

HB

366

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REPRESENTATIVE JOHN COGHILL

HB 366 Assisted Living Rates Sponsor Statement

Prior to the legislature passing SB 73 in 2000, the daily rate of reimbursement for assisted living homes had been \$34.50 since 1991. While everyone else was getting raises to adjust to the cost of living increases, assisted living home providers were expected to carry out their responsibilities without any added reimbursement. I introduced HB 264, companion legislation to SB 73, in the House. This legislation was co-sponsored by Representative James.

It was the intent of passing SB 73 to simply raise the rate to \$70.00 a day over a three-year period. The assisted living homes came to the legislature to get an increase in daily room and board for vulnerable adults. The legislature agreed with the industry that a raise in the room and board rate was needed and passed SB 73.

Language was added to SB 73 explicitly directing that this increase be done without adopting new regulations. New regulations have been adopted that allows the Division of Senior Services to reduce the daily minimum for room and board by paying for added services with Medicaid money. The legislature was not addressing services provided under the Medicaid waiver program and did not intend to add performance duties for services other than room and board (three meals and a bed) for assisted living when approving the raise. The fiscal notes submitted by the administration reflect that Senior Services and Medical Assistance clearly understood this. Senior Services now pays 40% of the minimum daily rate if a provider is approved for a Medicaid waiver is contrary to the language and the intent of SB 73.

HB 366 places the original intent in statute by renaming minimum daily rate with "per diem". It does so with a zero fiscal note because the fiscal notes on SB 73 have already reflected the increases.

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REPRESENTATIVE JOHN COGHILL

HB 366 Assisted Living Homes

Sectional

Section 1. This section changes the term daily reimbursement rate to housing and food services per diem to clarify that payments made to health facilities under Chapter 7 (Medical Assistance for Needy Person) does not apply to the per diem payments made under Chapter 24 Protection of Vulnerable Adults.

Section 2. Adds language to AS 47.24.017 "Delivery of protective services for vulnerable adults" to clarify that the minimum daily reimbursement rate is for housing and food services and that other services provided will require an additional payment to be determined under an agreement with the assisted living home.

Section 3. Amends AS 47.24.017(d) effective July 1, 2002 to reflect an increase to \$70 a day for housing and food services.

Section 4. Adds language to AS 47.25.195(d) "Payment to health facilities for treatment of needy person" to clarify that the minimum daily reimbursement rate is for housing and food services and that other services provided will require an additional payment.

Section 5. Amends AS 47.25.195(d) effective July 1, 2002 to reflect an increase to \$70 a day for housing and food services.

Section 6. Adds language to AS 47.25.195(e) "Payment to health facilities for treatment of needy person" to clarify that the minimum daily reimbursement rate is for housing and food services and that other services provided will require an additional payment.

Section 7. Amends AS 47.25.195(e) effective July 1, 2002 to reflect an increase to \$70 a day for housing and food services.

Section 8. Provides that the per diem rates for housing and food services are applicable to effective dates.

Section 9. Provides that the effective date for Sections 1, 2, 4, 6, and 8 is immediate.

Section 10. Provides that the effective date for Sections 3, 5, and 7 with a rate increase to \$70 a day is July 1, 2002.

FISCAL NOTE

No: 8

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Bill Version: HCS CSSB 73 (FIN)
(H) Publish Date: 4/24/00

Revision Date/Time (Note if correction): Apr. 20, 2000 2:29pm Dept. Affected: Health and Social Services
 Title: An Act Related to Assisted Living Homes BRU: Community Mental Health Grants
 Component: Gen Community Mental Hlth Grants
 Sponsor: Senator Mike Miller COMPONENT SERIAL NO. 307
 Requestor: House (FIN) See also (SN#): _____

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

OPERATING	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	921.7	1,588.0	2,081.8	2,081.8	2,081.8	2,081.8
MISCELLANEOUS						
TOTAL OPERATING	921.7	1,588.0	2,081.8	2,081.8	2,081.8	2,081.8

CAPITAL EXPENDITURES						
CHANGES IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health	462.7	1,129.0	2,081.8	2,081.8	2,081.8	2,081.8
1092 MHTAAR	459.0	459.0				
TOTAL	921.7	1,588.0	2,081.8	2,081.8	2,081.8	2,081.8

Estimate of any current year (FY2000) cost: 50.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Assisted Living Homes (formerly known as Adult Residential Care) are a cost-effective alternative to institutional care for individuals choosing to remain in their home communities. The FY 2000 budget is \$622.2. 7AAC 47.450-470 governs the fee structure for Assisted Living Homes and has not been revised since 1982. The lack of cost of care adjustments to the ALH's fee structure jeopardizes the health and safety of residents and the future of ALH's options. This bill would require the Department of Health & Social Services, Division of Mental Health & Developmental Disabilities (DMHDD) to increase the rate paid to ALHs under the existing general relief assistance program for 131 consumers to a base rate of \$50/day starting Sept 1, 2000, \$60/day in FY 2002, and finally to \$70/day in FY 2003. The number of individuals receiving support for ALH services varies each year. This fiscal note would include a geographic cost of living differential. An augmented rate of \$35/day would be paid for 26 (20%) of consumers from the total population of 131 consumers. The augmented rate covers care of consumers with increased service needs. A personal needs allowance would be paid at \$100/month for all consumers. Both DMHDD and the Division of Senior Services are requesting this increase in the personal needs allowance from \$75/month.

Prepared by: Anne Henry *AH* Phone: 465-4852
 Division: Mental Health & Dev. Disabilities Date/Time: 4/20/00 2:32 PM
 Approved by Commissioner: Karen Perdue, Commissioner *KP* Date: 4/15/00
 Agency: Department of Health & Social Services

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calculations, ALH fiscal notes (with geographic index applied)

Location	% of service	Geographic Index	RATE		
			\$60/day, 18 mo	\$60/day, 12 mo	\$70/day, 12 mo
Arch	77%	1.00	\$1,528,181	\$2,209,053	\$2,577,229
Palmar/Wash	5%	1.04	\$1,003,202	\$149,183	\$174,047
Southeast	5%	1.00	\$99,233	\$143,445	\$167,353
Northern	7%	1.15	\$159,784	\$230,946	\$269,438
Western	2%	1.33	\$131,979	\$190,787	\$227,579
N/Western	1%	1.38	\$27,368	\$39,591	\$46,189
Costs of Providers' Standard Service			\$2,049,747	\$2,861,000	\$3,458,833
client contrib of \$662 std rate x 11 mo x 131 clients			\$1,016,298	\$1,242,142	\$1,242,142
less: proposed pers needs allowance \$100/mo x 12 mo x 131 clients			\$131,000	\$157,200	\$157,200
Portion of Costs Paid by Clients			\$885,298	\$1,084,942	\$1,084,942
Proposed State's Portion of Costs			\$1,164,449	\$1,876,058	\$2,371,891
current state costs budgeted			\$518,500	\$622,200	\$622,200
Proposed Increase to Current State Costs			\$645,949	\$1,253,858	\$1,749,691
AUGMENTATION, \$35/day x 26 clients x 365 days			\$275,730	\$332,150	\$332,150
Proposed Increase Including Augmentation			\$921,679	\$1,586,008	\$2,081,841
rounded			\$921.7	\$1,586.0	\$2,081.8

With Geographic Index Applied:

		total		daily	
current rate	client portion	[((\$662 std monthly allowance x 11 mo) - (\$75 pers needs x 12 mo)) x 131 c]	\$1,124,242	\$23.51	
	state portion	budgeted amount	\$622,200	\$13.01	
	TOTAL		\$1,746,442	\$36.52	
proposed \$50/day	TOTAL	\$50/day x 303 days x 131 clients (w/geogr index and spread)	\$2,049,747	\$64.64	
	client portion	[((\$662 std monthly allowance x 9 mo) - (\$100 pers needs x 10 mo)) x 131 c]	\$885,298	\$22.30	
	state portion	difference	\$1,164,449	\$29.34	
proposed \$60/day	TOTAL	\$60/day x 365 days x 131 clients (w/geogr index and spread)	\$2,963,000	\$81.97	
	client portion	[((\$662 std monthly allowance x 11 mo) - (\$100 pers needs x 12 mo)) x 131 c]	\$1,084,942	\$22.69	
	state portion	difference	\$1,878,058	\$39.28	
proposed \$70/day	TOTAL	\$70/day x 365 days x 131 clients (w/geogr index and spread)	\$3,458,833	\$72.36	
	client portion	[((\$662 std monthly allowance x 11 mo) - (\$100 pers needs x 12 mo)) x 131 c]	\$1,084,942	\$22.69	
	state portion	difference	\$2,371,891	\$49.61	

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HCS CSSB 73 (FIN)

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calculations, ALH fiscal notes (with geographic index applied)

Location	% of service	geographic index	RATE		
			\$50/day, 18 mo	\$60/day, 12 mo	\$70/day, 12 mo
Arch	77%	1.00	\$1,528,181	\$2,209,053	\$2,577,229
Palmer/Wash	5%	1.04	\$103,202	\$149,183	\$174,047
Southeast	5%	1.00	\$99,233	\$143,445	\$167,353
Northern	7%	1.15	\$159,764	\$230,946	\$269,438
Western	5%	1.33	\$131,979	\$190,782	\$222,579
N/Western	1%	1.38	\$27,388	\$39,591	\$46,189
Costs of Providers' Standard Service			\$2,049,747	\$2,981,000	\$3,456,833
client contrib of \$862 std rate x 11 mo x 131 clients			\$1,016,238	\$1,242,142	\$1,242,142
less: proposed pers needs allowance \$100/mo x 12 mo x 131 clients			\$131,000	\$157,200	\$157,200
Portion of Costs Paid by Clients			\$885,238	\$1,084,942	\$1,084,942
Proposed State's Portion of Costs			\$1,164,449	\$1,878,058	\$2,371,891
current state costs budgeted			\$518,500	\$622,200	\$622,200
Proposed Increase to Current State Costs			\$645,949	\$1,255,858	\$1,749,691
AUGMENTATION, \$35/day x 26 clients x 365 days			\$275,730	\$332,150	\$332,150
Proposed Increase Including Augmentation			\$921,679	\$1,588,008	\$2,081,841
rounded			\$921.7	\$1,588.0	\$2,081.8

With Geographic Index Applied:

		total	daily	
current rate	client portion	[((\$862 std monthly allowance x 11 mo) - (\$75 pers needs x 12 mo)) x 131 c]	\$1,124,242	\$23.51
	state portion	budgeted amount	\$622,200	\$13.01
	TOTAL		Total \$1,746,442	\$36.52
proposed \$50/day	TOTAL	\$50/day x 303 days x 131 clients (w/geogr index and spread)	\$2,049,747	\$51.64
	client portion	[((\$862 std monthly allowance x 9 mo) - (\$100 pers needs x 10 mo)) x 131 c]	\$885,238	\$22.30
	state portion	difference	\$1,164,449	\$29.34
proposed \$60/day	TOTAL	\$60/day x 365 days x 131 clients (w/geogr index and spread)	\$2,981,000	\$81.97
	client portion	[((\$862 std monthly allowance x 11 mo) - (\$100 pers needs x 12 mo)) x 131 c]	\$1,084,942	\$27.68
	state portion	difference	\$1,878,058	\$49.28
proposed \$70/day	TOTAL	\$70/day x 365 days x 131 clients (w/geogr index and spread)	\$3,456,833	\$87.36
	client portion	[((\$862 std monthly allowance x 11 mo) - (\$100 pers needs x 12 mo)) x 131 c]	\$1,084,942	\$27.68
	state portion	difference	\$2,371,891	\$61.61

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HCS CSSB 73 (Fin)

#8

FISCAL NOTE

No: 7
 Bill Version: HCS CSSB 73 (FIN)
 (H) Publish Date: 4/24/00

STATE OF ALASKA
 2000 LEGISLATIVE SESSION

Revision Date: 04/21/00
 Title: An act related to assisted living homes
Increase Daily Rates to \$50, \$60, and \$70
 Sponsor(s): Senator Miller
 Requestor: (H) FIN

Department Affected: Administration
 BRU: Central Administrative Services
 Component: Protection, Community Services, Administration
 COMPONENT SERIAL NO. 2083

EXPENDITURES/REVENUES:	10 months (Thousands of Dollars)					
OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	1,040.6	1,713.0	2,177.3	2,177.3	2,177.3	2,177.3
MISCELLANEOUS						
TOTAL OPERATING	1,040.6	1,713.0	2,177.3	2,177.3	2,177.3	2,177.3

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	204.0	876.4	1731.7	1731.7	1731.7	1731.7
1005 GF/Program Receipts						
1037 GF/Mental Health	445.6	445.6	445.6	445.6	445.6	445.6
OTHER MHTAAR	391.0	391.0				
TOTAL	1,040.6	1,713.0	2,177.3	2,177.3	2,177.3	2,177.3

Estimate of any current year (FY 2000) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill would require the Department of Administration to increase the rate paid to assisted living homes under the existing general relief assistance program for 120 clients to a base rate of \$50 a day the first year for a period of 10 months, \$60 a day the second year, and \$70 a day the following years. This fiscal note would include a geographical cost of living differential. An augmentation rate of \$22 a day would be paid for 40 (33%) clients out of the total client population of 120 clients. A personal needs allowance would be paid at \$100 a month per client. The requested increase in the monthly personal needs allowance from \$75 to \$100 is needed for clients because they have increasing copayments to make for medical coverage, and the costs of personal items clients normally purchase are no longer affordable at the \$75 rate. DSS and DMHDD are jointly asking that this \$75 rate be increased to \$100 at this time.

Recommendation: This bill is consistent with the existing general relief assistance program objective to provide financial assistance to eligible vulnerable adults who are in need of assisted living resources. The current base rate of \$30 a day is not adequate to meet rising costs of providing assisted living care. A rate increase is overdue. This bill would require substantial funding which has not been approved by OMB. This bill would allow for improving the current system of general relief payment by increasing rates to an adequate amount based on the Alaska Rate Study Report completed December 1998. This analysis continues past practice of applying a regional geographic differential to rates paid across the state.

Prepared by: Dwight Becker
 Division: Senior Services

Phone: 269-3674
 Date: 04/21/00

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

Date: 4/21/00

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FISCAL NOTE

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STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HCS CSSB 73(FIN)

ANALYSIS: (continued)

Calculation of General Relief Payment by State
(including geographical differential)

First Year: FY 2001 with geographical differential (10 months 9/1/00 thru 6/30/01)

GR Rate	Anchorage	Matsu	Southeast	Northern	Western	N Western	
with Geographical							
<input type="text" value="50"/>	1,423,500.	113,880	109,500	377,775	145,635	151,110	2,321,400
Augmentation Rate	Augmentation Cost for 40 clients						
<input type="text" value="22"/>		321200					321,200
Personal Needs Allowance							144,000
<input type="text" value="100"/>							144,000
Client's Contributions							minus 1,137,840
Current FY 2001 General Relief Budget Request				400,000			minus 400,000
							Grand Total 1,248,760
							TOTAL (10 MONTHS) 1,040,590
							10 months = 83.33% of \$1,248,760

Second Year: FY 2002 with geographical differential

GR Rate	Anchorage	Matsu	Southeast	Northern	Western	N Western	
with Geographical							
<input type="text" value="60"/>	1,708,200	136,656	131,400	453,330	174,762	181,332	2,785,680
Augmentation Rate	Augmentation Cost for 40 clients						
<input type="text" value="22"/>		321200					321,200
Personal Needs Allowance							144,000
<input type="text" value="100"/>							144,000
Client's Contributions							minus 1,137.84
Current FY 2000 General Relief Budget Request				400,000			minus 400,000
							Grand Total 1,713,040

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STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HCS CSSB 73(FN)

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Third Year FY 2003 and following years with geographical differential

GR Rate	Anchorage	Matsu	Southeast	Northern	Western	N Western	
with Geographical							
<input type="text" value="70"/>	1,992,900	159,432	153,300	528,885	203,889	211,554	3,249,960
Augmentation Rate	Augmentation Cost for 40 clients						
<input type="text" value="22"/>		321200					321,200
Personal Needs Allowance							
<input type="text" value="100"/>							144,000
Client's Contributions							minus 1,137,840
Current FY 2000 General Relief Budget Request			400,000				minus 400,000
							Grand Total 2,177,320

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FISCAL NOTE

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STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HCS CSSB 73(FIN)

Calculation of General Relief Payment by State

The general relief payment made by the state is the amount needed to supplement the client's contribution to meet the base rate indicated in the specific geographic region. An estimated 33% of the clients have higher needs and require augmented rates. The augmented rate is calculated at \$22 over the base rate multiplied by the index. The average contribution of the clients is the adult public assistance payment standard of \$862 per month or \$28.34 per day. Emergency protective service placements make up about one month or 1/12th of the total of 32,850 days which are paid by the by the state at the full rate without any contribution by clients because of the time needed to investigate and resolve client financial issues. The current budget request for FY2000 is 400.0. MHTA has committed 391.0 for each year FY2001 and FY2002.

Days of Service provided by General Relief Program

120 clients per month x 365 days = 43,800 days of service per year

Days of Service by Region

Anchorage	65%	of 43,800 days =	28,470 days
Palmer/Wasilla	5%	=	2,190
Southeast	5%	=	2,190
Northern	15%	=	6,570
Western	5%	=	2,190
N/Western	5%	=	2,190
			43,800 days

Client Contribution Towards Payment for Assisted Living

\$862 payment standard per mo. x 11 mo. x 120 clients = \$1,137,840

Cost Calculation for Geographical Differential

Region	Index
Anchorage	1.00
Palmer/Wasilla	1.04
Southeast	1.00
Northern	1.15
Western	1.33
N.Western	1.38

Personal Needs Allowance for all Clients

\$100 x 120 clients x 12 months = \$144,000

Augmentation Calculation

\$22 a day x 40 clients x 365 day = \$321,200

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 366
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
Title: RELATING TO ASSISTED LIVING HOMES BRU: Community Mental Health Grants
Component: Svcs/Chronically Mentally Ill
Sponsor: COGHILL
Requestor: HOUSE (HES) Component Number: 800

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9
Miscellaneous						
TOTAL OPERATING	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9
Other (Specify Type--do not abbreviate)						
TOTAL	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9

Estimate of any current year (FY2002) cost: 607.3

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill separates the State's reimbursement for Assisted Living Home room & board from the reimbursement for services provided to ALH residents, and establishes a minimum floor for room & board reimbursement at \$60/day in FY02 and \$70/day as of July 1, 2002. See attached calculations. The assumptions behind the fiscal note figures are as follows:

- We would retain the same dollar figure currently allocated for Daily Living Activity services, \$36, or 60% of the total current FY02 \$60/day reimbursement rate. In FY03 this would rise to \$42, or 60% of \$70/day.
- Assumes a March 1, 2002 effective date and four months of FY02 costs at the new rates.

Prepared by: Sarah Brinkley, Administrative Manager Phone (907) 465-3167
Division: Mental Health & DD Date/Time 02/04/2002
Approved by: Elm A. Lindstrom, Deputy Commissioner Date 02/04/2002
Agency: Department of Health & Social Services

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FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. HB 366

ANALYSIS CONTINUATION

- Augmentation for services would remain the same, an additional \$35/day for approximately 20% of the total ALH population.

See attached calculations.

HB 366 calculations, FY02 DMHDD ALH fiscal note (with geographic index applied)				
location	% of service	geographic index	RATE	
			\$60+36/day, 4 mo	\$70+42/day, 12 mo
Anch	77%	1.00	\$1,181,389	\$4,123,566
Palmer/Wasilla	5%	1.04	\$79,782	\$278,475
Southeast	5%	1.00	\$76,714	\$267,764
Northern	7%	1.15	\$123,509	\$431,100
Western	5%	1.33	\$102,029	\$356,126
N/Western	1%	1.38	\$21,173	\$73,903
Costs of Providers' Standard Service			\$1,584,596	\$5,530,932
AUGMENTATION, \$35/day x 26 clients x 365 days			\$110,717	\$332,150
TOTAL SERVICE COST			\$ 1,695,313	\$ 5,863,083
client contrib of \$862 std rate x 11 mo x 131 clients			\$451,688	\$1,242,142
less: pers needs allowance \$100/mo x 12 mo x 131 clients			\$52,400	\$157,200
Portion of Total Service Costs Paid by Clients			\$399,288	\$1,084,942
Proposed State's Portion of Costs			\$1,296,025	\$4,778,141
less current state costs budgeted			\$688,723	\$2,066,200
Proposed Increase to Current State Costs			\$607,291	\$2,711,941

These new rates would equate to an average monthly total service cost of \$3,235.33 per DMHDD client in FY02, climbing to \$3,729.70 in FY03.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 366
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title Rates for Assisted Living Facilities BRU Central Administrative Services
 Component Protection, Community Services
 Sponsor Rep. COGHILL, James Administration
 Requester House HES Component No. 2083

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	10,901.2	13,574.1	16,781.5	20,612.8	25,201.3	30,747.3
Miscellaneous						
TOTAL OPERATING	10,901.2	13,574.1	16,781.5	20,612.8	25,201.3	30,747.3

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	10,901.2	13,574.1	16,781.5	20,612.8	25,201.3	30,747.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	10,901.2	13,574.1	16,781.5	20,612.8	25,201.3	30,747.3

Estimate of any current year (FY2002) cost: 2,822.1 Supplemental for 4 months
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would require the Department to pay a housing and food services rate to assisted living homes in 2002 at \$60 daily and in 2003 and subsequent years at \$70 daily. There are currently over 500 clients in assisted living homes funded by the Medicaid waiver. This bill would require these homes to be paid the minimum housing and food services rate. It is expected that 50 clients would not qualify for the Medicaid waiver, and would be paid through state general funds only. A growth rate of 20% is projected each year. This bill significantly increases the cost by requiring that all vulnerable adults including those on the waiver be paid the minimum rate for housing and food services and that other services provided by the assisted living home be paid through the Medicaid waiver or through an increased rate paid by general funds for other services. No rate increases are projected past 2003.

The Governor's budget contains \$364.3 of the amount identified as an increment for FY03

Prepared by: Dwight Becker, Program Coordinator Phone 269-3666
 Division Senior Services Date/Time 2/4/02 5:50 PM
 Approved by: Jim Duncan, Commissioner Date 2/4/2002
 Agency Department of Administration

DSS Calculation Sheet for HB 366 Assisted Living Rates for 550 clients for 4 months 2002 @ \$60
Place numerical entries for daily rates in boxes to the left

DAILY RATE	Anchorage	Matsu	Southeast	Northern	Western	N Western	Total
Housing and food services for 550 total clients for 365 days							
<input type="text" value="60"/>	7829250	626340	802250	2077783	800992.5	831105	12,767,700
Other Services Augmentation Cost exclusive of housing and food services for 50 non-waiver clients for 365 days							
<input type="text" value="22"/>	401500						401,500
Other Services exclusive of housing and food services for 50 non-waiver clients for 365 days							
<input type="text" value="36"/>	427050	34164	32850	113332.5	43690.5	45333	696,420
Other Services exclusive of housing and food services for 500 Medicaid waiver clients for 60 days							
<input type="text" value="36"/>	702000	56100	54000	186300	71820	74520	1,144,800
Personal Needs Allowance for 550 clients for 365 days							
<input type="text" value="100"/>							660,000
Client's Contributions for 550 clients for 10 months at \$862/mo							minus 4,741,000
Current FY 2002 General Relief Budget							minus 2,463,000
2002 supplemental budget request based on full year using current scenario							8,466,420
							New 2002 Total Budget 10,929,420
Supplemental Funds needed for 4 months remaining 2002							4 months (divide by 3) 2,822,140

Average rate for non-waiver client \$60 + \$36 or \$96 daily with augmentation up to \$22 more a day
\$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client \$60 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day
\$3750-\$4800 (FY02)

DSS Calculation Sheet for HB 366 Assisted Living Rates for 550 clients for 12 months 2003 @ \$70

Place numerical entries for daily rates in boxes to the left.

Total

DAILY
RATE

	Anchorage	Matsig	Southeast	Northern	Western	N Western	
Housing and food services for 550 total clients for 365 days							
<input type="text" value="70"/>	9134125	730730	702625	2424056	934491.3	969622.5	14,895,650
Other Services Augmentation Cost exclusive of housing and food services for 50 non-waiver clients for 365 days							
<input type="text" value="22"/>			401500				401,500
Other Services exclusive of housing and food services for 50 non-waiver clients for 365 days							
<input type="text" value="42"/>	498225	39858	38325	132221.3	50972.25	52888.5	812,490
Other Services exclusive of housing and food services for 500 Medicaid waiver clients for 60 days							
<input type="text" value="42"/>	819000	65520	63000	217350	83790	86940	1,335,600
Personal Needs Allowance for 550 clients for 365 days							
<input type="text" value="100"/>							660,000
Client's Contributions for 550 clients for 10 months at \$862/mo							minus 4,741,000
Current FY 2002 General Relief Budget							minus 2,463,000
							Funds needed for 12 months 2003 See Note* 10,901,240
							New 2003 Total Budget 13,364,240

Average rate for non-waiver client \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day
\$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day
\$3750-\$4800 (FY02)

Note* The Governor's budget contains \$364 of the amount identified as an increment for FY 2003

DSS Calculation Sheet for HB 366 Assisted Living Rates for 660 clients for 12 months 2004 @ \$70
 Place numerical entries for daily rates in boxes to the left

DAILY RATE	Anchorag	Matsu	Southeast	Northern	Western	N Western	Total	
Housing and food services for 660 total clients for 365 days								
<input type="text" value="70"/>	10960950	876876	843150	2908868	1121390	1163547	17,874,780	
Other Services: Augmentation Cost exclusive of housing and food services for 60 non-waiver clients for 365 days								
<input type="text" value="22"/>	481800						481,800	
Other Services exclusive of housing and food services for 60 non-waiver clients for 365 days								
<input type="text" value="42"/>	597870	47829.6	45990	158665.5	61166.7	63466.2	974,988	
Other Services exclusive of housing and food services for 600 Medicaid waiver clients for 60 days								
<input type="text" value="42"/>	982800	78624	75600	260820	100548	104328	1,602,720	
Personal Needs Allowance for 660 clients for 365 days								
<input type="text" value="100"/>							792,000	
Client's Contributions for 660 clients for 10 months at \$862/mo							minus	5,689,200
Current FY 2002 General Relief Budget							minus	2,463,000
Funds needed for 12 months 2004							Note*	13,574,088
New 2004 Total Budget								16,037,088

Average rate for non-waiver client \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day
 \$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day
 \$3760-\$4800 (FY02)

Note* The Governors budget contains \$364 of the amount identified as an increment for FY 2003

DSS Calculation Sheet for HB 366 Assisted Living Rates for 792 clients for 12 months 2005 @ \$70
 Place numerical entries for daily rates in boxes to the left.

DAILY RATE	Anchorag	Matsu	Southeast	Northern	Western	N Western	Total
Housing and food services for 792 total clients for 365 days							
<input type="text" value="70"/>	13153140	1052251	1011760	3490641	1345667	1396256	21,448,738
Other Services Augmentation Cost exclusive of housing and food services for 72 non-waiver clients for 365 days							
<input type="text" value="22"/>		578160					578,160
Other Services exclusive of housing and food services for 72 non-waiver clients for 365 days							
<input type="text" value="42"/>	717444	57385.52	55188	190398.6	73400.04	78159.44	1,169,980
Other Services exclusive of housing and food services for 720 Medicaid waiver clients for 80 days							
<input type="text" value="42"/>	1179360	94348.8	90720	312984	120057.6	125193.6	1,923,264
Personal Needs Allowance for 782 clients for 365 days							
<input type="text" value="100"/>							950,400
Client's Contributions for 792 clients for 10 months at \$882/mo							minus 6,827,040
Current FY 2002 General Relief Budget							minus 2,463,000
							Funds needed for 12 months 2005 Note* 16,781,506
							Net 2005 Total Budget 19,244,506

Average rate for non-waiver client \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day
 \$2880-\$1658 (FY02)

Average Rate for Medicaid waiver client \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day
 \$1750-\$4800 (FY02)

Note* The Governors budget contains \$364 of the amount identified as an increment for FY 2003

DSS Calculation Sheet for HB 366 Assisted Living Rates for 950 clients for 12 months 2006 @ \$70
Place numerical entries for daily rates in boxes to the left.

DAILY RATE	Anchorag	Matsu	Southeast	Northern	Western	N Western	Total
Housing and food services for 950 total clients for 365 days							
70	15777125	1262170	1213625	4187006	1614121	1674803	25,728,650
Other Services Augmentation Cost exclusive of housing and food services for 86 non-waiver clients for 365 days							
22		690500					690,580
Other Services exclusive of housing and food services for 85 non-waiver clients for 365 days							
42	856947	68555.76	65919	227420.6	87672.27	90968.22	1,397,483
Other Services exclusive of housing and food services for 864 Medicaid waiver clients for 60 days							
42	1415232	113218.6	108864	375580.8	144789.1	150232.3	2,307,917
Personal Needs Allowance for 950 clients for 365 days							
100							1,140,000
Client's Contributions for 950 clients for 10 months at \$862/mo							minus 8,199,000
Current FY 2002 General Relief Budget							minus 2,463,000
Funds needed for 12 months 2006							Note* 20,612,830
New 2006 Total Budget							23,075,830

Average rate for non-waiver client \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day
\$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day
\$3750-\$4800 (FY02)

Note* The Governors budget contains \$364 of the amount identified as an increment for FY 2003

DSS Calculation Sheet for HB 366 Assisted Living Rates for 1139 clients for 12 months 2007 @ \$70

Place numerical entries for daily rates in boxes to the left.

Total

DAILY RATE

	Anchorage	Matsu	Southeast	Northern	Western	N Western		
Housing and food services for 1139 total clients for 365 days								
<input type="text" value="70"/>	18915943	1513275	1455073	5020000	1935246	2008000	30,847,537	
Other Services Augmentation Cost exclusive of housing and food services for 103 non-waiver clients for 365 days								
<input type="text" value="22"/>		827090					827,090	
Other Services exclusive of housing and food services for 103 non-waiver clients for 365 days								
<input type="text" value="42"/>	1026344	82107.48	78949.5	272375.8	105002.8	108950.3	1,673,729	
Other Services exclusive of housing and food services for 1036 Medicaid waiver clients for 60 days								
<input type="text" value="42"/>	1696968	135757.4	130536	450349.2	173612.9	180139.7	2,767,363	
Personal Needs Allowance for 1139 clients for 365 days								
<input type="text" value="100"/>							1,366,800	
Client's Contributions for 1139 clients for 10 months at \$862/mo							minus 9,018,180	
Current FY 2002 General Relief Budget							minus 2,463,000	
Funds needed for 12 months 2007							Note*	25,201,340
New 2007 Total Budget								27,664,340

Average rate for non-waiver client \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day
 \$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day
 \$3750-\$4800 (FY02)

Note* The Governors budget contains \$364 of the amount identified as an increment for FY 2003

DSS Calculation Sheet for HB 366 Assisted Living Rates for 1367 clients for 12 months 2008 @ \$70

Place numerical entries for daily rates in boxes to the left.

Total

DAILY
RATE

	Anchorage	Matsu	Southeast	Northom	Western	N Western		Total
Housing and food services for 1367 total clients for 365 days								
<input type="text" value="70"/>	22702453	1816196	1746343	6024882	2322636	2409953		37,022,461
Other Services Augmentation Cost exclusive of housing and food services for 124 non-waiver clients for 365 days								
<input type="text" value="22"/>			995720					995,720
Other Services exclusive of housing and food services for 124 non-waiver clients for 365 days								
<input type="text" value="42"/>	1235598	98847.84	95046	327908.7	126411.2	131163.5		2,014,875
Other Services exclusive of housing and food services for 1243 Medicaid waiver clients for 60 days								
<input type="text" value="42"/>	2036034	162882.7	156618	540332.1	208301.9	216132.8		3,320,302
Personal Needs Allowance for 1367 clients for 365 days								
<input type="text" value="100"/>								1,640,400
Client's Contributions for 1367 clients for 10 months at \$862/mo							minus	11,783,540
Current FY 2002 General Relief Budget							minus	2,463,000
Funds needed for 12 months 2008							Note*	30,747,318
Now 2007 Total Budget								33,210,318

Average rate for non-waiver client \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day
\$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day
\$3750-\$4800 (FY02)

Note* The Governor's budget contains \$364 of the amount identified as an increment for FY 2003

SITE: Kenai LIO

COMMITTEE: House Health,
Education &
Social Services

DATE: 2-5-02

SUBJECT OF MEETING:

**HB 366 RATES FOR ASSISTED LIVING
FACILITIES**

UPDATE #:



PLEASE SIGN IN

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

TESTIFYING?

Y or N

P R I N T YOUR NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	TESTIFYING? Y or N
Mary Nicholson	PO Box 2495 Kenai, AK 99611	Nicholson ALH	Y
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			



Alaska State Legislature

Please enter into the record my testimony to the House Health, Education, & Social Services
committee name

Committee on HB 366 Rates for Assisted Living Facilities, dated February 5, 2002
bill # / subject

Please do **NOT** support **HB 366**. The proposed **17% increase** is well above rate of inflation. Furthermore, the current \$60 per day should be **MORE** than enough to provide this service. In the future, recipient contributions should be increased to offset inflation, or we may need to completely eliminate this program if rates increase beyond our ability to pay.

Given the Governor's proposed budget, and fiscal notes attached to bills currently pending before the Alaska Legislature, this year's spending could easily exceed \$7,500,000,000. If you divide \$7,500,000,000 by the number of people who applied for a PFD in 2000 (607,596), it comes out to a whopping \$12,344.00 being spent for every man, woman, and child in the state! **For a family of four that equals \$49,375.00!** We all need to think about that number for a minute, and ask ourselves, are we really getting our money's worth? The majority of Alaskan voters I polled said, "**NO**"! The cost of funding HB 366 will only put an unnecessary burden on an already swollen budget.

We also need to think about who is going to pay for this bill. Right now, taxes are **NOT** the answer. Using Department of Labor statistics, it appears there are currently only about 279,000 potential taxpayers in the entire State. **Assuming 100% employment, and no other funding sources, the bill taxpayers would get to cover a \$7,500,000,000 budget would be about \$26,882 each!** Once all the oil money has been spent, and this budget is adjusted for inflation, you will find a population unable to continue living in Alaska because it **COST TOO MUCH!** Please think about the future, then vote **NO** on this and ALL non-essential spending bills that come before you this session. Thank you.

Signed: Mike McBride

Testifier

Self

Representing (optional)

PO Box 6 Kenai, Alaska 99611-0006

Address

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