

H B

3 7 7

HOUSE COMMITTEE REPORT

(9)
 Date Referred: January 14, 1994
 Date of Committee Action: 2/9/94

FURTHER REFERRALS: Finance

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 377

HOUSE BILL NO. 377 REGULATION OF ASSISTED LIVING HOMES

"An Act relating to assisted living homes; repealing references to residential facilities for dependent adults; and providing for an effective date."

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

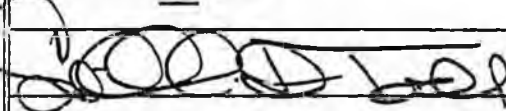
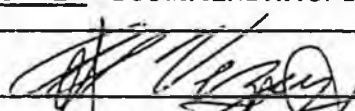
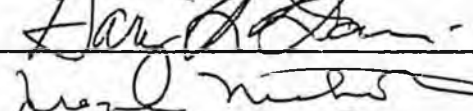
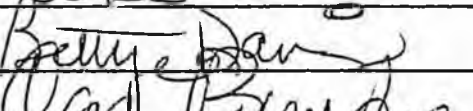
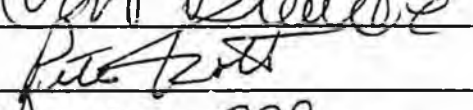
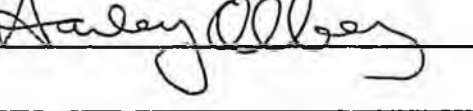


[] have attached amendments(s)
 [] do pass
 [] do not pass
 [] no recommendations
 individual recommendations
 [] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)

[] fiscal impact _____ [x] fiscal note(s) H + SS 1/14/94

[] zero fiscal note _____ [x] zero fiscal note(s) Admin 1/14/94

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
	X				X
					X
				X	
					X
				X	
					✓
				✓	


 CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

N 1
Bill Version: HB 377
(H) Publish Date: 1/14/94

Revision Date: _____ Dept. Affected: Health and Social Services
Title: Assisted Living Homes BRU: Institutions & Admin
Component: MH/DD Admin
Sponsor: Rules Committee
Requestor: Governor's Office COMPONENT SERIAL NO. 310

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	103.3	106.9	110.6	114.5	118.5	122.7
TRAVEL	20.0	20.7	21.4	22.2	23.0	23.8
CONTRACTUAL	20.0	20.7	21.4	22.2	23.0	23.8
SUPPLIES	1.0	1.0	1.1	1.1	1.1	1.2
EQUIPMENT	10.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	154.3	149.3	154.5	160.0	165.6	171.5

CAPITAL EXPENDITURES	0.0					
-----------------------------	------------	--	--	--	--	--

CHANGES IN REVENUES	0					
----------------------------	----------	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA	154.3	149.3	154.5	160.0	165.6	171.5
Other						
TOTAL	154.3	149.3	154.5	160.0	165.6	171.5

POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) cost \$ _____

ANALYSIS: (Attach a separate page if necessary)
This bill provides for licensure of assisted living homes. These homes would be established primarily to provide a home-like setting for elderly persons and persons with a mental or physical disability who need assistance with activities of daily living.

Currently, the Department of Health and Social Services, Division of Family and Youth Services, licenses adult foster homes and group homes and institutions caring for dependent adults. The bill would delete references to these licensing functions and add a new chapter regarding assisted living homes. Under the bill, the Department of Health and Social Services would license assisted living homes that will be providing care primarily to individuals with a mental or developmental disability. The Department of Administration would license assisted living homes that will be providing care primarily to individuals who have a physical disability.

Prepared by: *Mike Repko for Public Inquiry* Phone: _____
Division: Mental Health and Developmental Disabilities Date: 12/29/93
Approved by Commissioner: *Margaret R. Lowe* Date: 12/29/93
Agency: Department of Health & Social Services

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the _____

COMMERCIAL COPY

H + SS - Institutions + Admin - Fiscal Note

ANALYSIS (cont.):

who are elderly, or who suffer from dementia but who are not chronically ill.

Assumptions:

Based upon the projected workload it is anticipated that the Division of Mental Health and Developmental Disabilities will need two full-time Community Care Licensing Specialists to adequately provide timely inspection of all facilities across the State that serve individuals with a mental or developmental disability.

Program Summary:

The cost projections are based upon the following information: Two range 16, Step A full time positions located in Anchorage. These positions will travel statewide to perform inspections, provide technical assistance to facilities for compliance issues and to follow-up on consumer complaints. One position will be transferred from the Division of Family and Youth Services to the Division of Mental Health and Developmental Disabilities.

Other Expenditures:

- Travel for each position to perform inspections, provide technical assistance to facilities and follow-up on consumer complaints.
- Contractual services for Anchorage office space, phones systems, copier and data lines; general offices supplies for both positions.
- Equipment, first year purchase of two desk top computers/printers and software for data collection, word processing and statistical reporting; office furniture including desks, chairs, file cabinets, etc.

Computations:

All expenditures have been adjusted with an inflation factor of 3.5% for each year after FY95 and carried out to FY2000.

Economic Impact:

Assisted Living Program will stimulate the local communities as it will offer new employment opportunities as additional facilities are brought on line across the State and will allow many family care-givers to return to their careers.

Position Title Community Care Licensing Specialist		No. of Positions 2	Range / Step 16/A	Barg. Unit GGII
Time Status PFT	Staff Months 12	Location Anchorage		Election District
TYPE OF EXPENDITURE		Justification		
Salary	Amount	<p>The Assisted Living Homes bill provides for licensure of assisted living homes. The homes are established primarily to provide a home-like setting for elderly persons and persons with a mental or physical disability who need assistance with activities of daily living.</p> <p>A licensure function is not one currently performed by the Division of Mental Health and Developmental Disabilities. Additionally, existing staff cannot absorb the additional responsibilities because of the increased workloads associated with Project Choice and the Tefra Option. Therefore, two positions are requested to provide timely inspections and licensing of all facilities across the State that serve individuals with a mental or developmental disability. The positions are responsible for performing inspections, providing technical assistance to facilities for compliance issues, and following up on consumer complaints. These positions are necessary to assure the health and safety of disabled individuals residing in these homes.</p> <p>One position will be transferred from the Division of Family and Youth Services.</p>		
Benefits	73.0			
Premium Pay	30.3			
Other				
Total Personal Services	103.3			
Travel	20.0			
Contractual	20.0			
Commodities Supplies	1.0			
Equipment	10.0			
Other				
Total Cost	154.3			
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
IA Receipts	1007			
CHP Receipts	1061			
Other	GF/MHTIA 1006	154.3		

**Request For
New Position**

AGENCY Health and Social Services
 BRU Institutions & Admin
 COMPONENT MH/DD Admin

FY 95

Page 1 of 1
 Revised Date: _____

FISCAL NOTE

No. 2
 Bill Version: HB 377
 (H) Publish Date: 1/14/94

**STATE OF ALASKA
 1994 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected: Administration
 Title: An act relating to assisted living homes BRU: Senior Services
 Component: Senior Services Administration
 Sponsor: _____
 Requestor: Governor COMPONENT SERIAL NO. 1981

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) cost: \$ _____

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page in necessary)
 Adequate funding is included in the FY95 budget for the new Division of Senior Services to handle the responsibilities of this bill.

Prepared by: Connie J. Sipe, Director Phone: 563-5654
 Division: Senior Services Date: _____
 Approved by Commissioner: NBC/CO Date: 12/27/93
 Agency: Administration

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

Admin - Senior Services - & Fiscal Note



Alaska State Legislature
House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

SUBJECT OF MEETING:
 * HB 3716: ASSIST & PROTECT VULNERABLE ADULTS
 * HB 3717: REGULATIONS OF ASSISTED LIVING HOMES
 (* FIRST PUBLIC HEARING)

DATE: ~~2/8~~ 2/9/94

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Dennis Murray	LHS	Soldotna, AK 232 Koehn Rd	99669	202-2545		Y	N	377
Dave W. Williams	DNA/DNS	P.O. Box 660 Juneau	99811-0660	465-3355	465-3355	Y	N	377
Tom Behring	SP of Providence	4500 Eagle Ave	99503	345-5870	762-0220	Y	N	377
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 377
P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

January 14, 1994

The Honorable Rick Halford
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill related to assisted living homes. An assisted living home is a residential facility that serves adults, provides housing and food service, and provides or obtains for the residents assistance with activities of daily living, personal assistance or health-related services. Medical facilities licensed under AS 18.20, such as nursing homes and hospitals, and certain other types of residential facilities (including correctional facilities and emergency shelters) are not classified as assisted living homes under this bill.

Although assisted living homes are not health care or medical facilities, they may provide or obtain various health-related services for residents, such as intermittent nursing care, supervision of the resident's self-administration of medications, and needed care and comfort to terminally ill patients who are under the care of a doctor who verifies that the needs of the resident are being met in the assisted living home.

The bill is intended to promote the establishment of assisted living homes that will provide a home-like setting as well as certain health-related services or assistance with certain personal activities. Such services will allow the elderly to age in place, rather than having to be transferred to a more institutionalized nursing-home setting, and will allow adults with a physical or mental disability to become integrated into their community.

Currently, the Department of Health and Social Services, under AS 47.35, licenses and regulates certain facilities that care for dependent adults. Under this bill, that licensing structure will be deleted and replaced by a new chapter (AS 47.33) that provides for assisted living homes. Responsibility for licensing and regulating the homes will be split between the Department of Health and Social Services and the Department of Administration.

Governor's Transmitted Letter

The Department of Administration will be responsible for licensure of assisted living homes that will be providing care primarily to individuals who are elderly, who have a physical disability, or who suffer from dementia, but who are not diagnosed as chronically mentally ill. Licensure of assisted living homes that will be providing care primarily to individuals with a mental or developmental disability will be the responsibility of the Department of Health and Social Services. Provision is made for joint agency determination of the appropriate licensing agency in cases in which that designation cannot easily be made. The Department of Health and Social Services, division of family and youth services, will continue to license residential homes and facilities for children under AS 47.35. The respective licensing agencies will be responsible for investigating complaints filed regarding assisted living homes and for taking necessary action to protect residents through administrative actions.

The main body of the bill is contained in sec. 1 of the bill, which defines "assisted living home," describes certain services, sets certain operating standards, and provides for licensing and regulations. For example, sec. 1 specifically provides for the safeguarding of money that a resident of an assisted living home deposited with the home for safekeeping and management. Section 1 also requires assisted living homes to keep records regarding residents' care, as well as provide their residents with information regarding residents' rights at the home, including timely notice regarding closure or relocation, notice of any change in rates, and protections in case of an action for involuntary discharge from the home.

Furthermore, the bill states that an individual may not be admitted to an assisted living home without that person's consent, or, if the individual is not competent, the consent of the individual's representative. In addition, an individual may not be admitted as a resident of an assisted living home unless an admission contract has been signed by the individual (or the individual's representative, if appropriate) and the home. The bill also requires that an assisted living plan for a resident be developed, and approved by the resident (or the resident's representative, if appropriate), within 30 days after that resident was admitted to the home. The plan is designed to identify the reasonable wants and needs of the resident and the ways in which those wants and needs will be met.

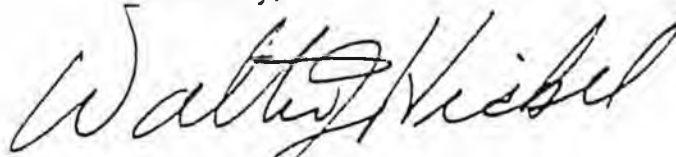
Section 1 of the bill also contains a lengthy list of residents' rights. These rights are designed to protect the residents' privacy and independence and to allow residents to be able to participate in grievance procedures or other remedial actions relating to resident complaints regarding how an assisted living home is providing care. Under the bill, certain complaints may be filed with the appropriate licensing agency; the licensing agencies have investigatory and sanction authority.

The Honorable Rick Halford
January 14, 1994
Page 3

Sections 2 through 12 of the bill amend existing statutory provisions to acknowledge the provisions in sec. 1 of the bill. Section 13 of the bill contains transition provisions regarding regulations and pending proceedings. Sections 14 and 15 allow the Department of Health and Social Services and the Department of Administration to prepare and adopt, before the effective date of the bill, regulations necessary to implement the bill. The new regulations cannot take effect before the effective date of the bill (January 1, 1995).

I urge your support of this important legislation.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel". The signature is written in dark ink and is positioned above the printed name and title.

Walter J. Hickel
Governor

DEPARTMENT OF ADMINISTRATION

HOUSE BILL NO. 377 CREATING LICENSING FOR ASSISTED LIVING HOMES

Governor Hickel introduced this bill for the purpose of promoting the operation of homes that help the elderly to "age in place," and disabled adults to reach their highest level of functioning by integration into the community. The bill's many reforms can be summarized in three key points:

Respect for residents as consumers. This bill represents an entirely new approach in Alaska to group homes for adults; discarding the old law's notion of these persons as "dependent," and instead treating them as active consumers of the service of residential care, who should receive adequate disclosure of their contractual rights, and who must be invited to actively participate to the greatest extent possible in all decisions regarding their life and care.

Allowing access to health care in a homelike setting. This bill treats the dwelling of each assisted living resident as that person's home, not an institution. This bill allows the resident to have access to any community-based health care services available to the resident, and allows the staff of the home to directly provide certain specified health care services. Under current law, a mentally alert person who can not physically administer all of his own medications or who might be bedridden for five days can not legally be allowed to reside in an adult foster home or residential care center, regardless of the nursing capacity of the home staff or the availability of visiting health care personnel.

Transfer of licensing responsibility to agencies with programmatic experience with independent living for the elderly or persons with disabilities. This bill will remove licensure of homes for adults from the purview of the Division of Family and Youth Services. Homes which serve primarily persons with mental or developmental disabilities will be licensed by the Department of Health and Social Services through the Division of Mental Health and Developmental Disabilities. Homes which serve primarily the elderly or physically disabled adults will be licensed by the Department of Administration, through the Division of Senior Services.

These changes will put Alaska among the leading states which have moved toward promotion of "assisted living" as a desirable, less restrictive and more cost-affordable care alternative which can decrease the need for many persons to ever be institutionalized.

DETAILED ANALYSIS OF HB 377

Section 1. sec. 47.33.005 lists the purposes of the bill: to encourage care in homelike settings, to promote aging in place and highest functioning by integration into communities, to establish reasonable standards to protect residents while honoring their independence, to require an assisted living plan for each resident; and to provide each resident or the resident's legal representative the maximum opportunity to participate in designing and carrying out the assisted living plan.

Sec. 47.33.010, Applicability and Definition. The bill applies only to homes that serve three or more adults not related to the operator. Small foster home arrangements serving only one or two adults would be "de-regulated" by this bill, and left to private contract. An assisted living home is a facility that provides housing and food service to its residents and one or more of the following services, either directly or by obtaining the services for the resident:

- (1) assistance with activities of daily living;
- (2) personal care assistance;
- (3) health-related services.

The bill specifies several types of facilities not included: correctional facilities, alcohol treatment centers, emergency or runaway shelters, etc.

Sec. 47.33.020, Health-related Services. This section of bill allows certain specified health care services to be made available to home residents, either by staff of the home when qualified or by outside caregivers such as home health agencies or private duty nurses.

The homes are not required to provide these health-related services, but must specify up front in writing which ones they will either provide or allow to be provided within the facility. When, in subsections (e), (g), and (h), residents are allowed to receive higher levels of nursing care or to choose to live without higher care, the operator of the home also must specifically agree with the resident's choice, and could instead ask the resident to move to another care setting.

Listed briefly, in addition to allowing self-administration of medicines in (a), a licensed home would be allowed to provide staff, or arrange for or admit the resident's own health care provider, either of whom could:

- (b) help residents with self-administration of medications
- (c) provide "intermittent" nursing care less than 24-hour
- (d) home staff only: under nurse's training and delegation, perform limited nursing tasks by non-nursing staff
- (e) arrange for licensed nurse from outside the home's staff to provide skilled nursing care

- (f) provide 24 hour skilled nursing care for up to 45 days to avoid transfer out of the home
- (h) provide 24 skilled nursing care beyond 45 days to a terminally ill resident

Note that subsection (g) allows a "non-terminal" resident to stay in the home, with the home's consent, even when the resident has exhausted the 45 days of skilled nursing, the resident and the resident's physician have discussed the consequences and risks and have agreed that the resident wishes to stay in the home while choosing to forego or do without additional 24 hour skilled nursing care.

Sections 47.33.030 through 47.33.360. Standards for Residents' Rights and the Homes' Duties. These sections of the bill define the corresponding contractual rights and duties of the assisted living home and the residents, much like the state's landlord-tenant law or the condominium association statutes. These sections of the bill assume that residents, or their legal representatives such as a guardian, will benefit from advance disclosures of contract terms, as well as participating directly in designing and carrying out their own plans of care. Briefly, the sections can be understood fairly well from their titles and the summary below:

- .030 Advance payments, trust accounts, and refunds
- .040 Residents' money and requirements for safekeeping
- .050 Temporary absences; resident's duty to inform home
- .060 House rules; limits on rules and home's duty to disclose to residents
- .070 Resident files; information home must keep available
- .080 Closure or relocation; advance written notice required
- .090 Rate increase; home must give 30 day notice
- .200 Admission; requires resident's consent
- .210 Admission contract required; contents specified
- .220 Assisted living plan required; who participates
- .230 Assisted living plan contents specified
- .240 Evaluation of assisted living plan; how often
- .300 Residents' rights
- .310 Notice of rights; copy in advance and posted in home
- .320 Access to home by advocacy or consumer organizations
- .330 Prohibitions on conduct by home staff contrary to residents' rights
- .340 Resident grievance procedure; must be written
- .350 Retaliation against home resident for exercising rights or making grievance is prohibited
- .360 Involuntary discharge; allowable reasons defined, process specified

Article 4 of the bill deals with licensing, sections 47.33.400 through 430. In 47.33.400, the bill prohibits a home which meets the bill's definitions from operating without a license,

and also allows smaller homes (serving five or fewer residents) to continue to refer to their homes as "adult foster care homes" despite their new licensing category.

Licensing agencies, 47.33.410. Homes which provide care primarily for persons with a mental or developmental disability will be licensed by the Department of Health and Social Services. Homes which care primarily for persons who have a physical disability, are elderly, or have dementia (but not chronic mental illness) will be licensed by the Department of Administration. The departments must coordinate their regulations so as to deal with homes which serve overlapping groups of persons or homes whose "primary" care group of residents changes over time.

Both licensing agencies are given the mandate to establish licensure standards by regulation, to license homes under the chapter, to investigate license applicants and licensees for compliance, and to enforce the standards of the chapter and accompanying regulations.

The licensing agencies may contract with private or municipal agencies to investigate and make recommendations for the licensing of homes.

Standard forms. In keeping with the purpose of the bill to promote and not to discourage the operation of these homes, the two licensing agencies must cooperatively develop and provide standard forms to assist the operators of the home to comply with the requirements of the law (i.e., form admission contracts, residents' rights disclosures, plans of care outlines, etc.).

The authority of state agencies to impose additional program or care requirements is preserved when the state is either paying for the care of the resident with state funds, or when the state has the responsibility to certify a home for payment for resident care from federal funds.

(This could apply to what is now state-paid adult foster care, group homes, protective placements, or the Medicaid home care waiver programs.) Sec. 47.33.430

Article 5 deals with procedures for complaints, investigations, adjudicatory proceedings, sanctions and penalties.

Sec. 47.33.500 deals with complaints. This section specifies that the licensing agencies will investigate complaints, and will protect the identity of the complainant or resident.

Sec. 47.33.510 provides immunity to a complainant.

Sec. 47.33.520 defines investigative procedure and powers.

Sec. 47.33.530 requires written notice of alleged violations, of the time and method for

curing them, notice of possible sanctions for non-compliance, and notice of the variance process.

Sec. 47.33.540 requires a procedure for self-made reports of compliance by the home.

Sec. 47.33.550 spells out a broad range of administrative sanctions which a licensing agency may invoke, and specifies the grounds and procedures for doing so. Administrative fines of up to \$ 500 per day are allowed, not to exceed \$ 5,000. A procedure is defined for appealing the sanctions, and for suspending the sanctions until the appeal is completed.

Sec. 47.33.560 specifies the constitutionally required due process procedures to be followed in administrative proceedings under this chapter; rights to notice, public hearings with ability to close the hearing to protect a resident's privacy, rights of residents to intervene, notice of the hearing to all residents.

Sec. 47.33.570 make non-compliance with the licensure requirement of 47.33.400 a class B misdemeanor.

Article 6 contains general provisions: ability of agencies to collect licensing fees, to promulgate regulations, and the general definitions used in the chapter.

The remainder of the bill affects the transition of duties between the current licensing agency under current law and this bill's new scheme.

Sec. 2, page 25, lines 17 - 21 continues the exemption from the state procurement code for state-paid contracts for adult residential services provided under the regulations under this chapter.

Sec. 3 amends AS 44.21.240(2), the definition of long term care facility in the statute empowering the long term care ombudsman.

Sec. 4 amends AS 44.62.330(a) by adding this licensing system to the list of procedures covered by the adjudication section of the administrative procedures act.

Sections 5 through 10, page 25, line 31 through page 27, line 18, amend the current licensing law, AS 47.35, which licenses all child care facilities and homes and all foster homes or residential care facilities "for dependent adults." The only changes are deletions of all references to facilities for adults (leaving only maternity homes and child care facilities).

Sec. 11 amends the licensure and certificate of need statute relating to residential facilities for persons with handicaps, to exempt assisted living homes from that form of licensure and from the certificate of need requirements.

Sec. 12 repeals AS 47.35.075 which had previously allowed first or second class cities or boroughs to license institutions caring for dependent adults. In the new bill, the decision whether to delegate licensing to a local agency will be made by the state under section 47.33.410(f).

Sec. 13 provides for transition between the old and new licensing systems. Current regulations remain in effect until new regulations are adopted under the new chapter. Ongoing cases started before the effective date of the chapter continue in effect.

Sec. 14 provides for preparation of new regulations before the effective date of the chapter. The licensing agencies are authorized to proceed with adoption of regulations needed to implement the changes in the new chapter, so long as the regulations do not take effect before January 1, 1995.

Sec. 15 gives section 14 an immediate effective date.

Sec. 16 gives the rest of the bill an effective date of January 1, 1995.

2001

ASSISTED LIVING

This LTC infant already has grabbed a respectable slice of the market

N

URSING HOMES HAVE BEEN THE answer to the problem of housing America's aging population for 30 years. But, some long-term-care industry experts contend, assisted living might just be the nation's preference for the future.

As a new style of housing for frail elderly who do not have serious medical problems, assisted living is exploding. From a vague American adaptation of a Scandinavian care model just a decade ago, it has grown to encompass as many as 40,000 facilities in the U.S., according to the Assisted Living Facilities Association of America.

And on the health-care marquee of the 21st century, it seems certain that the fledgling industry will have prominent billing. Assisted living already has become a \$10 billion to \$15 billion segment within the \$80 billion annual long-term-care business, according to the accounting firm Coopers & Lybrand. Corporate giants like Marriott Corp. are investing in the field, and assisted living already has its first publicly held company, Standish Care Co. of Massachusetts.

Nursing-home operators are noticing the rapid growth, and some are diversifying into assisted living. "If we're going to meet the demands of the great elderly population, we're going to have to experiment with these different alternatives," says Joe Warner, president

of Heritage Enterprises, a Bloomington, Ill., company that operates 14 nursing homes.

Yet assisted living is new enough that it still defies precise definition or categorization. "As a term, it means nothing. There are too many different forms and models," says Keren Brown Wilson, an Oregon professor, consultant, and assisted-living provider who is one of the trailblazers in the field.

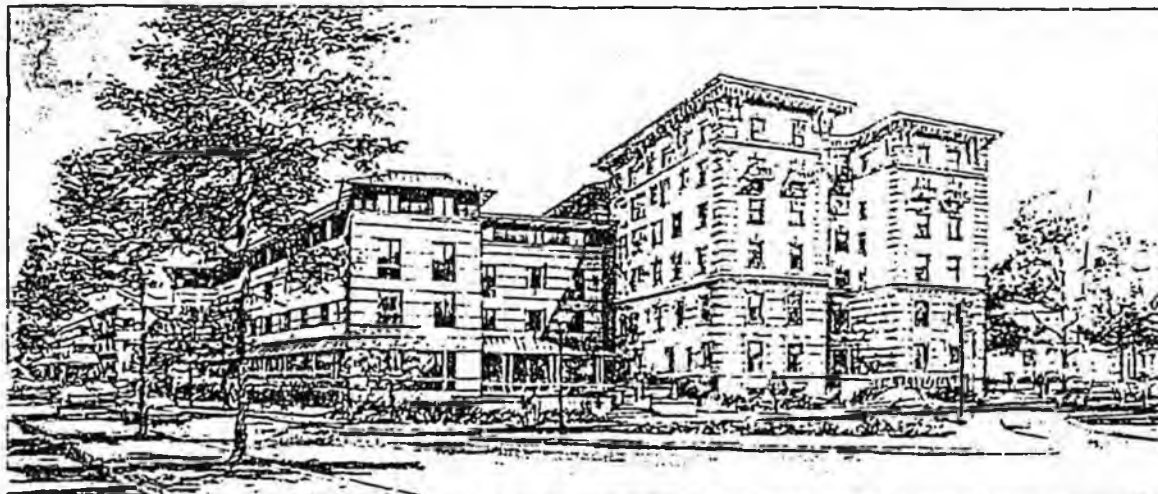
Basically, assisted living organizes care for the elderly on a "social" model rather than nursing homes' "medical" model. The idea is to satisfy psychological needs, including privacy and independence, as well as residents' physical concerns.

In describing the continuum of long-term care, most industry participants and outside experts place assisted living between, but overlapping, traditional nursing-home care and the increasingly popular home or community-based care.

"Probably a majority of people in nursing homes these days are those who can't stay at home and want long-term-care services but don't have complex medical problems," says Dick Ladd, who has been the prime mover behind the pioneering assisted-living programs in Oregon and Texas.

In practice, assisted-living centers—typically housing no more than a few dozen residents—allow elderly people to have their own living space but offer housekeeping, meals, laundry, transportation, and social

By Dale D. Buss



Heritage at Vernon Court, future ADS assisted-living community in Massachusetts

Contemporary Long Term Care

January 1994

activities, along with regular visits from nurses and other medical professionals. That makes them similar in structure to traditional board-and-care facilities.

But assisted living has a distinctive underlying philosophy, and that seems to be why it is finding a market.

"Assisted living has this philosophy of encouraging independence and privacy and dignity, and there's a much greater emphasis on keeping the person as involved and active and empowered as possible," says Elizabeth Clemmer, head of consumer policy research for the American Association of Retired Persons.

Adds Lee Bronfman, assisted-living specialist for the American Association of Homes for the Aging: "Consumers are saying they don't want to go to a nursing home—not that they don't want to be cared for. They're saying, 'Don't put me next to someone I don't even know with fluorescent lights over my head and a cold linoleum floor and come crashing into my room any time you want an ' tell me to play bingo.'"

It is this kind of thinking that sets assisted living apart from the more traditional caregiving of nursing homes, says Bill Lasky, president of Alternative Living Services, a Brookfield, Wis.-based assisted-living provider. "For the first time in health care," he says, "here's a movement that has been consumer-driven, family-driven, market-driven, because it didn't come out of an environment that federal funding created."

And assisted living, proponents say, is less costly than nursing-home care. A recent Coopers & Lybrand study showed that at nursing homes, operating expenses run about 80% of revenue, while such expenses are only 55% to 60% of revenue at assisted-living homes, nearly all of which are for-profit enterprises.

"It's what seniors prefer and it's cost-effective for the states," says Thomas H. Grape, managing partner of ADS Senior Housing, Cambridge, Mass. "They both win."

Rackleff House, an assisted-living center operated by Wilson's company in Canby, Ore., is considered a prototype. Since it opened in 1990, it has housed 25 frail elderly. The average age of current residents is 89. The 17,000-sq.-ft., one-story building looks like a big yellow farmhouse, with a fireplace inside and a secure enclosed courtyard outside. Private apartments radiate from a diamond-shaped central hall. The 325- to 450-sq.-ft. studio spaces have full kitchens, bathrooms with roll-in showers, locking doors, and separate temperature controls. "All the normal apartment-type stuff," says Wilson, who is president of Concepts in Community Living Inc., in Portland.

Services range from meals, laundry, housekeeping, bathing, and medication administration to specific medical needs like skin care, toileting, and coordination of physical therapy and other ancillary services. Most important, says Wilson, Rackleff sees to residents' psychological needs, honoring their personal routines and idiosyncrasies, forgoing regimentation and always encouraging them to do as much as they can for themselves.

Like many other innovations in long-term care, assisted living has risen from the state level. After recognizing the success of the concept in a test at a Portland facility in the mid-1980s, Dick Ladd and



Karen Brown Wilson is a trailblazer in the field.

other Oregon officials soon obtained a waiver to partially fund assisted living with Medicaid and encouraged developers to build assisted-living centers. Now there are more than two dozen facilities in the state.

Ladd now is commissioner for health and human services in Texas. He has obtained a 22,000-slot Medicaid waiver for home and community-based services, the largest waiver ever granted by the federal government. Texas began using the waiver this month to fund assisted-living facilities in a handful of spots in the state.

Most other states, which now pump as much as 95% of their long-term-care dollars into nursing homes, are working on assisted living as well. Massachusetts may establish it as a distinct service and offer tax-exempt construction and permanent financing for developers who agree to reserve a minimum of 20% of their units for low-income individuals. Last fall, Maryland allowed 275 frail elderly to live in group homes, including assisted-living sites, rather than nursing homes. Washington State and Minnesota also have pilot programs.

At this point, confusion reigns about exactly what the Clinton administration envisions for the future of long-term care. But the community-based care promoted in the Clinton proposal "at every level is being interpreted to mean assisted living," asserts Wilson.

Many experts believe that though the rhetoric of the Clinton plan says otherwise, the rise of assisted living inevitably will further squeeze federal funds available to the nursing-home industry. That's why many nursing-home operators are outright opposing assisted living. In Florida in 1992, for instance, nursing-home-funded opposition to a proposed assisted-living program delayed its start by about eight months.

But others are joining the trend. "Those who see the long term clearly recognize they need to become a part of this," says ADS' Grape, whose company is building six assisted-living communities to supplement the 32 Massachusetts nursing homes it manages. "It's preferred by consumers, it has public-policy benefits, and it is right smack where health care is going. And they'd better participate in this rather than obstruct it." CJC

Branch Office:
5601 C St., Ste. 260
Frontier Bldg.
Anchorage, AK 99503
(907) 563-5654
FAX: 562-3040



Main Office
P.O. Box 110209
Juneau, AK 99811-0209
(907) 465-3250
FAX: 465-4716

Older Alaskans Commission

October 7, 1993

The Honorable Nancy Bear Usera
Commissioner
Department of Administration
P.O. Box 110200
Juneau, AK 99811-0200

Re: Governor's Proposal
for Senior Reorganization

Dear Commissioner Usera:

On behalf of the Commission, I want to express our appreciation of the opportunity to review, with Deputy Commissioner Waldron, Governor Hickel's proposal to reorganize senior services in state government, including the summaries of the three proposed bills.

The commission fully endorses the concepts behind the three bills, and the plan to create a new division of senior services by administrative order. We appreciate your leadership in initiating the Task Force last year, and believe that your choice and direction of Task Force members led directly to this excellent proposal for a new approach to senior services.

The commission plans to work, both as a group and individually, to understand the bills in both concept and detail, and will advocate for their support among the seniors in our local and regional areas. We would like to receive a copy of the actual bills' language as soon as they are public.

The commission has three comments or suggestions for the bill regarding the Commission and the Pioneers' Homes Advisory Board:

1. We think the increased linkage of the two boards, by the designation of a voting seat on each board for the chairman of the other board, is an excellent improvement.
2. While we support the new voting power given to the three departmental commission members from the administration, we would urge addition of language that the chairman of the Alaska Commission on Aging must be selected from among the seven layperson members appointed by the Governor.

Correspondence

Commissioner Nancy Bear Usera

Page 2

October 7, 1993

3. We strongly feel that because commissioners are either selected by or retained at the pleasure of the current governor, the members of the commission should choose their own chairman. The citizen-led impetus to create a commission in 1980 appears to still reflect the general senior sentiment in our state that the wisdom and experience of seniors should be recognized by allowing them a strong role in managing senior affairs in our state government.

Finally, we wish to note our concern that there be adequate fiscal and personnel resources to successfully carry out the two important new functions of the new Division of Senior Services, namely, the licensing of Assisted Living homes and Adult Protective Services.

Again, thank you for the chance to comment upon this proposal. Please convey to Governor Hickel our strong support of his plan.

Sincerely,



Donald M. Hoover, Chairman
Older Alaskans Commission



Bringing lifetimes of experience and leadership to serve all generations.

CHAIR
Mary Lou Meiners
805 Gold Belt
Juneau, AK 99801
(907) 586-2568

ALASKA STATE LEGISLATIVE COMMITTEE

VICE CHAIRMAN
CCTF Coordinator
Joe Alter
P.O. Box 20304
Juneau AK 99802
(907) 586-6680

SECRETARY
Joan McKinnon
5201 Raccliffe Drive
Anchorage AK 99504
(907) 337-9742

December 15, 1992

Connie J. Lipe
Executive Director
Older Alaskans Commission
P.O. Box 110209
Juneau, Alaska

Dear Connie,

During the December meeting of the State Legislative Committee of AARP, the proposed consolidation of Senior Services was discussed.

If and when such a centralization should become a reality, the members of the Alaska State Legislative Committee go on record favoring the establishment of a Division of Senior Services within the Department of Community and Regional Affairs.

Thank you for this opportunity to express our opinion on this matter.

Sincerely,
Mary Lou Meiners, Chair
Alaska State Legislative Committee

AGENET

Alaska
Geriatric
Exchange
NETwork

January 27, 1993

Velma Ellyson, President

3935 Svedlund St
Homer, AK 99603
235-7655
Fax 235-3739
Area: South Central

Jill Sandleben, Vice President

419 6th St. CCS Wing
Juneau, AK 99801
586-6233
Fax 586-9018
Area: Southeast

Shell Marie Reading, Sec:Trea

4450 Cordova St., Suite 120
Anchorage, AK 99503
1-800-478-1080
Fax 561-3315
Area: Anchorage

Irving J. Igtanloc, Board

PO Box 69
Barrow, AK 99723
1-800-478-6606
Fax 852-0372
Area: North Slope/Northwest

Rose Megli, Board

Box 889
Dillingham, AK 99576
842-1231
Fax 842-5691
Area: Southwest

Cyndi Nation, Board

122 First Avenue
Fairbanks, AK 99712
452-8251, ext. 3152
Fax 459-3850
Area: Interior

Patricia Porter, Board

361 Senior Ct.
Kenai, AK 99611
253-4156
Fax 253-5556
Area: South Central

Interagency Task Force
c/o Older Alaskans Commission
3602 C Street Suite 260
Anchorage, Ak 99503

Dear Interagency Task Force,

We, the association of programs providing senior services through Older Alaska Commission grants, are in favor of a Division of Senior Services. This reorganization of programs that serve Older Alaskans into a combined Division of Senior Services will greatly assist us in being about to provide efficient, cost effective services to Alaskan seniors.

Sincerely,

Velma Ellyson

Velma Ellyson
President

JAN 27 1993
OLDER ALASKANS COMMISSION

PIONEERS' HOMES ADVISORY BOARD

Amos "Joe" Alter, Chairman

October 15, 1993

P.O. Box 110211
Juneau, AK 99811-0211



Nancy Bear Usera, Commissioner
Alaska Department of Administration
P O Box 110200
Juneau, AK 99811-00200

Dear Nancy:

You and your hospitality are great and I am sure I speak for each and all of our Board Members as I thank you.

The opportunity to meet with you and discuss Administration priorities and concern was an excellent way for us to start our home visits. In the Board role of communicating your concerns to Pioneers' Homes residents and the public and visa versa we have the following findings to report to you:

1. The Board, residents, and the public are generally supportive of Administration proposals for reorganization of senior programs within a new division of aging with one exception. Predominate opinion prefers Board selection of its own chairman.
2. The proposed rate increases are generally acceptable.
3. More Mental Health Trust funds should be provided to complement current appropriations for Pioneers' Homes. Current efforts to serve the special needs of Alzheimer and related dementia needs of residents is commendable but inadequate. Planned staff training designed to enhance service to these special residents is essential and appreciated. A closer working relationship between this Board and the Mental Health Board is recommended.
4. Appropriate revisions should be made in current conditions governing employment of qualified part time staff to enhance availability of such staff.
5. There is general opposition to privatization of the homes.

Robert Gore, Board Member
John Dapcevich, Board Member

Vallie Byrdsong, Board Member
Stella Odsather, Board Member

Robert Kallenburg, Board Member
Peggy Arness, Board Member

6. Great appreciation and a minimum of dissatisfaction with the system was obvious. We urge continuing restructuring of the service model to address those future needs not met otherwise.

We thank you again for the opportunity to work with you and your dedicated Pioneers' Home staff.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe".

Amos J. Alter