

HB

16

MEMORANDUM

State of Alaska
Department of Administration
Division of Senior Services

To: Alison Elgee
Deputy Commissioner

Date: May 11, 1999

From Kay L. Burrows
Director
Division of Senior Services

Phone: 269-3666
Fax: 269-3689
Email: Kay_Burrows@admin.state.ak.us

RE: Timeline for review of Assisted Living Regulations

As you know, over the course of the last few months, we have decided that it is time to review the Statutes and Regulations of the State of Alaska as they pertain to Assisted Living Licensing. I am proposing the following workplan for that review:

May 1999: Identify Steering Committee for Assisted Living regulation review work

June through August 1999: Conduct meetings with stakeholders; i.e. assisted living providers, care coordinators, Medicaid Division staff, etc., to identify problem areas with existing regulations/statutes

August - September 1999: Conduct public forums in Anchorage, Fairbanks, South East and the Kenai Peninsula to discuss problem areas with interested Alaskans

September - October 1999: Work with Steering Committee to develop draft regulations and possible statute changes.

October 1999: Review new draft regulations and any necessary statute changes with Long Term Care Task Force and other interested parties.

November 1999: Complete public review process and promulgate regulations.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 16

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: Transfer assisted living licensure to the BRU: Institutions and Administration
Department of Health and Social Services Component: Mental Health/DD Admin
 Sponsor: Croft COMPONENT SERIAL NO. 310
 Requestor: State Affairs, HES See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY00	FY01	FY02	FY03	FY04	FY05
PERSONAL SERVICES	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)
TRAVEL	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)
CONTRACTUAL	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	(35.1)	(35.1)	(35.1)	(35.1)	(35.1)	(35.1)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(10.1)	(10.1)	(10.1)	(10.1)	(10.1)	(10.1)
1037 GF/Mental Health	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)	(25.0)
Other (please specify)						
TOTAL	(35.1)	(35.1)	(35.1)	(35.1)	(35.1)	(35.1)

POSITIONS:

FULL-TIME						
PART-TIME	-1					
TEMPORARY						

Estimate of any current year (FY99) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

In FY95, the Division received \$100.0 through Ch 130 SLA 1994 for implementation of SB 249 - Regulation of Assisted Living Homes. The funds were appropriated into the MHDD Administration component. In FY96, \$10.1 of program receipt authority was awarded to receive and expend the licensing fees collected in support of the program. The \$110.1 provides funding for 1.5 FTE positions, a full-time community care licensing specialist and a half-time developmental disabilities program specialist. The total cost of these positions is \$90.0. Travel costs are \$15.0 a year. Another \$5.1 is allocated for training, phone, and supplies. These two positions provide for initial licensing of new homes, renewal of license for existing homes bi-annually, and investigations of allegations of neglect or abuse as required by regulation.

Prepared by: Leonard Abel, Ph.D. Phone: 465-3370
 Division: Mental Health and DD Date: 03/05/99
 Approved by Commissioner: Karen Perdue, Commissioner Date: 3/5/99
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

The annual licensing on-site reviews also includes technical assistance to assure compliance with regulations and statutes. These positions also work on finding and developing new assisted living homes.

Because assisted living homes serve persons with mental illness or a developmental disability, additional services need to be provided to assure that assisted living home staff have the skills and knowledge needed. Assisted living home administrators and their staff have a wide range of skills and knowledge. In order to be proactive with health and safety issues for division beneficiaries living in assisted living more is required than what would be done by a DMA licensing unit. By moving the licensing function, the technical assistance that the Division provides could be lost.

Two positions, a full-time community care licensing specialist and a half-time developmental disabilities program specialist currently license and monitor the quality of life in over 130 assisted living homes. The types of activities that need to be done to supplement the licensing process are:

1. Education and training in safety matters such as First Aid, CPR, Mandt Training, medication training, decomposition signs in a resident (emotionally/mental), facility management training. Unfortunately there is staff (because of a high turnover and low salary) without knowledge on how to properly work with mentally ill or developmentally disabled consumers.
2. The development of the standards of care and the organization of a team that could apply the standards to the homes during annual visits to assure quality care are needed.
3. Coordination with the Division of Senior Services for providing technical assistance is also needed. There are currently 133 DMHDD assisted living home licenses and 85 licensed homes by the Division of Senior Services. DMHDD has persons with developmental disabilities or mental illness living in Division of Senior Services licensed homes.
4. Annual site reviews are needed to ensure health and safety minimums are in place and that appropriate care is being provided that assures the Quality of Life rights are being met.
5. The development of additional enhanced assisted living homes is needed to assist with the planned downsizing of API.

The DMHDD effort will require retention of the full-time position to handle the volume of work. This position is either a developmental disabilities specialist or a mental health clinician.

This position is at a Range 19, with an estimated salary of \$65.0 and travel budget of \$10.0. A total of \$75.0 of the original \$110.1 will be retained by DMHDD.

DMHDD will transfer the remaining funds to the Division of Medical Assistance to support the half-time position. A total of \$35.1 will be transferred, as described in the Expenditures/Revenues section above.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 16

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
 Title: Transfer assisted living licensure to the Dept. of Health & Social Services BRU: Medical Assistance Admin
 Sponsor: Representative Croft Component: Certification & Licensing
 Requestor: House (STA) COMPONENT SERIAL NO. 245
 See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
PERSONAL SERVICES	554.6	554.6	554.6	554.6	554.6	554.6
TRAVEL	94.9	113.8	136.6	163.9	196.7	236.1
CONTRACTUAL	166.7	67.3	68.6	70.1	71.9	74.1
SUPPLIES	24.8	29.8	35.7	42.9	51.5	61.8
EQUIPMENT	63.6	1.0	1.0	1.0	1.0	1.0
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	904.6	766.5	796.5	832.5	875.7	927.6
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	904.6	766.5	796.5	832.5	875.7	927.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	904.6	766.5	796.5	832.5	875.7	927.6

Estimate of any current year (FY1999) cost: \$0.0

POSITIONS:

FULL-TIME	9	9	9	9	9	9
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The fiscal impact on Health Facilities Licensing & Certification would be considerable with the transfer of all assisted living licensure. There are 225 assisted living homes (ALH) with a current growth rate of 20%. Licenses presently are good for 2 years. Under current regulations, ALH homes with 1-2 beds are not required to have a license, but may request a "Voluntary License." ALH homes with 3 beds or greater must have a license. Licensure inspections are generally done biennially with a sample inspected on an annual bases.

Calculations for this FN assumes a need for increased oversight of ALHs. In light of this, it is anticipated that licensure surveys (inspections) would be conducted annually on all ALHs including the 1-2 bed homes with voluntary licenses of which there are 78.

Prepared by: Shelby Larsen *BL* Phone: (907)561-8081
 Division: Medical Assistance Date/Time: 3/5/99 7:46 AM
 Approved by Commissioner: Karen Perdue, Commissioner Date: 3/5/99
 Agency: Department of Health & Social Services

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ANALYSIS (cont.):

Personal Service needs are calculated as follows:

- 6 Health Facilities Surveyor I positions (Range 18);
- 1 Health Facilities Surveyor II (Supervisor Range 20)
- 1 Administrative Clerk III
- 1 Administrative Assistant I

The Health Facilities Surveyor I and II positions are based on the estimated hours required to perform annual surveys including follow up visits to ensure compliance following a standard licensure survey, initial surveys of new AL homes, background check implementation and complaint investigations. Total required surveyor hours including travel and office time is estimated to be about 10,150. One FTE is estimated to have 1,450 available hours annually after subtracting holidays and minimal annual and sick leave.

Recommended professional surveyors would include Social Workers or equivalent and Registered Nurses. This mix is based on a national survey of survey agencies which license both ALHs and nursing homes. All these states use RNs for survey activities and some utilize social workers to complement the teams.

It is estimated that the Administrator would require at least 35% of his time to this program. This was included in salaries and benefits. Additionally, because this would result in a 75% increase in workload and responsibility for the administrator, and at the suggestion of the DMA Director, costs related to a reclassification of this position up one range was factored in.

Travel expenditures were calculated as follows:

AL homes were divided into 3 categories. The following represents the estimated average number of days required for each category and the estimated number of surveyors required.

Beds	Number of homes	Average survey days	Est. # of surveyors
1-15 beds	200 homes	1.73 days	1.2
16-50 beds	15 homes	3.5 days	2.3
51-> beds	5 homes	4.5 days	3.25

Survey activities include annual survey of all homes, initial surveys, follow up survey, and complaint investigations. Travel costs were calculated on actual airfare, lodging, car rental and per diem costs to the locations of each home. Administrative travel is based on an estimated 5 program related annual trips to Juneau.

Travel cost increases for FY2001 through FY2005 were based on the 20% growth rate.

Contractual costs

Contractual costs for FY2000 include required relocation of HFL&C. New office Space was based on a cost of \$1.85/sq. ft./month. It would be necessary to relocate HFL&C, including existing staff. This would require new office space for the 20 employees for a total need of 5150 sq. ft. This is a one time cost of \$100,100.

Additional one time expenses related to relocation include:

- * Computer system connectivity - \$10,000
- * Computer system wiring/Lan installation - \$1,500

ANALYSIS (cont.):**Additional contractual costs include:**

- * Office space - \$60,922 (Current office space costs were subtracted from estimated total)
- * Maintenance/repair of office equipment - \$1,353
- * Office copier/equipment rental - \$3,505
- * Insurance & Bonds, Risk Management

The additional contractual cost increases for FY2001 through FY2005 were based on the 20% growth rate.

Supplies estimated for FY2000 include:

- * Communication/postage - \$15,342 (based on a percentage of current costs multiplied by the increase % of staff required)
- * Supplies - \$6,517 (based on a percentage of current costs multiplied by the increase % of staff required)
- * Printing/binding/subscriptions - \$3,158 (based on a percentage of current costs multiplied by the increase % of staff required)

Supply cost increases for FY2001 through FY2005 were based on the 20% growth rate.

Equipment costs include:

- * Computers (work stations) - \$22,500 (one time expense)
- * Computers (laptop for onsite reports) - \$7,611 (one time expense)
- * Server - \$15,000 (one time expense)
- * Battery Backup/UPS/HUB - \$5,000 (one time expense)

Equipment costs for FY2001 through FY2005 were estimated at a minimum \$1,000/year.

These estimates represent resources that would be expected in order to run an effective ALH licensure program, and to ensure ALHs are providing safe and adequate services. It provides for necessary complaint investigations.

Fees

Licensure fees if collected would not be expected to offset expenditures by much. Licensure fees currently collected by DMHDD and Senior Services would be estimated to bring the following if annual licensure was required:

Annual application fees	- \$14,175
Additional bed fees	- \$24,500
Total	- \$38,675

This does not include any fees paid by voluntary licensed ALHs.

This Fiscal Note does not include program receipts as a funding source.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 16

Revision Date: _____
Title: Licensure of Assisted Living Facilities
Sponsor: Representative Croft
Requestor: (H) STA

Department Affected: Administration
BRU: Senior Services
Component: Protection, Community Services, & Administration
COMPONENT SERIAL NO. 2083

Expenditures/Revenues. (Thousands of Dollars)
Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2000	FY 2001	FY2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES	(72.3)					
TRAVEL	0.0					
CONTRACTUAL	(5.0)					
SUPPLIES	(0.8)					
EQUIPMENT	0.0					
LAND & STRUCTURES	0.0					
GRANTS, CLAIMS	0.0					
MISCELLANEOUS						
TOTAL OPERATING	(78.1)	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(78.1)					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
OTHER						
TOTAL	(78.1)	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 99) cost: \$ _____

POSITIONS:

FULL-TIME	-1.5					
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The Division of Senior Services currently licenses 90 assisted living homes. The statute change would remove responsibility for licensing and investigation from the Department of Administration. The Division has 1.5 FTE positions available currently for that function. This would move the responsibility to the Department of Health and Social Services. The Division of Senior Services would continue to be responsible for Assisted Living technical assistance and development of assisted living homes statewide for all homes who support the elderly and adults with physical disabilities.

Prepared by: Kav L. Burrows
Division: Senior Services

Phone: (907) 269-3665
Date: _____

Approved by Commissioner: Robert Poe Jr.
Agency: Department of Administration

Date: 4/12/99

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REPRESENTATIVE ERIC CROFT

Sponsor Statement

House Bill 16

"Consolidated Licensing for Assisted Living Care Facilities"

House Bill 16 seeks to eliminate a perceived conflict of interest in the Department of Administration (DOA), Division of Senior Services (DSS) and Division of Alaska Longevity Services. Consequently, DSS licenses Pioneers' Homes of Alaska and DALs operates and budgets the Homes in addition to licensing other assisted care facilities. This has resulted in concern about the ability of DSS/DALS to objectively license/operate the Homes and other assisted living care facilities.

HB 16 will transfer licensing of all assisted living care facilities from DOA to the Department of Health and Social Services, Division of Medical Assistance (DMA). Changing the location of the licensing function will remove any conflict of interest now present.

HB 16 will also streamline licensing of assisted living care facilities, in addition to the Pioneers' Homes, by housing them in one division. Currently, the licenses of senior mental health and nursing home facilities are issued by DMA, while the licenses of assisted living facilities are issued by DSS/DALS. This bill will ensure all licensing for senior assisted living will be under one division and department, thus eliminating the need for two departments and divisions doing similar work.

HB 16 is based on one of the recommendations of the Office of the Long-Term Care Ombudsman.



LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 22, 1999

SUBJECT: House Bill 16: Sectional analysis (Work Order No. 21-LS0155\A)

TO: Representative Eric Croft

FROM: Jack Chenoweth
Assistant Revisor of Statutes

The principal purpose of the Act is to eliminate the division of licensing authority involving assisted living facilities that exists between the Department of Administration and the Department of Health & Social Services by combining the entire licensing responsibility in the latter department.

Licensing authority for assisted living facilities is generally set out in AS 47.33. The actual division of authority appears in existing AS 47.33.410(a). The chapter incorporates a definition of "licensing agency" that reflects the distinction.

The principal operative provisions of the bill are those that eliminate the division of authority--the repeal of AS 47.33.410(a) made in **bill section 16** and the revision of the definition of "licensing agency" in AS 47.33.990, amended in **bill section 15**.

The amendments made in **bill sections 1 - 14** and the repeal of the provisions in AS 47.33.410(b), 410(c), and 410(e) made in **bill section 16** are conforming amendments that eliminate references to the "Department of Administration" and that substitute references to a single "licensing agency" in appropriate places.

Standard "Applicability" and "Transition" provisions are set out in **bill sections 17 and 18** to ensure continuation of the obligations, rights, and remedies that are in effect on the date of the Act's taking effect.

Bill section 19 gives the measure a July 1, 1999, effective date, the start of the next state fiscal year.

JBC:jdr
99-032.jdr

SECTIONAL ANALYSIS

Lisa Caress-Beu

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April 12, 1999

Representative Jeanette James, Chair

House State Affairs Committee

Juneau, AK 99801

For distribution to the members of the House State Affairs Committee:

I am unable to attend the hearing on HB16 on April 13, 1999 at 8:00am but would like to send my testimony to be considered.

In my opinion, HB16 represents a needed change within the licensing and enforcement system of the Pioneers' Homes and other Assisted Living Homes within Alaska. Currently statutes and regulations are frequently not enforced, violations are not issued and investigations are unproductive, even when they are enforced, it is not done uniformly or on a timely basis. The licensing division of Health and Social Services is experienced in enforcement of the more established nursing home statutes and regulations. This experience would be helpful in increasing the effectiveness of Assisted Living Home licensing. The dual housing of these two offices seems a logical step for proper administration.

Senior citizens of Alaska, particularly those in long term care facilities, deserve careful consideration of their plight. Vulnerable adults would benefit greatly from a more effective licensing and enforcement division to protect and oversee their conditions of care.

Representative Croft, along with Senator Ellis, has investigated the current system and found that changes are needed. Senators Ward, Wilken, Green and others have held hearings and have found that licensing violations certainly have not been issued to the Pioneers' Homes. Please support these needed changes by passage of this bill.

Sincerely,



Lisa Caress-Beu