

**S B**

**5 6**

FISCAL NOTE

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

No. 1  
Bill Version: SB56  
(S) Publish Date: 3/16/99

Revision Date/Time (Note if correction): \_\_\_\_\_

Dept. Affected: Health and Social Services

Title: Licensing Home Health Agencies and

BRU: Medical Assistance Admin

Disclosure of Licensing Report.

Component: Certification & Licensing

Sponsor: Senate (HES)

COMPONENT SERIAL NO. 245

Requestor: Senate (HES)

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	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
----------------------	-----	-----	-----	-----	-----	-----

CHANGES 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
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (please specify)	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 any current year (FY1999) cost: \$0.0

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 if necessary)

The Department supports this bill, both for the Disclosure of Licensing Reports and Licensing Home Health Agencies sections. Section 1 - Disclosure of Licensing Reports (HOSPICE) - Analysis: The disclosure of licensing reports would affect all hospice organizations licensed by the Department under AS18.18. It is in the interest of the public to have access to licensure reports to assist in making decisions about their health care needs. There is no FY2000 fiscal impact to this section of the bill. Section 2 - Disclosure of Licensing Reports - Analysis: The disclosure of licensing reports would affect all health facilities licensed by the Department under AS18.20. This would include hospitals, nursing homes, ambulatory surgical centers and free standing birth centers. It is in the interest of the public to have access to licensure reports to assist in making decisions about their health care needs. There is no FY2000 fiscal impact to this section of the bill. Section 3 - Home Health

Prepared by: Shelbert Larsen *BY*  
Division: Medical Assistance  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: (907)561-8081  
Date/Time: 2/11/99 1:47 PM

Date: 2/11/99

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

**ANALYSIS (cont.):**

**Agencies Analysis:** The Department has, since the early 80s, licensed home health agencies. It was only recently that the Department of Law questioned the authority to do so. Currently the department has regulations (7 AAC 12.500-12.590) under the broad statutory authority of AS 18.05. for regulating home health agencies. This bill would provide unquestionable, clear and specific statutory authority to license and regulate the quality of care provided by these agencies. It is felt this bill is justified in order for the Department to have statutory authority for oversight of home health agencies to assure minimum standards in quality of care are being provided to clients. Because the Department is currently surveying home health agencies, there would be no increased funding necessary for this bill anticipated for FY2000.

**Section 4 - Disclosure of Assisted Living Home Licensing Reports - Analysis:** The disclosure of licensing reports would affect all assisted living homes licensed by the Department under AS 47.33. We believe it is in the interest of the public to have access to licensure reports to assist in making decisions about their health care needs. There is no FY2000 fiscal impact to this section of the bill.

**Section 5 - TRANSITION - Analysis:** This section establishes authority for each department affected by the bill to adopt regulations necessary to implement the act. Since regulations are currently used in licensure of home health agencies, revision would be minimal, requiring only to revise the regulations to include the authority. One or two sections will have to be added for the licensure of home health agencies. There is no FY2000 fiscal impact to this section of the bill.

**Section 6 - REVISOR'S INSTRUCTION - Analysis:** This section provides instruction to the revisor. There is no FY2000 fiscal impact to this section of the bill.

**Section 7 - EFFECTIVE DATE - Analysis:** This section establishes the effective date for the statute. There is no FY2000 fiscal impact to this section of the bill.

# FISCAL NOTE

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

BILL NO. HB 18C

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title: Licensing Home Health Agencies and  
Disclosure of Licensing Reports  
 Sponsor: House (HES)  
 Requestor: House (HES)

Dept. Affected: Health and Social Services  
 BRU: Medical Assistance Admin  
 Component: Certification & Licensing  
 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	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
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGES IN REVENUES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (please specify)	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

**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 if necessary)

The Department supports this bill, both for the Disclosure of Licensing Reports and Licensing Home Health Agencies sections.

**Section 1 - Disclosure of Licensing Reports (HOSPICE) - Analysis:** The disclosure of licensing reports would affect all hospice organizations licensed by the Department under AS18.13. It is in the interest of the public to have access to licensure reports to assist in making decisions about their health care needs. There is no FY2000 fiscal impact to this section of the bill.

**Section 2 - Home Health Agencies - Analysis:** The Department has, since the early 80s, licensed home health agencies. It was only recently that the Department of Law questioned the authority to do so. Currently the department has regulations (7 AAC 12.500-12.590) under the broad statutory authority of AS 18.05. for regulating home health agencies. This bill would provide unquestionable, clear and specific statutory authority to license and regulate the quality of care provided by these agencies. It is felt this bill is justified in order for the Department to have statutory authority for oversight of home health agencies to assure minimum standards in quality of care are being provided to clients. Because the Department is currently surveying home health agencies, there would be no increased funding necessary for this bill anticipated for FY2000.

Prepared by: Shelbert Larsen *SL*  
 Division: Medical Assistance  
 Approved by Commissioner: Karen Perdue, Commissioner  
 Agency: Department of Health & Social Services

Phone: (907)561-8081  
 Date/Time: 4/15/99 1:29 PM  
 Date: 4/16/99

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

**ANALYSIS (cont.):**

**Section 3 - Disclosure of Licensing Reports - Analysis:** The disclosure of licensing reports would affect all health facilities licensed by the Department under AS18.20. This would include hospitals, nursing homes, ambulatory surgical centers and free standing birth centers. It is in the interest of the public to have access to licensure reports to assist in making decisions about their health care needs. There is no FY2000 fiscal impact to this section of the bill.

**Section 4 - Disclosure of Assisted Living Home Licensing Reports - Analysis:** The disclosure of licensing reports would affect all assisted living homes licensed by the Department under AS47.33. We believe it is in the interest of the public to have access to licensure reports to assist in making decisions about their health care needs. There is no FY2000 fiscal impact to this section of the bill.

**Section 5 - TRANSITION - Analysis:** This section establishes authority for each department affected by the bill to adopt regulations necessary to implement the act. Since regulations are currently used in licensure of home health agencies, revision would be minimal, requiring only to revise the regulations to include the authority. One or two sections will have to be added for the licensure regulations of home health agencies. There is no FY2000 fiscal impact to this section of the bill.

**Section 6 - REVISOR'S INSTRUCTION - Analysis:** This section provides instruction to the revisor. There is no FY2000 fiscal impact to this section of the bill.

**Section 7 - EFFECTIVE DATE - Analysis:** This section establishes the effective date for the statute. There is no FY2000 fiscal impact to this section of the bill.

## SB 56/HB 186

### Section 1

#### Disclosure of Licensing Reports

- Full public disclosure of licensing reports would affect all health facilities licensed by the Department under AS18.20. This would include hospitals, nursing homes, ambulatory surgical centers, home health agencies, hospice organizations and free standing birth centers.
- It is in the interest of the public to have access to licensure reports to assist in making decisions about their health care needs.
- Public scrutiny would further encourage facilities to maintain a safe environment for recipients, clients and patients, and to provide a high level of quality of care and quality of life.

### Section 2

#### Home Health Agencies

- The Department has, since the early 80s, licensed home health agencies.
- Recently, the Department of Law questioned the authority to license home health agencies. Currently the department has regulations (7 AAC 12.500-12.590) under the broad statutory authority of AS 18.05. for regulating home health agencies.
- This bill would provide unquestionable, clear and specific statutory authority to license and regulate the quality of care provided by home health agencies.
- The Bill is justified in order for the Department to have clear statutory authority for oversight of home health agencies to assure minimum standards in quality of care are being provided to clients.
- The bill would ensure that an entity that establishes, conducts, or represents itself to the public as a home health agency, or otherwise meets the definition must have a license from the department authorizing it to be a home health agency.
- Rationale for requiring licensing of entities that meet the home health agency definition is to ensure compliance with minimum standards for entities effectively operating as home health agencies, but which may not be calling themselves such.

# Alaska State Legislature



Official Business

State Capitol  
Juneau AK  
99801-1182

## Long-Term Care Task Force

### Senate Bill No. 56

**An Act allowing the disclosure of reports with regard to inspection and investigations of certain health care facilities, home health agencies, hospice programs and assisted living homes; authorizing the Department of Health and Social Services to license home health agencies; and providing for an effective date.**

Under current law, the Departments of Health and Social Services and Administration cannot make available to the public the annual inspection and investigation reports of hospitals, nursing homes, or assisted living homes licensed by the departments. Full public disclosure of licensing reports would benefit the public and help individuals make appropriate decisions regarding their health care needs.

This legislation will make the departments' final licensing report available to the public within 14 calendar days after the information is made available to the health care facility being reviewed. Public scrutiny encourages facilities to maintain a safe environment and provide a high quality of care. Any information that identifies patients or clients remains confidential.

This legislation also addresses the actual licensing process for home health agencies. A home health agency, either public or private, is an entity that provides primarily skilled nursing care and therapeutic services to people in their own homes, an assisted living home, or another residential setting.

The Department of Health and Social Services has, since the early 1980s, licensed home health agencies. Regulations (7AAC 12.500-12.590) were adopted under the department's broad regulatory authority. Recently the Department of Law questioned that authority. This legislation provides the Department of Health and Social Services the necessary and specific statutory authority to license and regulate the quality of care provided by home health agencies. The continued oversight of home health agencies will assure the public that the quality of care being provided to clients meets minimum standards.

\*\*\*\*

April 12, 1999

---

*LTC* **TASK FORCE**  
Long-Term Care Task Force

---



FINAL REPORT  
January 1999

*Representative Con Bunde, Co-chairman*  
*Senator Gary Wilken, Co-chairman*

*State Capitol Building*  
*Juneau, Alaska 99801-1182*

activity and the active engagement of all interested individuals, agencies, long-term care providers and other professional boards. The Task Force challenges everyone to participate in the decision-making process. ❖

---

## HOME HEALTH AGENCIES/LICENSING REPORTS

---

RECOMMENDATION

3

The Task Force recommends that legislation be drafted and introduced relating to the disclosure of licensing reports and licensing of home health agencies.

The Task Force was presented draft legislation that covered two specific areas of concern. The first subject dealt with the disclosure of licensing reports. Under current law, AS 18.20.090, the Department of Health and Social Services cannot make available to the public the annual inspection and investigation reports of the hospitals or nursing homes licensed by the department. As noted in testimony before the Task Force, full public disclosure of licensing reports would benefit the public and help individuals make appropriate decisions regarding their health care needs.

*“Full public disclosure of licensing reports would benefit the public.”*

The proposed legislation under consideration will make the department's licensing reports available to the public within 14 calendar days after the information is made available to the health care facility being reviewed. Any information that identifies patients or clients remains confidential.

The second area of discussion centered on the actual licensing process for home health agencies. A home health agency, either public or private, is an entity that provides primarily skilled nursing care and therapeutic services to people in their own homes, an assisted living home, or another residential setting.

*“A home health agency is an entity that provides primarily skilled nursing care.”*

The Department of Health and Social Services has, since the early 1980s, licensed home health agencies. Regulations (7AAC 12.500-12.590) were adopted under the department's broad regulatory authority. Only recently did the Department of Law question that authority. The draft legislation presented to the Task Force provides the Department of Health and Social Services with the necessary and specific statutory authority to license and regulate the quality of care provided by

these agencies. The continued oversight of home health agencies will assure the public that the quality of care being provided to clients meets minimum standards.

The Task Force acknowledges the importance of the concepts included in the proposed legislation and recommends the legislation be introduced for further consideration. (Please see Appendix B, page 69, for further detail.)

---

## SMALL BUSINESS TRAINING

---

### RECOMMENDATION

4

The Task Force supports an increased effort to train Assisted Living Home administrators in proven small business practices and urges collaboration between the Department of Administration and the University of Alaska to provide this education.

---

On January 14, 1994 Governor Wally Hickel introduced legislation that developed a system of long-term care "by encouraging the establishment of assisted living homes that provide a homelike environment for elderly persons and persons with a mental or physical disability who need assistance with the activities of daily living." (Chapter 130, SLA 1994) Assisted living homes promote and sustain the independence of Alaskans through a social model of community-based long-term care.<sup>13</sup>

*"Eighty-five assisted living homes have been licensed by the Department of Administration."*

Assisted living homes provide a home-like setting as well as certain health-related services or assistance with certain personal activities. Such services allow the elderly to age in place, rather than having to be transferred to a more institutionalized nursing-home setting, and allow adults with a physical or mental disability to become integrated into their community.<sup>14</sup> Eighty-five assisted living homes have been licensed by the Department of Administration to serve the elderly. In addition, the Department of Health and Social Services has licensed 134 assisted living homes to provide care primarily to individuals with a mental or developmental disability.

Assisted living homes have become a reality in many, but not all, areas of Alaska.<sup>15</sup> In some instances, it is difficult to establish an assisted living home and provide the necessary care. Interested care providers must first have an adequate, safe facility and then must obtain the required licensure, insurance coverage, and per-

INTERNET ADDRESS:  
acoa@admin.state.ak.us



P.O. BOX 110209  
JUNEAU, AK 99811-0209  
(907) 465-3250  
FAX: 465-4716

---

---

## Alaska Commission on Aging

---

---

### Resolution 99-2

*In support of SB 56: Timely disclosure of inspection and investigation reports concerning health care facilities, home health agencies, hospice programs, and assisted living facilities; and licensing of home health agencies*

Whereas SB 56 provides for the timely disclosure of inspection and investigation reports concerning facilities and home care services upon which frail and disabled Alaskans rely for their care; and

Whereas SB 56 also provides for the State of Alaska to license home health agencies, thus reinforcing the standards of care these agencies must meet; and

Whereas the Legislative Long Term Task Force Report of January, 1999, recommended the introduction of this legislation in its Recommendation #3;

Now therefore the Alaska Commission on Aging strongly encourages the Twenty-First Alaska Legislature to pass SB 56.

Adopted this 9<sup>th</sup> day of March, 1999.

A handwritten signature in cursive script that reads "Alaire E. Stanton".

---

Alaire Stanton  
Chair

# HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: April 13, 1999

FURTHER REFERRALS:

Date of Committee Action: 7/22/99

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

CSSB 56(L&C)

CS FOR SENATE BILL NO. 56(L&C)

HOME HEALTH AGENCIES/HOSPITALS/HOSPICES

"An Act allowing the disclosure of reports with regard to inspection and investigations of certain health care facilities, home health agencies, hospice programs, and assisted living homes; authorizing the Department of Health and Social Services to license home health agencies; and providing for an effective date."

recommends it be replaced with the following committee substitute \_\_\_\_\_  the same title  
 a new title

additional referral to \_\_\_\_\_ Committee

attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) HSS

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			

CHAIR'S SIGNATURE *[Signature]* *[Signature]*