska State Legislature

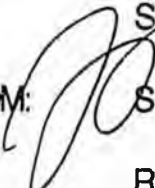
SENATE

Official Business

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

MEMORANDUM

TO: Senator Arliss Sturgulewski, Chair
Senate Health, Education & Social Services Committee

FROM:  Senator Steve Frank

RE: Request for Scheduling SB 210 - Approp: Long-Term Care Facility - Fairbanks

DATE: March 20, 1991

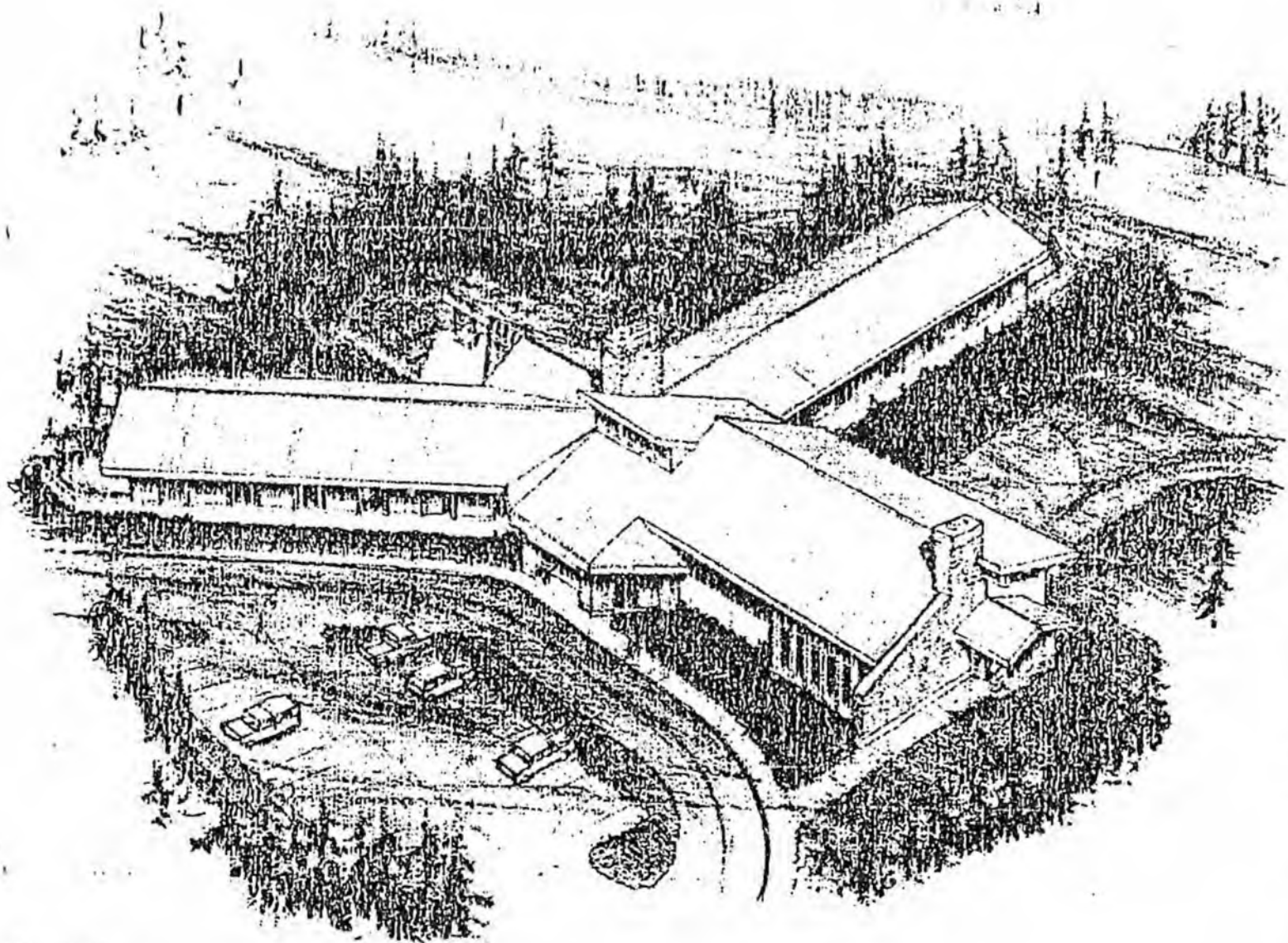
I am writing to request that you schedule SB 210 for a hearing at your earliest convenience.

This bill would allow for construction of a new 90 bed, long term care facility in Fairbanks. Denali Center, the existing facility, is antiquated in its layout and design as well as being too small. For example, it lacks things such as a medical examination room, something that most similar facilities have.

About 40% of Denali Center's residents are from outside of Fairbanks. And approximately 80% and 10% of the residents pay with Medicaid and Medicare, respectively.

Thank you for your consideration.

*Comments may
raise #2MM*



Proposed DENALI CENTER Replacement
FAIRBANKS, ALASKA

MILLS, JOHN & RIBCOCK ARCHITECTS AIA

Denali Center is ...

- a private, not-for-profit nursing home facility owned by *The Greater Fairbanks Community Hospital Foundation, Inc.* and operated by *Lutheran Hospitals & Homes Society.*
- not just "an old peoples home", it is home to infants, children, and adults who need skilled care - that is, short-term to long-term resident nursing home care.
- a place that serves people who are too sick to live at home, but too well to need a hospital environment.
- a regional facility serving Interior and Northern Alaska with over 40% of the residents coming from villages outside of the Fairbanks area.
- a facility where payment for resident's care is :
 - 50% - Medicaid (State of Alaska)
 - 10% - Medicare (Federal)
 - 6% - Other insurance
 - 4% - Private pay

DENALI CENTER SERVICE AREAS



The Problem....

- **Denali Center is an inadequate facility:**
 - there are often 3 people to a room
 - up to 6 people share a bathroom
 - there is little space for activities
 - there are only two private rooms
 - there is no private space for a family gathering, telephone calls, a medical consultation, a birthday party
 - no personal care areas to administer medication, for diagnosis
 - no space for staff preparation work or break areas
 - it is an old, poorly designed building
 - the physical plant is 19 years old
 - it can not be remodeled because of asbestos in the walls & floors
 - there is major heat loss because of the 2x4 construction
 - building does not meet 1990 building standards
 - inability to equip better telephone service & access for residents
 - there is not enough room to stock medical and housekeeping supplies and inadequate storage for kitchen goods.
 - no transportation entrance for residents so they can board the van inside
 - not enough room for rehabilitation services
 - the activity room is used as a dining room 3 times a day

- **Denali Center provides 80 sq.ft of personal space per resident or 250 sq.ft./resident total building space.**
 - most nursing homes provide 400 - 650 sq.ft./resident total building space.
 - the ONLY storage space for resident's personal belongings is a 2'x21" closet

- **Nursing home services will be in greater demand as the population ages.**

- **The needs of the Fairbanks area and the surrounding communities of Interior and Northern Alaska are not being well served by the existing Denali Center.**

What We Need...

- **A new facility that provides the following:**
 - a capacity to serve not less than 80, but not more than 100 residents
 - privacy in the residents rooms
 - adequate outdoor space
 - common areas for social activities
 - a culturally sensitive design
 - comprehensive rehabilitation services & equipment with easy access
 - structural design to enhance delivery of services
 - flexible design able to readily adapt to expansion of services
 - accommodations for staff work areas and break areas
 - specific design components to address the needs of the terminally ill
 - a location that would be conducive to sharing existing services & systems
 - specific design components to address the needs of residents suffering from Alzheimers disease who qualify for nursing care. This could include the design of a specific program area dedicated to this purpose.

The Task Force heard testimony that non-medical services for Alzheimers patients were sorely needed. Many Alzheimers clients would be served by assisted living and other available community support such as adult day care and specialized foster care. Currently, funding is only available for nursing home care of Alzheimers patients with other medical problems. This is an area that needs further investigation.

- **A further exploration of an 'assisted living' facility with a capacity of 25-50 units.**

This could be a campus approach or a separate site. Assisted living is a level of residential care less intensive than a nursing home. It provides an intermediate step from one's own home to the nursing home, and vice versa.

- **The problems will not diminish with time.**

As the population ages, these services will be in greater demand.

- **The present facility was poorly designed by the original owner.**

As a result, remodeling the facility would not resolve many of its problems - and it would cost nearly as much as a new facility. There is asbestos in the walls and floors.

- **Nursing homes play a crucial role in reducing health care costs.**

By providing a cost effective alternative to lengthy and unnecessary hospitalizations.

- **There is wide community support for a new facility.**

Some of the Fairbanks community groups and state-wide organizations that have passed resolutions in support of a new nursing home facility in Fairbanks:

Alaska Federation of Natives
AARP - American Association of Retired Persons
Arctic Alliance for People
Delta Chamber of Commerce
Doyon Limited
Fairbanks City Council
Fairbanks Native Association
Fairbanks North Star Borough
Fairbanks Retired Teachers Association
Greater Fairbanks Chamber of Commerce
Interior Alaska Economic Development Council, Inc.
Main Street Fairbanks
Midnight Sun Lions
Tanana Chiefs Conference
Individual contributions are made regularly

- **A capital campaign drive will begin by the Task Force**

This is to raise money for a new Denali Center. The City of Fairbanks has donated land that is being recommended to the architect as a priority site.

- **A new Denali Center will cost approximately: \$10.8 Million**

Our Plan....

"Partnership for Progress "

Capital Campaign for Denali Center

- **We began, through the Hospital Foundation, the process of hiring an architect/engineering firm for design and cost information.**

- **We will identify & pursue sources of Federal support**
 - Federal program support
 - Grants
 - Other funds

- **We will identify & pursue sources of State support**

- **We will identify & pursue sources of Local support**
 - City / Borough
 - Businesses
 - Individuals

- **We will identify & pursue sources of Corporate support**

- **We will identify & pursue sources of Foundation support**

Support is there...

The following groups have passed resolutions or made contributions in support of a new Denali Center in Fairbanks:

Alaska Federation of Natives

AARP - American Association of Retired Persons

Arctic Alliance for People

Delta Chamber of Commerce

Doyon Limited

Fairbanks City Council

Fairbanks Native Association

Fairbanks North Star Borough

Fairbanks Retired Teachers Association

Greater Fairbanks Chamber of Commerce

Interior Alaska Economic Development Council, Inc.

Main Street Fairbanks

Midnight Sun Lions

Tanana Chiefs Conference

Individual contributions are made regularly

SERVICES for the ELDERLY in FAIRBANKS

Community-Based Services	Home-Based Services	Intensive Home and Community-Based Services	Services in a Residential Care Setting	Most Intensive Institutional Services	Acute Care
<p>Congregate Meals - Senior Center 452-1735 - Breadline 456-8317 - Food Bank 452-7761</p> <p>Transportation - Senior Center 452-1735 - MACS 456-3279</p> <p>Info / Referral / Personal Advocacy / Employment Services - Senior Center 452-1735</p> <p>Physical Fitness - Mary Siah Center (FNSB) 452-1451</p> <p>Independent Apartments for Elderly - Golden Towers 456-1852 - Southhall Manor 451-6426 - Golden Ages</p> <p>Family Caregiver Support Groups - Alzheimers Family Support Group - Hospice of Tanana Valley 474-0311</p> <p>Other Community Programs - Foster Grandparents / Senior Companion / RSVP 452-6417 - Alaska Legal Services 452-5181 - Love, Inc. 452-5683 - Adult Learning Center 452-6434</p>	<p>Home Delivered Meals - Senior Center 452-1735</p> <p>Transportation Escort - Outreach Workers for TCC & North Slope Corp. 451-6682</p> <p>Shopping Assistance - none</p> <p>Homemaker / Chore Services - Homemaker Prog. of AK 452-2975</p> <p>Personal Care Attendant - Access Alaska 479-7940 - Homemaker Prog. of AK 452-2975 - Medicaid Personal Care Attendants</p> <p>Congregate Housing - none</p> <p>Home Repair/Renovation - none</p> <p>Home Health Aide - FMH Home Care 451-3517 - State Home Health Care 452-6406</p> <p>Senior Companion Volunteers - Senior Center 452-1735</p>	<p>Adult Day Care - Fairbanks Resource Agency 456-8901</p> <p>In-Home Respite - Fairbanks Resource Agency 456-8901</p> <p>Adult Foster Care - State Div of Family & Youth Services 452-1844</p> <p>Senior Group Homes - none</p> <p>Home Health Skilled Nursing - FMH Home Care 451-3517 - State Home Health Care 452-6406</p> <p>Hospice Volunteers - Hospice of Tanana Valley 474-0311</p>	<p>Pioneers' Homes Residential Care - Fairbanks Pioneers Home 456-4372</p> <p>Assisted Care - Four beds at Fairbanks Pioneers Home 456-4372</p>	<p>Pioneers' Home Nursing Care - Fairbanks Pioneers Home 456-4372</p> <p>Private Nursing Care - Denali Center 452-1921</p>	<p>Inpatient Hospital Stay - Fairbanks Memorial Hospital (FMH) 452-8181</p>

DENALI CENTER TASK FORCE MEMBERS

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Hospital Administration: 451-3551

Denali Center Director: Mark Bertilrud 452-1921

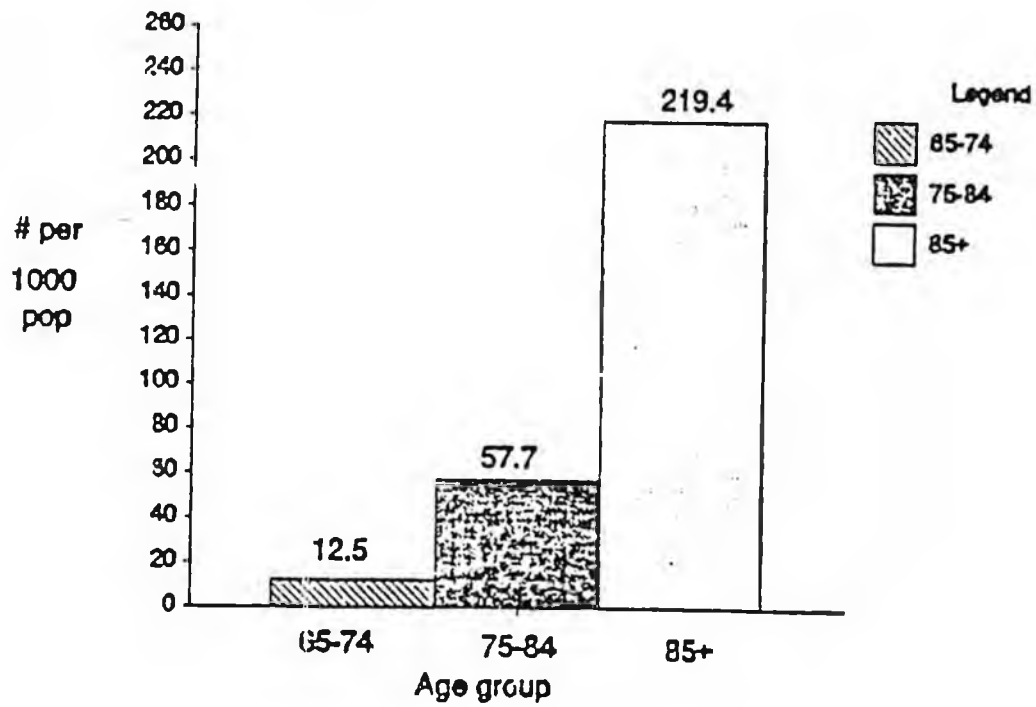
Hospital Foundation: June Thomas 457-4291

Trends to Watch...

- Demand for long term care is rapidly increasing
- By year 2000:
1/2 of the elderly will be age 75+
- By year 2010:
there will be 22 elderly persons for every 100 working age persons
- By year 2030:
1 in 3 people will be 55 or older
- In the past two decades, the older population grew twice as fast as the rest of the population:
 - 65+ group grew by 56%
 - under 65 grew by only 19%
 - between 1980-86, Alaska had over 50% increase in elderly population.
(Alaska & Nevada had the largest % increase nationally. In 1986, Alaska had the smallest number of elderly - 3% of population.)
- The 85+ population will quadruple between 1980 & 2030

National Nursing Home Use Rates

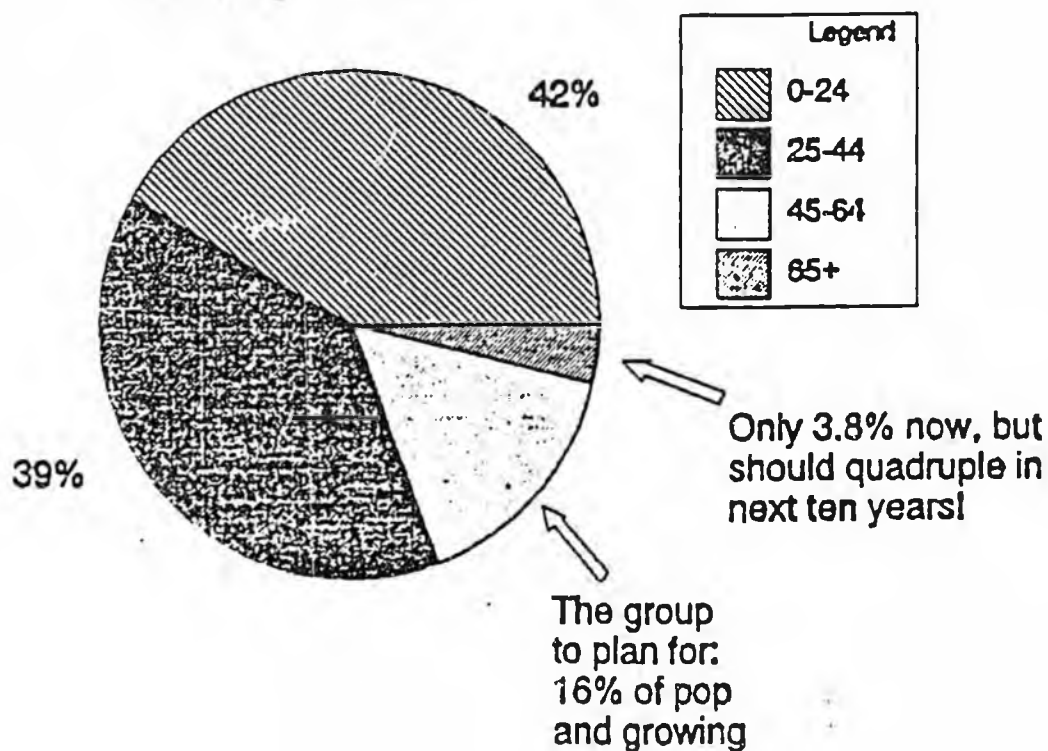
(per 1000)



Source: Rural Health Coalition

Fairbanks North Star Borough Population by Age Group

% by age group 1988





WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

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

March 11, 1991

The Honorable Mark Boyer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Boyer:

This letter is in response to your request to estimate the cost of replacing the Denali Center, a 90-bed, long-term care facility in Fairbanks. The bill you introduced has a fiscal note of \$11 million and I understand there are additional funds available from the community and/or the Community Hospital Foundation. It is also my understanding that the land will be donated.

I estimate that the construction of the facility will cost approximately \$15,365,000 and will have about 550-650 square feet per resident.

The estimate above is based on the cost for the Juneau Pioneers' Home, which was built in 1988. The cost of construction has increased by about 3% per year. The new Denali Center is also considering to be of service to the community for other than just skilled nursing care. Respite care, adult day care and treatment are also contemplated.

I realize that a facility could be built for much less as was done in the past, such as "Carriage North and South." It would not be of benefit to the residents of the interior to repeat such mistakes. For example, the Pioneers' Home was built years before the Carriage north building and still has the original wallpaper and floor. Therefore the calculations are based on a solid facility with a life expectancy of over 30 years as a long-term care facility.

The cost estimate was made with the following assumptions:

1. The cost per square foot is \$250, which includes other than construction costs such as planning, permits, audits, etc.
2. The site will not have major construction problems, such as permafrost.

3. The facility will be able to treat respirator dependent patients and emergency power generation will be immediate and have a back up. (Pioneers' Homes are not equipped to handle such cases.)
4. Facility will be able to provide outpatient rehab services and adult day care, both of which require extra office and treatment space.
5. Facility will continue to treat HIV or Hep. B, TB and other infectious diseases, many of which require single rooms, and an excellent ventilation system for infection control. (Most Pioneers' Homes are too old and have inadequate ventilation and physical layout to be able to successfully and safely treat patients with infectious diseases.)
6. The facility will be constructed with the cold climate in mind, including large handicapped accessible arctic entries for safe wheelchair entry, covered emergency vehicles such as the ambulances and wheel chair van for medical appointments, etc.
7. The construction cost will include electric plug-ins for staff, residents, and consulting health care professionals.
8. The facility will be built with a chapel, for spiritual privacy.
9. The facility will have a separate, well ventilated smoking room for residents.
10. Each resident room will be provided with a locking hutch for display of private belongings, and one area for safe storage of medications for those residents able to self-medicate.
11. All exterior exit doors will be provided with two separate alarm systems, one for after hours and one for 24-hour wanderer protection. (This type of alarm system must withstand the cold arctic entry temperatures.)
12. The Juneau Home cost about \$210 per square foot. At an inflation rate for construction at about 3% per year, it would cost in \$244 per square foot in 1993. Of course there are differences between the home and the new Denali Center. Out of the total 52 beds, 20 are residential and lack the support space such as clean and dirty utility rooms required for skilled nursing facilities. The kitchen in Juneau is built for a capacity of 100 beds and some mechanical room space is available for future addition to the Home.

March 11, 1991

13. The estimate for construction of the new Denali Center was derived as follows: 650 square feet per resident times the cost of \$250 equals \$14,625,000, and in addition the facility would need 4,000 square feet for ancillary activity such as adult day care, staff and education at a construction rate of \$185 per square foot, for an additional total of \$740,000.

The total cost estimate for the new Denali Center is \$15,365,000.

The Federal Nursing Home reform act of 1987 and 1990 places great emphasis on the self determination of the patient and the active participation by the resident in the care they wish to receive. The new Denali Center should be built with this future in mind, and not as a warehousing facility of the infirm.

I hope this explains my concerns about the inadequacy of the \$11,000,000 million to build a 90-bed facility in the arctic climate in Fairbanks.

Please contact me if you are in need of further information.

Sincerely,

Barbara Bathony

Barbara Bathony, Director
Division of Pioneers' Benefits

d\wp\misc\0311-01
cc: Roberley Waldron
Deputy Commissioner
Department of Administration

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE CHAIRMAN
HOUSE FINANCE COMMITTEE



House of Representatives

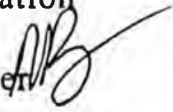
FAIRBANKS

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(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

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

From: Representative Mark Boyer 

Date: February 19, 1991

Subject: Denali Center replacement

As you know, I have introduced legislation to appropriate funds to construct a replacement facility for the Denali Center nursing home in Fairbanks. The fiscal note on the bill is \$11 million. This is an estimated amount of state participation needed for the project based on information provided by the Denali Center Task Force.

I am requesting that the Division of Pioneers' Benefits assess the cost of replacing Denali Center using the division's expertise with regard to Pioneers' Home construction. I want to know if the fiscal note is in the ballpark of what is necessary to build a new facility. I will be happy to discuss this request in more detail with you or your representative. Thank you.

FAIRBANKS 20B

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

March 20, 1991

Senator Arlis Sturgulewski, Chair
Committee on Health, Education & Social Service
Alaska State Senate
Legislative Building
Juneau AK 99811

SB 210, Appropriation Denali Center

Dear Senator Sturgulewski:

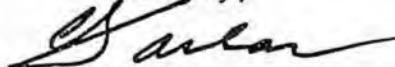
The Association would like to request a hearing date be scheduled for SB 210, appropriating construction funds for the Denali (long term care) Center in Fairbanks.

Denali is a major long term referral center in interior Alaska and in bad need of repair.

Our goal is to get SB 210 into Senate Finance where it can be considered along with SB 111, appropriating funds for Kodiak, Ketchikan and Seward.

Many thanks for your help and consideration.

Sincerely,



Harlan R. Knudson
President/CEO