

HB

384

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2133

Dear Pioneers' Home Residents and Pioneers' Home Friends,

For over 82 years, the Pioneers' Homes have served senior Alaskans. Beginning in 1913, in an abandoned U.S. Marine barracks in Sitka, the first territorial legislature housed and cared for elderly prospectors, miners, fishermen, and other Alaskan men in need of housing and care.

Today there are six Pioneers' Homes across the state caring for 600 elderly Alaskans. The average age of these residents is 85. The most common disability shared by residents is Alzheimer's Disease and Related Disabilities (ADRD).

In order to meet the ADRD needs of the residents, the Pioneers' Homes have focused on specialized ADRD treatment. At the same time the Homes continue to provide programs and treatments for those residents who have needs unrelated to ADRD.

During the long history of the Pioneers' Homes, the services have changed to meet the needs of the residents. Also, during this history, the Homes have been financed by a changing mix of territorial/state subsidy and resident fees.

The earliest resident fee of one dollar per day began in 1916. The first monthly rates began in 1954. Since monthly rates began, 45 years ago, monthly rates have been raised seven times.

Today, residents as a group pay about 17% of the total operating costs of the Homes; the state provides 83% of total operating costs. Capital funds for the construction of the Homes and for continued building maintenance has been provided exclusively by state funds. Many Alaskans feel that this state subsidy for both the operating and capital budgets of the Homes cannot be continued.

During the 1995 legislative session, HB 246: Privatizing Alaska Pioneers' Homes, was introduced. The immediate consequence of private sector ownership would be new rates equal to the full cost of care. As you know, Governor Knowles opposes HB 246.

September 11, 1995

2

The state has been unable to provide funding for all of the identified needs of the Pioneers' Homes during the past few budget years. Smaller operating budgets have caused staff layoff, and inadequate capital budgets have resulted in the deterioration of the six Pioneers' Homes' buildings.

Due to decreasing state revenues and the mandate requiring balanced state budgets, inadequate operating and capital budgets for the Homes can be anticipated in future years.

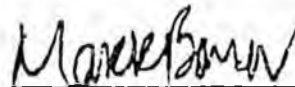
Without adequate funding, the Homes will not continue to provide present programs and treatment services.

We must decide whether the Pioneers' Homes will continue to exist by deciding how the Pioneers' Homes will be financed.

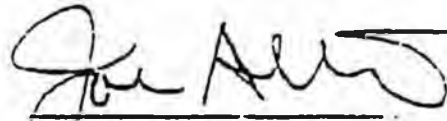
Resident rates have been increased by about 10% per year in 1993, 1994, and 1995. After these increases, the residents' contribution to Pioneers' Homes' operating budget is about 17%. Private sector assisted living and nursing facilities are expensive and usually charge residents 100% of operating and capital costs.

Together we must create a plan which will finance the operations of the Pioneers' Homes. We ask you to join in this planning process by providing your ideas, as individuals or as groups. The continuation of the Pioneers' Homes depends on each of us, our ideas, and our full support.

Sincerely,



Mark Boyer
Commissioner



Amos (Joe) Alter, Chair
Pioneers' Homes Advisory Board

cc: Pioneers' Home Advisory Board Members

PIONEERS' HOME ADVISORY BOARD

Amos "Joe" Alier, Chair

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



October 9, 1995

The Honorable Tony Knowles
Governor, State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Knowles:

Your Pioneers' Homes Advisory Board has completed the 1995 annual visit to each of the six homes in the State system. We have listened to comments from home residents, family members, the public, legislators, and operational staff. This letter summarizes comments and discussions resulting from the visits and includes those recommendations considered a matter of state policy. More detailed comment and recommendations are included in the enclosed copies of our letters to Commissioner of Administration, Mark Boyer, and Division of Senior Services administrators.

We compliment you and your staff on the outstanding accomplishments we found. Resident need is being matched with the level of care required to meet that need. Alaska Pioneers' Homes are on the forefront of long term care for the elderly. Our state homes are a model for the nation. Individual physical, mental and social needs are given priority in the system as well as economic needs. This has been accomplished even with budget reductions each of the past several years, little or no money for long neglected maintenance of the facilities, and significant reductions in staff levels. The 600 bed Pioneers' Homes system, approximately half of the long term care beds in the state, is the only Alaskan alternative for families who must deal with family members with Alzheimer's or related dementia. We found great appreciation expressed by residents and family members for the vital service the homes provide.

Alaska is at a crossroads in determining the future of long term care for the elderly, particularly those persons suffering from Alzheimer's and related dementia. This is not a problem of just persons in Pioneers' Homes, just the elderly, just the poor, or the rich. It is now or potentially a problem of every Alaskan regardless of age or station. The root of the problem and the object of public policy development is who pays for long term care. Long term and short term action must be taken as we Alaskans seek to close the budget gap and at the same time act as responsible, caring citizens. Public policy should recognize both the pluses and minuses individually and for the state as a whole in determining the future of Pioneers' Homes. Jobs, economy, social structure, family values, fiscal impact, as well as long term health care, are all affected by our decisions.

Following are our conclusions and recommendations:

1. The current level of quality care cannot be sustained with further reductions in personnel and budget. The greatest operational cost for the system is personal services.

Robert Gore, Vice Chair
Donald M. Hoover, Member
Dan Pistorasi, Member

Vallie Byrdson, Member
Robert Kallenberg, Member

John Dapevich, Member
Estella Odeather, Member

Due to neglected maintenance budgets many health and safety items need immediate attention to protect the state against potential liability claims. The highest priority needs should be addressed as soon as possible and supplemental funding should be provided.

2. Alternatives should be found for recovering the full cost of care. Studies should be initiated as soon as possible to identify specifics of potential trust fund, insurance or other mechanisms for defining the risk pool characteristics, premiums needed, benefits, potential fund sources, and projected relationships of such proposals to long term care provided in the private sector. Threats of Medicare and Medicaid funding reductions, the latter being the principal source of revenue for long term care in the private sector, could place additional stress upon the currently overloaded Pioneers' Homes.

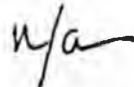
3. Potential funding proposals received during hearings in the several homes included (a) require all residents to pay full cost of care with the understanding no person would be discharged from a home for inability to bear such costs; (b) make a legislative appropriation from the Permanent Fund Reserve Account sufficient to establish an actuarially sound payment system and sustain such system through co-payments by the state and residents, state appropriations to be made annually from the Permanent Fund Reserve Account; (c) discontinue admission to a Pioneer Home in simple residential status and fund the program from Mental Health Fund sources.

4. We recommend full cost of care be recovered by the year 2003. While alternatives for long term care financing are being defined more clearly, we recommend current rates be increased annually for each level of care by an amount equal to the difference between the present rates and the estimated full cost of care divided by the number of years remaining until 2003. In no event should any individual either be denied entry to or discharged from a Pioneers' Home due to inability to pay. Increased funds generated through rate increases should be retained by the Pioneers' Homes.

5. Additional positions should be established to provide the assisted living services which would be necessary if all currently unoccupied residential beds were filled.

We thank you for your deep commitment to the Pioneers' Homes and for the privilege of advising you on the conditions surrounding the System. Members of the Board will be available and would like to personally meet with you to discuss the above recommendations further.

Sincerely yours,



Amos J. "Joe" Alter, Chair
Pioneers' Homes Advisory Board

Enclosures: Letters to Commission Boyer,
Director, Division of Senior Services, Sipc,
Deputy Director, Kohn

A M E N D M E N T

AMENDMENT TO HB 384

BY REPRESENTATIVE ROKEBERG

1 Page 1, line 12, after "the";

2 Delete "income"

3 Insert "payment"

4 Page 1, line 12 after "department";

5 Delete "payment of"

(d) [Repealed, § 28 ch 90 SLA 1991.] (§ 51-2-13 ACLA 1949; am § 1 ch 158 SLA 1955; am § 1 ch 118 SLA 1957; am § 1 ch 89 SLA 1961; am § 1 ch 63 SLA 1965; am E.O. No. 30 (1968); am §§ 1, 2 ch 7 SLA 1971; am § 3 ch 11 SLA 1979; am §§ 1, 2 ch 155 SLA 1984; am § 2 ch 35 SLA 1990; am § 28 ch 90 SLA 1991)

Revisor's notes. — Formerly AS 47.25.020. Renumbered in 1990. amendment, effective July 3, 1991, repealed subsection (d).

Effect of amendments. — The 1991

Sec. 47.55.030. Admission on payment. (a) A person eligible for admission under AS 47.55.020 may on application be admitted to the home upon the person's agreement to pay to the state each month an amount the Department of Administration considers sufficient to compensate the state for the cost of care and support of the person at the home. When this agreement is entered into the Department of Administration may require security for the payments.

(b) The Department of Administration shall adopt regulations establishing a monthly rate for the compensation a resident is to be charged under (a) of this section. The rate charged need not fully compensate the state for the cost of care and support. The commissioner of administration shall review the rate each year.

(c) The Department of Administration shall provide to all residents of the Pioneers' Home written notice of any proposed change in the rate charged for care and support of persons at the home. Notice under this section shall be given not less than 60 days before a change is adopted. The notice must include the time, date, and place of a hearing to be held by the Department of Administration under (d) of this section. The department may not change the rate charged more than once in a fiscal year.

(d) Not less than 30 days before a proposed rate change is adopted, the Department of Administration shall conduct a hearing at which interested persons shall be given the opportunity to submit written or oral testimony, statements, arguments or contentions relating to the proposed rate change. The department shall consider all relevant matter presented to it before adopting a rate change.

(e) [Repealed, § 28 ch 90 SLA 1991.] (§ 51-2-14 ACLA 1949; am § 2 ch 89 SLA 1961; am E.O. No. 30 (1968); am § 3 ch 155 SLA 1984; am § 94 ch 138 SLA 1986; am § 3 ch 35 SLA 1990; am § 28 ch 90 SLA 1991)

Revisor's notes. — Formerly AS 47.25.030. Renumbered in 1990. amendment, effective July 3, 1991, repealed subsection (e).

Effect of amendments. — The 1991

THE RESIDENT COUNCIL
SITKA PIONEERS' HOME

120 Katlian
Sitka, AK 99835
747-6398

JAN 6 1981

Representative Norman Rokeberg
State Capitol
Juneau, AK 99801-1182

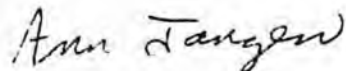
Dear Representative Rokeberg :

We have just received a copy of House Bill No. 384, which carries your name. On behalf of the residents here in Sitka, I want to thank you for this.

The anxiety level at the Home continues to be high as we approach the Legislative session. Just knowing that this bill is possible helps.

Thank you again for your sensitivity to the situation in which many of us find ourselves.

Sincerely yours,



Ann Janzen, Secretary



WELCOME

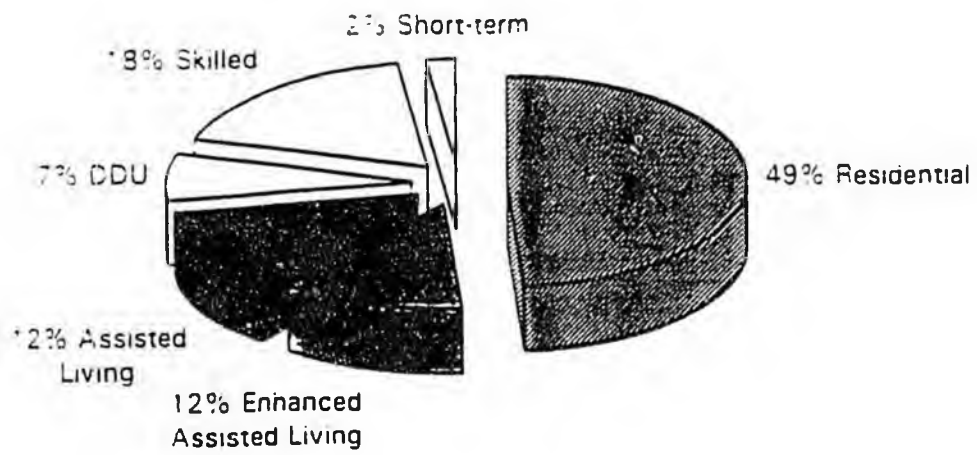
ALASKA PIONEERS' HOMES MISSION STATEMENT

(Excerpted from the Pioneers' Homes' Division Manual)

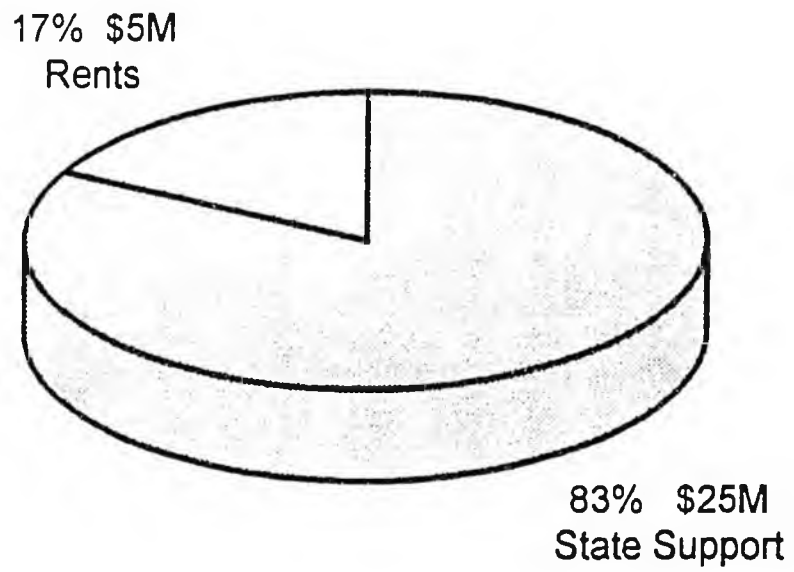
"The Pioneers' Homes are dedicated to serving Alaskans by providing specialized residential services in Sitka, Fairbanks, Palmer, Anchorage, Ketchikan, and Juneau. These services are designed to maximize independence and quality of life by addressing the physical, psychosocial, and spiritual needs of residents in a continuum of care, ranging from assisted living to skilled nursing care, with special capacities for Alzheimer's disease and related dementias. Services are provided by caring, experienced, and qualified staff who recognize that strong community support and interaction are vital to our mission."

Levels of Care 1995

110 Residential Residents
28 Assisted Living Residents
26 Enhanced Assisted Living Residents
16 Dementia Unit Residents (DDU)
41 Skilled Care Residents
4 Short-term Beds
225 Total



1995 Pioneer Home Operational Budget 30 Million



Advisory Board Fiscal Plan

It is proposed that the present four levels of care be changed to five levels of care with the addition of ADRD Unit level of care. Further, it is proposed that the present Residential level of care receive a name change to Coordinated Services.

Level of Care	Estimated Monthly Cost	Present Monthly Charge	Difference	FY97 Monthly Increase (1/7 of difference).	FY97 Rate
Coordinated Services	\$2129	\$ 735	\$1470	\$ 210	\$ 945
Basic Assisted Living	\$3862	\$ 860	\$3002	\$ 428	\$1288
Enhanced Assisted Living	\$5079	\$ 965	\$4114	\$ 588	\$1533
ADRD Unit	\$5262	\$ 965	\$4297	\$ 614	\$1579
Nursing	\$6448	\$1100	\$5348	\$ 764	\$1864

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

OIL & GAS, CHAIRMAN
LABOR & COMMERCE, VICE CHAIRMAN
ADMINISTRATIVE REGULATION REVIEW, VICE CHAIRMAN
HEALTH, EDUCATION & SOCIAL SERVICES, MEMBER
ECONOMIC DEVELOPMENT, MEMBER



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ANCHORAGE AK 99501
PHONE (907) 258-8191
FAX (907) 258-2916

SESSION
STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE (907) 465-4968
FAX (907) 465-2040

Representative Norman Rokeberg

Sponsor Statement HB 384

"An act relating to payment requirements for retention in the Pioneers' Home; and providing for an effective date"

HB 384 gives statutory protection to what has been the standard policy since the beginning of the Pioneers' Homes in Alaska -- that residents who cannot pay are not evicted. HB 384 will provide a statutory safety net that prevents the state from evicting residents.

Currently, ⁵¹⁸70 of the 603 residents in the states' six Homes cannot pay the full rent. Since significant annual rate increases have been proposed by the governor, many of the residents are living in fear of the consequences if they cannot afford the proposed rates.

Many of the residents are living on Social Security and the Longevity Bonus, which, for many, totals no more than \$1,000 a month. The residents are frightened and scared that they will be evicted, even though it has been a long-standing unwritten policy that no resident will be evicted based on an inability to pay.

I believe it is crucial to the peace of mind of the elderly residents that this unwritten policy become state policy. I urge your support in this matter.

ties to exempt seniors from having to pay property taxes on the first \$150,000 of their homes' assessed value. But the state has steadily contributed less toward the program, requiring the municipalities to foot the bill. Today, the state pays

executive director. "I think [the tax exemption] really does help people, but it would be hard to get a direct cause and effect identified on that issue," Demmert says. However, when all the programs for seniors begin to be

ment it has been." Demmert says her office receives many calls and letters from people out of state, who are scouting for a retirement location. "They're asking what benefits are available as a part of their research and

But on the other hand, I also know, working here, that we clearly do have to figure out some way to save." Lee Carman, president of the Fairbanks Chapter of the American Association of Retired Persons (AARP), says he

consensus from seniors, it is certain that the governor's proposals won't just slide through the legislature, Carman says. "I don't know whether the legislature's going to give him anything or not," Carman says. "They like to fight politics."

Pioneers' Home bill allows those unable to pay to stay

by David Washburn
Senior Voice staff

Rep. Norm Rokeberg (R-Anchorage) has introduced a bill that would forbid the state from evicting Pioneers' Homes residents who cannot afford to pay their rent.

Rokeberg says he sponsored the bill, HB 384, because Pioneers' Homes residents and their families are worried about the state's plan to increase rates at the Homes over the next seven years.

Last fall, the Pioneers'

Home Advisory Board recommended the increases because current rates do not cover the costs of the program. Operating the six Pioneers' Homes costs the state over \$30 million a year. Funds generated from the residents' rent pays for approximately 15 percent of the costs; the state subsidizes the rest.

Rokeberg says he learned during hearings on the increases that there is no statute specifically protecting resi-

dents from being evicted for inability to pay full rent.

"It's clearly not been the policy of the state to expel anybody, and I understand that," Rokeberg says. However, a clearly-worded law would help put residents'

minds at ease, he says.

State officials agree current laws are not worded as clearly as they could be, but emphasize that HB 308 simply enacts into law what is already standard policy.

"It's always been the prac-

tice to not throw anybody out for not being able to pay," says Jim Kohn, deputy director of the Division of Senior Services.

Kohn says there are 603 seniors currently living in the Homes, about 70 of whom cannot pay the full rent.



SENIORS

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Whether you rent or own, **CALL WEATHERIZATION** and ask if you qualify for **FREE WEATHERIZATION** for your mobile home, apartment or house.

**YOU'VE EARNED THE RIGHT TO BE WARM
IN YOUR OWN HOME. CALL NOW!**



State of Alaska Alaska Commission on Aging Legislative Teleconference Meeting Sites

The Alaska Commission on Aging will begin weekly Legislative Subcommittee meetings on Tuesday, February 6, 1996, and will continue throughout the legislative session. Meetings are scheduled for Tuesdays from 10:00 a.m. till 11:00 a.m.

Public sites include:

- Anchorage** Division of Senior Services Office, 3601 C Street, Suite 310, Anchorage, AK 99503.
- Fairbanks** North Star Council on Aging, 1424 Moore Street, Fairbanks, AK 99701.
- Juneau** Alaska Commission on Aging, State Office Building, Room 757, Juneau, AK 99811.
- Kodiak** Kodiak Senior Center, 302 Erskine Ave., Kodiak, AK 99615.
- Mat-Su** Mat-Su Legislative Information Center, 600 E. Railroad Ave., Wasilla, AK 99654.
- Nome** XYZ Senior Center, 95 Hunter Way, Nome, AK 99762.
- Sitka** Center for Community, 700 Katlian, Suite B, Sitka, AK 99835.

Anyone requiring special devices and equipment to participate in the meet

4. We recommend full cost of care be recovered by the year 2003. While alternatives for long term care financing are being defined more clearly, we recommend current rates be increased annually for each level of care by an amount equal to the difference between the present rates and the estimated full cost of care divided by the number of years remaining until 2003. In no event should any individual either be denied entry to or discharged from a Pioneers' Home due to inability to pay. Increased funds generated through rate increases should be retained by the Pioneers' Homes.

DEPARTMENT OF ADMINISTRATION

DIVISION OF SENIOR SERVICES

December 15, 1994

P.O. BOX 112211
 JUNEAU, AK 99811
 FAX (907)

LONGEVITY BOND PHONE (907) 465-4400

PIONEERS' HOMES PHONE (907) 465-4400

Dear Pioneers' Home Resident:

During October 1994, public hearings were held at each of the Pioneers' Homes regarding proposed new rates for each level of care in the Homes. The proposal also included the addition of a new level of care, Enhanced Assisted Living. In addition to public hearings, the rate proposal was extensively advertised throughout the state. The increased rates were approved as proposed.

Former Deputy Commissioner Robertley Waidron and I thank you for your oral and written testimony which included very favorable comments regarding the services provided by each Pioneers' Home. We understand that some residents will find it financially difficult to meet this added expense.

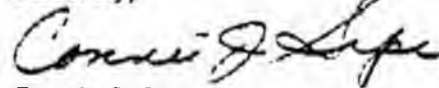
The new rates will be effective beginning February 1, 1995. If you have income or assets, you must pay the rate charged. If you do not have sufficient income or assets, please talk to the social worker or a business office staff member for assistance. No one who is unable to pay the full rate will be asked to leave the Home or be discriminated against in any way.

Beginning February 1, 1995, the charge for care in the Pioneers' Homes will be:

Residential	\$735.00
Basic Assisted Living	\$860.00
Enhanced Assisted Living	\$965.00
Skilled Nursing	\$1100.00

If you have any questions or concerns, please contact your Home Administrator or Jim Kohn, Deputy Director at 465-4400.

Sincerely,



Connie J. Sipe
 Director

I have circled your new rate. Residents who move to the new Special Care unit who need more assistance than Basic Assisted Living can provide will be charged the Special Care Assisted Living rate when that occurs. If you have any questions, please feel free to call upon me.

TONY KNOWLES, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

P.O. BOX 10211
JUNEAU, ALASKA 99811-0211
PHONE: (907) 465-4400

February 7, 1996

Representative Norman Rokeberg
State Capital
Juneau, Alaska 99801-1182

Dear Representative Rokeberg:

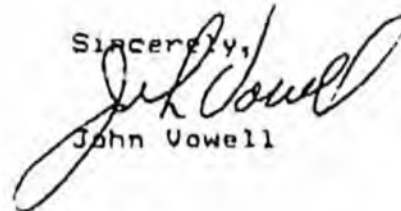
On behalf of the Residents of the Anchorage Pioneers' Home I wish to give their support to HB 384, "An act relating to payment requirements for retention in the Pioneers' Home". Resident Council President, Mr. John Gibbons, presented HB 384 to the Resident Council at their February 5, 1996 meeting and received a 100% vote to support passage of this legislation.

Speaking for myself, as Administrator of the Anchorage Pioneers' Home, I am very much aware of the need for the Administration to address the issue of Pioneer Home Resident rents being more in line with the cost of the services they receive. I am also aware that it has always been the historical practice that a persons income or ability to pay the full cost of care has never been consideration for admission or continued stay at the Homes.

It is always important to remember and related to others in the Legislature that a Pioneer Home is not just a facility for Senior Alaskans but the "Home" of Senior Alaskans and with passage of HB 384 our Residents will be provided a peace of mind so important in maintaining a healthy outlook for the future.

I congratulate you on your sponsorship of HB 384. Please free to call upon Mr. Gibbons or myself if we can be of any assistance in support of your bill.

Sincerely,



John Vowell

ANCHORAGE PIONEERS' HOME
923 WEST ELEVENTH AVENUE
ANCHORAGE, ALASKA 99501-4399
PHONE: (907) 276-3414

FAIRBANKS PIONEERS' HOME
2221 EAGAN AVENUE
FAIRBANKS, ALASKA 99701-5797
PHONE: (907) 456-4372

JUNEAU PIONEERS' HOME
4875 GLACIER HIGHWAY
JUNEAU, ALASKA 99801-9518
PHONE: (907) 780-6422

KETCHIKAN PIONEERS' HOME
141 BRYANT STREET
KETCHIKAN, ALASKA 99901-6575
PHONE: (907) 225-4111

PALMER PIONEERS' HOME
250 EAST FIREWEED
PALMER, ALASKA 99645-6638
PHONE: (907) 745-4241

SITKA PIONEERS' HOME
120 KATLIAN STREET
SITKA, ALASKA 99835-7501
PHONE: (907) 747-3213