

**SB**

**55**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT  
MAY 10 2002  
SENATE FINANCE  
COMMITTEE

DATE: 4/30/02

FURTHER:

DATE TURNED IN TO OFFICE: 10 May 2002

Finance Committee considered **SENATE BILL NO. 55**

*SB 55 PIONEERS' AND VETERANS' HOME/ADVISORY BD*

"An Act changing the name of the Alaska Pioneers' Home to the Alaska Pioneers' and Veterans' Home and of the Alaska Pioneers' Homes Advisory Board to the Alaska Pioneers' and Veterans' Home Advisory Board; relating to services for veterans in the home; relating to the advisory board for the home; making other amendments to the statutes relating to the home; making conforming amendments to other statutes; and providing for an effective date."

and recommends:

- be replaced with CS SB 55 (FIN)
- adopt previous CS forthcoming
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
<i>File FN's not received. Bill was amended in Rules. Forthcoming</i>				

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Lynda Mee</i>			✓	
<i>Gilbert Curtis</i>			✓	
<i>Tom Hoff</i>			✓	
<i>W. H. ...</i>			✓	
<i>Frank Hill</i>	✓			
<i>Loren S. Jensen</i>				✓
<i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>			✓	



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 10 May 2002 TIME: 6:30 pm

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 1

FROM: MINDY ROWLAND  
SENATE FINANCE COMMITTEE SECRETARY  
PHONE: 465-4935  
FAX: 465-2187

NOTES: Final Please  
CS SB 55 (FIN)  
22-GS1040\ J Larterbach 5/10/02  
no changes  
Thx  
Mindy

ADOPTED

WORK DRAFT

WORK DRAFT

WORK DRAFT

22-GS1040J  
Lauterbach  
5/10/02

**CS FOR SENATE BILL NO. 55( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SECOND LEGISLATURE - SECOND SESSION**

BY

Offered:  
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to housing and care needs of veterans; and providing for an effective  
2 date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 **LEGISLATIVE FINDINGS AND INTENT.** (a) The legislature finds that

7 (1) federal standards do not currently allow for federal financial support of  
8 Alaskan veterans in the Alaska Pioneers' Home;

9 (2) discussions are occurring between state and federal officials concerning  
10 potential methods of providing federal financial assistance for services to veterans in this state  
11 while continuing to preserve the essence of the Alaska Pioneers' Home concept;

12 (3) state and federal officials have agreed to work cooperatively to seek  
13 solutions to the issues that exist regarding services for veterans, including, if needed, federal  
14 legislation that would allow for federal support of veterans in the Alaska Pioneers' Home;

1 (4) part of the agreement between the officials concerns development of a  
2 demonstration project that studies whether the needs of veterans can be adequately served in a  
3 population like that of the Alaska Pioneers' Home that includes both veterans and  
4 nonveterans.

5 (b) It is the legislature's intent, by authorizing and funding the survey described in  
6 sec. 2 of this Act, to convey the legislature's concern about the needs of veterans who reside  
7 in this state. The legislature strongly supports the negotiations that are continuing between  
8 state and federal officials about the best alternatives for meeting the needs of this state's  
9 veterans. The legislature urges the federal government to base a pilot program on veterans  
10 who already live in the commingled population of the Alaska Pioneers' Home. Based on the  
11 results of that pilot program and other negotiations, the legislature intends to entertain the  
12 possibility of changing the name of the Alaska Pioneers' Home to include a reference to  
13 veterans if federal assistance for their care in the home can be obtained.

14 \* . c. 2. The uncodified law of the State of Alaska is amended by adding a new section to  
15 read:

16 SURVEY AND EVALUATION. Subject to the availability of an appropriation for  
17 the purpose of this section, the Department of Administration shall survey and evaluate the  
18 housing and care needs of all veterans in this state. The Department of Administration shall  
19 report to the governor and the legislature on the results of the survey and evaluation not later  
20 than the first day of the Second Regular Session of the Twenty-Third Alaska State  
21 Legislature.

22 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

SENATE FINANCE COMMITTEE  
5/10/2002 COMMITTEE ACTION

Bill Number	SB 55		
Amendment	CS "J"		
Motion	ADOPT		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	Olson		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Ward	✓		
Senator Wilken	✓		
Senator Austerman	✓		
Senator Green	✓		
Senator Hoffman	.		✓
Senator Leman			✓
Senator Olson			✓
Co-Chair Donley		—	
Co-Chair Kelly	✓		
<u>Tally</u>			
Yea	5		
Nay	3		
Absent	1		
<u>MOTION</u>	PASS		

SENATE FINANCE  
COMMITTEE

5-9-02/1

Amendment Number: ~~SB 55~~ #1  
Bill Number: SB 55  
Sponsor: Hoffman Date: 5/10/02  
Logged In By: Robin

AMENDMENT

BY HOFFMAN

OFFERED IN THE SENATE  
FINANCE COMMITTEE  
TO: CSSB 55(STA)

1 Page 1, following line 5:

2 Insert new bill sections to read:

3 **\*\* Section 1.** AS 44.21.100 is amended to read:

4 **Sec. 44.21.100. Alaska Pioneers' and Veterans' Home [HOMES] Advisory**  
5 **Board.** There is created the Alaska Pioneers' and Veterans' Home [HOMES] Advisory  
6 Board.

7 **\* Sec. 2.** AS 44.21.110 is amended to read:

8 **Sec. 44.21.110. Purpose of the board.** The board shall conduct annual  
9 inspections of the property and procedures of the Alaska Pioneers' and Veterans' Home  
10 [HOMES] and recommend to the governor changes and improvements. The board shall  
11 meet on an annual basis to review admissions procedures and to consider com...

12  
13 Renumber the following bill sections accordingly.

14  
15 Page 1, line 7:

16 Delete "Homes"

17 Insert "and Veterans' Home [HOMES]"

18  
19 Page 2, line 2, following "Pioneers":

20 Insert "and Veterans"

21  
22 Page 2, following line 12:

23 Insert new bill sections to read:

1   \*\* Sec. 4. AS 44.21.120 is amended to read:

2           **Sec. 44.21.120. Composition of the board.** (a) The Alaska Pionccrs' and  
3   Veterans' Home Advisory Board consists of

4                   (1) five members appointed by the governor from among citizens of the  
5   state;

6                   (2) one member, appointed by the governor, who

7                           (A) is a veteran of active service in the armed forces of the United  
8   States, including the Alaska National Guard or the Alaska Territorial Guard; and

9                           (B) meets the age and state residency requirements under  
10 AS 47.55 for admission to the Alaska Pioneers' and Veterans' Home;

11                   (3) one member who is the chair of the Alaska Veterans Advisory  
12 Council established in AS 44.35 [, APPOINTED BY THE GOVERNOR, WHO IS A  
13 VETERAN OF ACTIVE SERVICE IN THE ARMED FORCES OF THE UNITED  
14 STATES, INCLUDING THE ALASKA NATIONAL GUARD OR THE ALASKA  
15 TERRITORIAL GUARD]; and

16                   (4) one member who is the chair of the Alaska Commission on Aging  
17 established under AS 44.21.200.

18           (b) The term of office of a member of the board appointed under (a)(1) or (2)  
19 [(a)(1), (2), OR (3)] of this section is four years. A member of the board appointed under  
20 (a)(1) or (2) [(a)(1), (2), OR (3)] of this section may not serve more than eight  
21 consecutive years. A chair shall be elected by the voting members of the board. The  
22 members of the board appointed under (a)(1) or (2) [(a)(1), (2), OR (3)] of this section  
23 serve at the pleasure of the governor.

24   \* Sec. 5. AS 44.21.200(a) is amended to read:

25           (a) The Alaska Commission on Aging is established in the Department of  
26 Administration. The members of the commission include

27                   (1) the commissioner of administration or the commissioner's designee;

28                   (2) the commissioner of community and economic development or the  
29 commissioner's designee;

30                   (3) the commissioner of health and social services or the commissioner's  
31 designee;

1                   (4) the chair of the Alaska Pioneers' and Veterans' Home [HOMES]  
2                   Advisory Board under AS 44.21.120; and

3                   (5) seven persons selected on the basis of their knowledge and  
4                   demonstrated interest in the concerns of older Alaskans, appointed by the governor in  
5                   accordance with (b) of this section.

6 \* Sec. 6. AS 47.55.010(a) is amended to read:

7                   (a) The state shall maintain institutions known collectively as the Alaska  
8                   Pioneers' and Veterans' Home. Pioneers' and Veterans' Homes shall be maintained at  
9                   Sitka and at other sites designated by the commissioner of administration.

10 \* Sec. 7. AS 47.55.010(c) is amended to read:

11                   (c) The Department of Administration shall

12                   (1) cooperate with the federal government in matters pertaining to the  
13                   welfare of Alaskan pioneers and veterans, make the reports in the form and containing  
14                   the information the federal government from time to time desires, and accept funds  
15                   allotted by the federal government, its agencies or instrumentalities, in establishing,  
16                   extending, and strengthening services for pioneers and veterans of Alaska;

17                   (2) adopt regulations necessary for the conduct of the business of the  
18                   home [PIONEERS' HOME] and for carrying out the provisions of this chapter, require  
19                   bonds and undertakings from persons employed by it as in its judgment are necessary,  
20                   and pay the premiums on them, and establish regional and local offices and the advisory  
21                   groups that are necessary or considered expedient to carry out or assist in carrying out a  
22                   duty or authority assigned to it;

23                   (3) perform all executive or administrative duties necessary and advisable  
24                   to carry out the purpose of this chapter, including the power to make contracts and to  
25                   make disbursements on vouchers against funds for the purpose of this chapter, within the  
26                   limit of funds available;

27                   (4) study the needs of Alaska's pioneers and veterans and submit  
28                   recommendations for new regulations and proposed legislation; and

29                   (5) prepare a biennial report in even-numbered years and notify the  
30                   legislature that the report is available.

31 \* Sec. 8. AS 47.55.010(d) is amended to read:

1 (d) The Department of Administration may employ the necessary subordinate  
 2 officers and employees, and shall prescribe methods for operation of the home  
 3 [PIONEERS' HOME], standards of care and service to home residents, and rules  
 4 governing personnel and rewarding employees on a merit basis."

5  
 6 Renumber the following bill sections accordingly.

7  
 8 Page 2, line 15, following "Pioneers":

9 Insert "and Veterans"

10  
 11 Page 2, line 20, following "Pioneers":

12 Insert "and Veterans"

13  
 14 Page 3, following line 16:

15 Insert a new bill section to read:

16 "\*\* Sec. 11. AS 47.55.020(b) is amended to read:

17 (b) A home resident [EVERY PERSON ADMITTED TO THE PIONEERS'  
 18 HOME] who receives income from any source in excess of \$100 per month may be  
 19 required by the Department of Administration to pay the excess to the department  
 20 immediately upon receipt of the money in payment, or part payment, of the cost of the  
 21 person's care. However, the department may not require in any month the payment of an  
 22 amount greater than the monthly rate set under AS 47.55.030(b) except to satisfy an  
 23 indebtedness incurred under AS 47.55.070. The department may not evict a person from  
 24 the home [PIONEERS' HOME] if the income and assets of the person are insufficient to  
 25 pay the monthly rate set under AS 47.55.030(b) and the person is otherwise in  
 26 compliance with requirements under this chapter."

27  
 28 Renumber the following bill sections accordingly.

29  
 30 Page 4, following line 22:

31 Insert new bill sections to read:

1   \*\* Sec. 13. AS 47.55.030(b) is amended to read:

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

6   \* Sec. 14. AS 47.55.030(c) is amended to read:

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

13   \* Sec. 15. AS 47.55.060 is amended to read:

14           **Sec. 47.55.060. Trust fund.** Unless otherwise provided by the donor, money  
15          bequeathed to the former Alaska Pioneers' Home or to the Alaska Pioneers' and  
16          Veterans' Home constitutes a special trust fund. Unless otherwise provided by the  
17          donor, interest from the special trust fund is under the control and at the disposal of the  
18          Department of Administration, and expenditure from it is limited to the benefit and  
19          comfort of the residents of the home.

20   \* Sec. 16. AS 47.55.070(a) is amended to read:

21           (a) The following expenses incurred for a home [PIONEERS' HOME] resident  
22          under this chapter and not recoverable from a collateral source are a debt of the resident  
23          to the state and may be recovered during the life of the resident:

24                   (1) costs of standard or nursing care provided in the home [PIONEERS'  
25                   HOME] each month to the resident not exceeding the rate established by the Department  
26                   of Administration under AS 47.55.030, with credit given for any amounts paid by or  
27                   collected from the resident;

28                   (2) allowances paid under AS 47.55.020(c);

29                   (3) [REPEALED]

30                   (4)] arrearages in fees for television and telephone services provided in  
31          the home [PIONEERS' HOME]; and

1                   (4) [(5)] prescription medicine; [AND  
2                   (6) REPEALED]."

3  
4   Renumber the following bill sections accordingly.

5  
6   Page 4, lines 24 - 25:

7           Delete "beneficiary under this chapter"  
8           Insert "home resident [BENEFICIARY UNDER THIS CHAPTER]"

9  
10   Page 5, line 1:

11           Delete "pioneers' home"  
12           Insert "home [PIONEERS' HOME]"

13  
14   Page 5, line 2:

15           Delete "or of a recipient of day care or respite services"

16  
17   Page 5, line 3:

18           Delete "pioneers"  
19           Insert "[PIONEERS]"

20  
21   Page 5, line 8:

22           Delete "pioneers"  
23           Insert "[PIONEERS]"

24  
25   Page 5, following line 8:

26           Insert new bill sections to read:

27           "\* Sec. 19. AS 47.55.100 is amended to read:

28                   **Sec. 47.55.100. Certificate as evidence.** A certificate by the attorney general to  
29           the effect that a decedent was a home resident [BENEFICIARY] under this chapter and  
30           that the state has a claim against the decedent's estate, is prima facie evidence of these  
31           facts in a proceeding in the courts of the state.

1 \* Sec. 20. AS 47.55 is amended by adding a new section to read:

2           **Sec. 47.55.990. Definitions.** In this chapter, unless the context otherwise  
3 requires,

4                   (1) "home" means the Alaska Pioneers' and Veterans' Home;

5                   (2) "home resident" includes any person who is receiving services from  
6 the home, regardless of whether the person's primary abode is the home."

7  
8 Renumber the following bill section accordingly.

9  
10 Page 5, following line 9:

11           Insert new bill sections to read:

12       **\*\* Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14           **REVISOR OF STATUTES INSTRUCTIONS.** (a) When consistent with the changes in  
15 this Act, the revisor of statutes is instructed to change references to "Alaska Pioneers' Home" to  
16 read "Alaska Pioneers' and Veterans' Home" in the Alaska Statutes, including the following:

17                   (1) AS 08.68.395(g)(2) and AS 08.70.080;

18                   (2) AS 15.05.020(1);

19                   (3) AS 18.07.111(8)(A);

20                   (4) AS 36.30.990(1)(A);

21                   (5) AS 37.05.146(b)(4)(EE) and 37.05.990(2);

22                   (6) AS 37.07.120(1);

23                   (7) AS 39.25.120(c)(8);

24                   (8) AS 44.21.020(9);

25                   (9) AS 47.25.140.

26           (b) When consistent with the changes in this Act, the revisor of statutes is instructed to  
27 change the references to "Pioneers' Home" to "Alaska Pioneers' and Veterans' Home" in the  
28 Alaska Statutes, including the following:

29                   (1) AS 17.37.070(6)(B);

30                   (2) AS 18.35.300(11);

31                   (3) chapter heading of AS 47.55;

5-9-02/1

1 (4) section heading of AS 47.55.070.

2 (c) The revisor of statutes is instructed to change "Article 2. Pioneers' Homes Advisory  
3 Board" to "Article 2. Alaska Pioneers' and Veterans' Home Advisory Board" in the heading of  
4 art. 2 of AS 44.21.

5 \* Sec. 23. The uncodified law of the State of Alaska is amended by adding a new section to  
6 read:

7 REGULATIONS ATTORNEY INSTRUCTIONS. Wherever in the Alaska  
8 Administrative Code the terms "Alaska Pioneers' Home," "state pioneer home," and "pioneers'  
9 home" are used, they shall be read as "Alaska Pioneers' and Veterans' Home" when to do so  
10 would be consistent with the changes in this Act. Under AS 44.62.125(b)(6), the regulations  
11 attorney is instructed to make changes in the Alaska Administrative Code consistent with this  
12 section."

13

14 Page 5, line 21, following "Pioneers":

15 Insert "and Veterans"

16

17 Page 5, line 24:

18 Delete "Section 8"

19 Insert "Section 24"

20

21 Page 5, following line 24:

22 Insert a new bill section to read:

23 "\* Sec. 27. (a) Section 4 of this Act takes effect only if a version of a bill establishing the  
24 Alaska Veterans' Advisory Council is passed by the Twenty-Second Alaska State Legislature  
25 and becomes law.

26 (b) If sec. 4 of this Act takes effect, it takes effect the day after the effective date of  
27 sec. 3 of this Act or on the effective date of the Act described in (a) of this section, whichever is  
28 later."

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CS SB 55 (STA)  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction) Revised Dept. Affected: Admin  
 Title An Act relating to the AK Pioneers' Homes... BRU AK Longevity Programs  
 Component Pioneers' Home  
 Sponsor Governor  
 Requester (S) FIN Component No. 1950

**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	4,971.3	4,971.3	4,971.3	4,971.3	4,971.3	4,971.3
Travel						
Contractual	250.1	250.1	250.1	250.1	250.1	250.1
Supplies	76.2	76.2	76.2	76.2	76.2	76.2
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>5,297.6</b>	<b>5,297.6</b>	<b>5,297.6</b>	<b>5,297.6</b>	<b>5,297.6</b>	<b>5,297.6</b>

<b>CAPITAL EXPENDITURES</b>	<b>250.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES ( 1156 )</b>	<b>2,633.0</b>	<b>2,633.0</b>	<b>2,633.0</b>	<b>2,633.0</b>	<b>2,633.0</b>	<b>2,633.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	2,914.6	1,964.6	1,764.6	1,564.6	1,364.6	1,164.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
1118 Pioneers Home Receipts	2,633.0	3,333.0	3,533.0	3,733.0	3,933.0	4,133.0
<b>TOTAL</b>	<b>5,547.6</b>	<b>5,297.6</b>	<b>5,297.6</b>	<b>5,297.6</b>	<b>5,297.6</b>	<b>5,297.6</b>

Estimate of any current year (FY2002) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time	128	128	128	128	128	128
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

**ANALYSIS:** (Attach a separate page if necessary)

Combining the Pioneers' Home tradition with the concept of a state veterans' home will maximize the use of the state's existing infrastructure. A significant number of Pioneers' Home residents are veterans. Veterans want assurance that a certain number of beds will be available for them in the state. Pledging some vacant beds to veterans fills this request.

About 90 Pioneers' Home beds are vacant due to lack of funding to provide 24 hour staffing to meet the needs of applicants on the active waiting list. The vacant beds are primarily in Anchorage, Palmer and Sitka, and mostly in the coordinated services and basic assisted living levels of care which provide residential type services for fairly independent residents and require limited staffing. This funding would upgrade the designation of beds within the Homes from coordinated and basic assisted living services to levels providing 24 hour care which meets the needs of individuals on the active waiting list.

Prepared by: James Kohn, Director Phone 465-2159  
 Division Alaska Longevity Programs Date/Time 05/01/02  
 Approved by: Jim Duncan, Commissioner Date 5/1/2002  
 Agency Department of Administration

With the addition of appropriate staffing, applicants (both veterans and non-veterans) could be admitted to vacant beds. Admission to vacant beds would also generate increased revenue. The funding would provide 128 full time direct care staff and contract funding for Sitka and Palmer for increased physical therapy.

The Veteran's Administration has indicated a willingness to work with the State to make any necessary changes at the federal level to allow VA benefits to accrue to Veterans who are residents of the Pioneers Homes should this legislation pass. Based upon current VA per diem rates for domiciliary care, this could provide benefits to Veterans of an estimated \$700,000 to \$1,500,000 annually. These revenues would be available to the Veteran to pay for their cost of care in the Pioneers' Homes.

Resident revenues for FY 2003 are projected based upon current resident revenue collections. As the necessary changes to the federal VA program are made, the provision of VA benefits to resident Veterans should increase the collections of resident revenues over time.

Capital funding of \$250.0 will be used to obtain a contract to study the needs of Alaskan veterans. This study will obtain in-depth information about the needs of veterans in the state who would not be served by the Pioneers' Home system and a plan to meet those needs. In general, senior veterans will require assistance with needs related to physical frailty and Alzheimer's disease which they will receive in the Pioneers' Home. Veterans younger than 65 years of age, in general, will require assistance related to homelessness, substance abuse and combat disability. The plan would include the best use of federal programs for state veterans and the use of state funds to leverage federal grants. The \$250.0 cost of the study is approximately one half the cost of a similar study recently funded by the State of Washington, and should save the state costly mis-steps in providing for the needs of Alaska veterans.

# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

**TONY KNOWLES, GOVERNOR**

P.O. BOX 110200  
JUNEAU, ALASKA 99811-0200  
PHONE: (907) 465-2200  
FAX: (907) 465-2135

April 30, 2002

The Honorable Pete Kelly, Co-Chair  
Senate Finance Committee  
State Capitol, Room 518  
Juneau, Alaska 99811-1182

Dear Senator Kelly:

I respectfully request that you schedule CS Senate Bill 55 (STA), an act relating to the Alaska Pioneers' Home and to a survey of certain housing and care needs of veterans in this state for a hearing before the Senate Finance Committee as soon as possible.

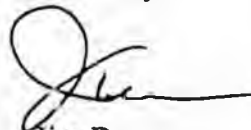
This bill will establish a veteran's preference for up to 21 percent of the Pioneers' Home beds statewide. We are currently negotiating an agreement with the U.S. Veterans' Administration (VA) to insure we meet the needs of veterans while maintaining the integrity of the Alaska Pioneers' Home System. Please see the attached letter from Secretary Principi and Memorandum of Understanding.

Our goal is to partner with the VA to provide veterans the services they need in our Pioneers' Home System. This approach has the advantage of using our existing six facilities to provide needed services rather than constructing one stand-alone Veterans' Home while 100 beds in our Pioneers' Homes are vacant due to lack of funding. SB 55 also provides for a survey and evaluation of the care and housing needs of veterans in this state.

The Senate State Affairs Committee CS for SB 55 does not include changing the name of the Alaska Pioneers' Home to the Alaska Pioneers' and Veterans' Home. It is critical that the name change be included in the legislation to provide the recognition that our Alaskan Veterans deserve and desire.

Thank you for your attention to this important matter.

Sincerely,



Jim Duncan  
Commissioner

cc: The Honorable Dave Donley, Co-Chair  
Senate Finance Committee

Mike Abbott, Legislative Director  
Office of the Governor



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**CS Senate Bill No. 55(STA)**  
**“An Act relating to the Alaska Pioneers’ Home and the Alaska Pioneers’ Homes Advisory Board”**

**Sectional Analysis:**

Sec. 1 - Amends the composition of the Alaska Pioneers’ Home Advisory Board from 7 public members to 5 public members and two veterans, one of which is age 65 or older.

Sec. 2 - Creates the statutory authority to establish a veteran’s preference for admission to the homes.

- Specifies that no more than 30 percent of the beds in a single institution nor more than 21 percent of the total beds in the Alaska Pioneers’ Home System can be reserved for use by veterans. Requires DOA to establish procedures for admission to the Home by veterans and others. Defines a veteran as a person with 181 days or more of active service in the military.

Sec. 3 - Amends the statutory reference for residency requirements from 15 years to 1 year. This conforms to current practice that has been in place since 1989 due to court rulings that declared longer residency requirements to be unconstitutional.

Sec. 4 - Amends reference to “residents” and “home” for clarity. Corrects cites for assets received under the Alaska Native Claims Settlement Act, disabled veterans benefits, and World War II restitution payments. Clarifies that the assets of an individual utilizing services provided by the Home but not actually residing in the home are exempted from collection and include real property being used as the resident’s primary residence.

Sec. 5 - Expands the collection ability of the Department of Administration to place a claim against the estate of a deceased resident of the homes to include estates within the United States instead of just Alaska.

Sec. 6 - Eliminates reference to 47.55.090 (enforcement against property outside the state) that is repealed in this bill because of the language in Section 5.

Sec. 7 - Repeals AS.47.55.035 - Allowing for admission to the home of an applicant who has been a resident of the state for 30 years, but had a break in residency to be admitted as an exception to admission criteria. This section has not been applicable since converting residency requirement to one year.

- Repeals AS 47.55.040 - Providing for the transfer of mentally ill residents to another institution.

- Repeals AS 47.55.090 - Repeals enforcement against property outside state. Unnecessary due to amendments to AS 47.44.080 (see Sec. 5)

Sec. 8 - Requires the Department of Administration to adopt regulations to implement the changes in SB 55.

Sec. 9 - Survey & Evaluation – Subject to an appropriation for that purpose, requires the Department of Administration to survey and evaluate the housing and care needs of Alaska veterans and report to the Governor and Legislature no later than the first day of the second session of the 23<sup>rd</sup> Alaska Legislature.

Sec. 10 – Immediate effective date for Section 8.

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**“An Act relating to the Alaska Pioneers’ Home and the Alaska  
Pioneers’ Homes Advisory Board”**

**Sectional Analysis:**

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SPSS



Department of Veterans Affairs

# Enrollment in VA's Health Care System

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## Questions & Answers

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### Eligibility

#### Am I eligible for travel benefits?

Travel benefits vary from veteran to veteran and depends on your specific situation.

#### If enrolled, can I get dental care?

In general, dental benefits are limited to service-connected dental conditions or to veterans who have a VA 100% service-connected disability rating.

#### Am I eligible for fee-basis care?

All veterans are potentially eligible for fee-basis care, however, the decision to utilize such care is left to the facility providing your care. By law, fee-basis care can only be provided when your treating facility cannot provide you the care you require.

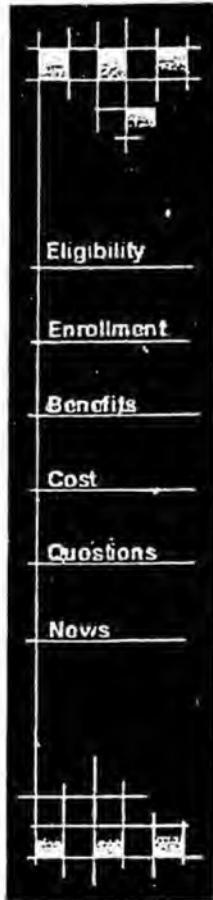
#### Am I eligible for VA health care?

In order for you to be eligible for enrollment for health care, you must have:

- Been discharged from active military service under honorable conditions
- Served a minimum of 2 years if discharged after September 7, 1980 (prior to this date there is no time limit)
- If a National Guardsman or Reservist, served the entire period for which you were called to active duty other than for training purposes only

#### Am I eligible for a nursing home?

Veterans requiring nursing home care for a service-connected condition or a veteran rated 70% or more have mandatory eligibility. All other veterans are eligible on a resource and space-available basis.



**Am I eligible for free prescriptions?**

If you are being provided treatment, necessary prescriptions will also be provided. A \$7 copayment is charged for each prescription provided for the treatment of a nonservice-connected disability. Exemptions from this copayment requirement are provided for veterans service-connected 50% or more and for veterans whose income is less than the established dollar threshold.

**Are women veterans eligible for unique benefits?**

Women veterans are eligible for the same Medical Benefit Package as all veterans. Any inpatient care or treatment required which is not available at the preferred treatment facility will be obtained through other facilities or through community health care facilities.

**Under what circumstances is a Coast Guard veteran eligible for enrollment?**

Individuals who served in the Coast Guard are veterans and are eligible for VA health care benefits in the same manner as any other veteran who served in the Army, Navy, Marine Corps, or Air Force.

**Under what circumstances is a Merchant Marine veteran eligible for enrollment?**

Certain Merchant Marines who served on U.S. flagged merchant ships between December 7, 1941 and August 5, 1945, may be eligible for enrollment for VA health care benefits. If you served during this period of time you should bring a copy of your DD214 "Discharge Certificate" to the nearest health care facility and they will review your eligibility with you.

**Will I be seen for my nonservice-connected condition?**

If you are enrolled, you will receive care that includes treatment for service-connected and nonservice-connected disabilities. Your physician will determine what is medically indicated and provide that care.

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## **VA Programs for Senior Veterans**

*Department of Veterans Affairs*

### **State Veterans Home Program**

#### DEFINITION

State home means a home approved by the U.S. Department of Veterans Affairs (VA) which was established by a State for veterans disabled by age, disease, or otherwise who by reason of such disability are incapable of earning a living. State homes include facilities for domiciliary, nursing home care, and/or adult day health care. Hospital care may be included when provided in conjunction with domiciliary or nursing home care. A State home may also provide care to veteran related family members.

VA participates in two grant-in-aid programs for States. The VA may participate in up to 65 percent of the cost of construction or acquisition of State nursing homes or domiciliaries or for renovations to existing State homes. VA also provides per diem payments to States for the care of eligible veterans in State homes. These rates may be adjusted each year by the Secretary of Veterans Affairs.

#### HISTORY

Following the Civil War, a number of the States established homes for the domiciliation of disabled soldiers and sailors. These were originally erected or acquired and operated entirely at State expense. The first enactment to provide for payment of Federal aid to States which maintained homes in which certain disabled soldiers and sailors in the United States received care was the Act of August 27, 1888. The federal assistance to States under the Act of August 27, 1888, provided \$100 per annum for each eligible veteran in a State home. In 1960, per diem rates were established and Congress increased them periodically, usually as a result of lobbying efforts by State homes. In 1988, Congress authorized the Secretary to evaluate per diem rates and increase them as appropriate, not to exceed the percentage increase in VA general hospitals. Federal assistance to States in the cost of construction of nursing homes was authorized in 1964.

#### LEGAL AUTHORITY

Per Diem Grant is Title 38 U.S.C. 1741-1743.



Department of Veterans Affairs

# Enrollment in VA's Health Care System

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## Eligibility

In October 1996, Congress passed Public Law 104-262, the *Veterans' Health Care Eligibility Reform Act of 1996*. This legislation paved the way for the creation of a Medical Benefits Package - a standard enhanced health benefits plan available to all enrolled veterans. Like other standard health care plans, the Medical Benefits Package emphasizes preventive and primary care, offering a full range of outpatient and inpatient services.

VA places a priority on improved veteran satisfaction. Our goal is to ensure the quality of care and service you receive is consistently excellent, in every location, in every program. Under the Medical Benefits Package, VA offers you, the veteran, a comprehensive health care plan that provides the care you need.

### What are the Priority Groups?

Once you apply for enrollment, your eligibility will be verified. Based on your specific eligibility status, you will be assigned a priority group.

The priority groups are as follows, ranging from 1-7 with 1 being the highest priority for enrollment. Under the Medical Benefits Package, the same services are generally available to all enrolled veterans.

#### Priority Group 1

Veterans with service-connected disabilities rated 50% or more

#### Priority Group 2

Veterans with service-connected disabilities rated 30% or 40%

#### Priority Group 3

- Veterans who are former POWs
- Veterans with service-connected disabilities rated 10% or 20%

- Veterans discharged from active duty for a disability incurred or aggravated in the line of duty
- Veterans who received the Purple Heart
- Veterans awarded special eligibility classification under 38 U.S.C., Section 1151, "benefits for individuals disabled by treatment or vocational rehabilitation"

#### Priority Group 4

- Veterans who are receiving aid and attendance or housebound benefits
- Veterans who have been determined by VA to be catastrophically disabled

#### Priority Group 5

Nonservice-connected veterans and noncompensable service-connected veterans rated 0% disabled, whose annual income and net worth are below the established dollar thresholds

#### Priority Group 6

All other eligible veterans who are not required to make copayments for their care, including:

- World War I and Mexican Border War veterans
- Veterans seeking care solely for disorders associated with: exposure to herbicides while serving in Vietnam; or exposure to ionizing radiation during atmospheric testing or during the occupation of Hiroshima and Nagasaki; or for disorders associated with service in the Gulf War; or for any illness associated with service in combat in a war after the Gulf War or during a period of hostility after November 11, 1998
- Compensable 0% service-connected veterans

#### Priority Group 7

Nonservice-connected veterans and noncompensable 0% service-connected veterans with income and net worth above the established dollar thresholds and who agree to pay specified copayments

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Construction Grant is Title 38 U.S.C. 8131-8137.

### OBJECTIVES

State homes provide an economical alternative to costly VA facilities for the provision of quality care in adult day health care, domiciliaries, and nursing homes. As a goal VA plans to maintain at least a 33 1/3 percent share of the States' cost for the provision of domiciliary and nursing home care. VA will also continue to encourage States to construct and renovate State homes to provide needed beds and to maintain a safe and healthy environment in existing State veterans homes for eligible veterans seeking long term care.

A State home is owned and operated by a State. Most States require eligible veterans to share in the cost of care. In addition, the VA assures Congress that State homes provide quality care through an annual inspection, audit, and reconciliation of records conducted by the VA medical center of jurisdiction to assure that the standards of care as prescribed by the VA are met.

### STATES THAT HAVE ESTABLISHED STATE VETERANS HOMES

Alabama	Arkansas	Arizona	California	Colorado
Connecticut	Florida	Georgia	Idaho	Illinois
Indiana	Iowa	Kansas	Kentucky	Louisiana
Maine	Maryland	Massachusetts	Michigan	Minnesota
Missouri	Mississippi	Montana	Nebraska	New Hampshire
New Jersey	New Mexico	New York	North Dakota	Ohio
Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina
South Dakota	Tennessee	Vermont	Virginia	Washington
West Virginia	Wisconsin	Wyoming	North Carolina	Utah
Puerto Rico				



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON  
April 2, 2002

General Phillip Oates, Commissioner  
Department of Military and Veterans' Affairs  
State of Alaska  
The National Guard Armory, Suite C-222  
P.O. Box 5800  
Ft. Richardson, Alaska 99505-0800

APR 08 2002

Dear General Oates:

This is in response to your letter regarding establishment of a partnership between the Department of Veterans Affairs (VA) and Alaska's Pioneer Homes. I appreciate your desire to meet the needs of veterans within the framework of the Pioneer Homes.

I fully support efforts that would enable VA and the State of Alaska to work cooperatively to address the elder care needs of Alaska's veterans. I understand the first step is to establish the Pioneer and Veterans Homes, and there is legislation pending to accomplish this. Once this legislation is enacted, I will be pleased to explore options for the provision of long term care for Alaska's veterans, to include the flexibilities of our State Veterans Homes and Contract Community Nursing Homes programs. I have enclosed some information on our State Veterans and Contract Community Nursing Home programs that I hope you will find helpful. What is paramount is assuring that the needs of Alaska's veterans and VA's standards for nursing home care are met.

Marsha Goodwin, Acting Chief Consultant, Geriatrics and Extended Care Programs, is available to meet with representatives of the Pioneer Homes and Alaska State officials to further discuss these options. If you should have any questions, she may be reached at 202-273-8540. A similar letter has been sent to Mr. Jim Duncan, Commissioner and appropriate members of Congress. I look forward to a continued working relationship with you to better meet the needs of Alaska's veterans.

Sincerely yours,

Anthony J. Principi

Enclosures

## MEMORANDUM FOR THE RECORD

This memorandum for the record has been developed in teleconference discussions among Marsha Goodwin, Acting Chief Consultant, Geriatrics and Extended Care Programs at the U.S. Department of Veterans' Affairs; James Kohn, Director, Division of Alaska Longevity Programs; and John Taber, Associate Director, Washington, D.C. Office of the Governor of Alaska, during the period of April 1-5, 2002.

The parties to this memorandum agree as follows:

The federal Veterans' Affairs State Home Per Diem Grant program provides financial assistance to veterans in state VA homes within a framework of federal VA standards and regulations that do not presently allow for VA financial support of Alaskan veterans in the proposed Alaska Pioneers' & Veterans' Homes. It is agreed that the VA and the state of Alaska will work cooperatively to seek solutions to the issues that exist, including, if needed, federal legislation which would allow for VA support of veterans in the Alaska Pioneers' & Veterans' Home while preserving the ownership, independence, and authority of the state to operate and manage this unique long term care program. We agree that we will seek common ground for a demonstration that preserves both the character of Alaska's Pioneers' homes and the required standards of care for eligible Veterans.

As we work toward those solutions, we accept as governing principles the following:

Alaska's Pioneers' Homes are designed and managed as long-term assisted living facilities. There is no present intention to expand their role to include skilled nursing functions. The state of Alaska relies on agreements with private nursing homes and public and private hospitals to provide skilled nursing and hospital care as it is needed by Pioneers' Home residents.

Similarly, there is no present intention to expand the role of the Pioneers' homes to include Adult Day Care, because facilities that provide Adult Day Care already exist in most communities where the Pioneers' Homes are located and it would duplicate capacity to add that function to the Pioneers' Homes.

The state of Alaska seeks to ultimately include all six of the existing Pioneers' Homes in the Pioneers' Home/Veterans' Home program and seeks to integrate Pioneers and Veterans to the maximum extent practicable within those facilities.

The state of Alaska seeks to preserve the essence of the Pioneers' Home concept by continuing to use the admission and eligibility standards and cost sharing procedures and

policies that have served the Pioneers' Homes well for 89 years. We agree to work to find solutions to issues that such existing policies may create for veterans who qualify for assistance but do not fit within state admission and eligibility standards.

As we continue the discussions that we intend will lead to the necessary agreements and/or legislation to permit the Veterans Affairs State Home Per Diem Grant Program to operate in Alaska's Pioneers' Homes/Veterans' Homes, we agree to periodically provide information updates to Veterans and Veterans' Affairs officials in Alaska concerning those discussions.

SIGNED:

Marsha Goodwin, Veterans' Affairs

James Kohn, Alaska Longevity Programs

John Taber, Office of the Governor of Alaska

## **Facts & Estimates Regarding VA Participation in Pioneers' & Veterans Home**

### Name Change

- VA states the present *Alaska Pioneers' Home* name must be altered to indicate that the program includes being a state home for veterans

### Statistics & Facts

- Presently, 95 residents of the Pioneers' Homes are veterans
- SB 55 gives preference to 21% of the funded beds: 126 beds if all 600 beds are fully funded
- All veterans living in VA recognized state homes receive VA benefits
- The VA is researching the eligibility for benefits of the 95 Pioneers' Home veterans which includes service record, service connected disability, and need for care
- Based on the degree of service connected disability, some veterans will receive additional benefits to the daily stipend
- The Pioneers' & Veterans Home will be allowed to establish a maintenance charge system and collect from the pension, compensation, or other income of veterans
- VA per diem would financially assist the state in providing for veterans receiving Pioneers' Home payment assistance
- VA is authorized to participate in up to 65% of the cost of construction, expansion, remodeling and etc.

### Goals

- Utilize present VA statutes and codes to gain recognition of the Pioneers' & Veterans' Home system as an eligible program to care for veterans
- Validate the Homes under the VA *domiciliary* level of care
- Determine the eligibility of present veterans in the Homes to participate
- Receive a daily reimbursement rate of \$39, the daily rate paid for domiciliary care\*
- Implement the VA medications plan so Home veterans receive medications from the VA at little or no charge
- Participate in the VA capital program to remodel or expand Homes

\*At a *per diem* rate of \$39, if 100 veterans qualified for domiciliary care, the VA would pay \$1.4 million annually to support veterans. \$700,000 annually if 50 veterans qualified.

SB 55



**THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON**

April 2, 2002

Jim Duncan  
Commissioner  
Department of Administration  
333 Willoughby Ave., 10<sup>th</sup> Fl.  
State Office Building  
Juneau, AK

Dear Mr. Duncan

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I fully support efforts that would enable VA and the State of Alaska to work cooperatively to address the elder care needs of Alaska's veterans. I understand the first step is to establish the Pioneer and Veterans Homes, and there is legislation pending to accomplish this. Once this legislation is enacted, I will be pleased to explore options for the provision of long term care for Alaska's veterans, to include the flexibilities of our State Veterans Homes and Contract Community Nursing Homes programs. I have enclosed some information on our State Veterans and Contract Community Nursing Home programs that I hope you will find helpful. What is paramount is assuring that the needs of Alaska's veterans and VA's standards for nursing home care are met.

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Sincerely yours,

A handwritten signature in cursive script that reads "Anthony J. Principi".

Anthony J. Principi

Enclosures



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April 2, 2002

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State of Alaska  
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Anthony J. Principi

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SIGNED:

Marsha Goodwin, Veterans' Affairs

James Kohn, Alaska Longevity Programs

John Taber, Office of the Governor of Alaska

**Subject:** [Fwd: Memorandum for Record]

**Date:** Wed, 01 May 2002 15:47:32 -0800

**From:** Jim Kohn <james\_kohn@admin.state.ak.us>

**Organization:** State of Alaska

**To:** "Stewart, Roxanne" <roxanne\_stewart@admin.state.ak.us>

I believe this is what you want. If not, let me know.

**Subject:** RE: Memorandum for Record

**Date:** Fri, 5 Apr 2002 16:45:02 -0500

**From:** "Goodwin, Marsha E" <marsha.goodwin@hq.med.va.gov>

**To:** 'John Taber' <jrtaber@sso.org>, "Goodwin, Marsha E" <marsha.goodwin@hq.med.va.gov>

**CC:** Kohn James <james\_kohn@admin.state.ak.us>

I think the e-mail concurrence is fine. Look forward to our next conference call meeting. Marsha

-----Original Message-----

**From:** John Taber [mailto:jrtaber@sso.org]

**Sent:** Friday, April 05, 2002 4:42 PM

**To:** Goodwin, Marsha E

**Cc:** Kohn James

**Subject:** Re: Memorandum for Record

Marsha,

Your changes are fine with us. Thank you again for your review and assistance. Can we consider this memorandum signed, based on our email concurrence in it? We should also circulate a hard copy for signature and I will be happy to initiate that from here.

John

"Goodwin, Marsha E" wrote:

> John - I just made a couple minor changes. See if they are agreeable with  
> both of you. Marsha

>

> -----Original Message-----

> **From:** John Taber [mailto:jrtaber@sso.org]

> **Sent:** Thursday, April 04, 2002 6:47 PM

> **To:** Marsha.Goodwin@hq.med.va.gov; Kohn James

> **Subject:** Memorandum for Record

>

> Attached is my proposed Memorandum for the Record per our discussions

> today. Please let me know if this meets with your approval and

> agreement. Thank you for your cooperation and assistance in developing

> this important understanding and agreement.

>

>

>

> Pioneer Homes MEMORANDUM FOR THE RECORD.doc

Name: Alaska

> Alaska Pioneer Homes MEMORANDUM FOR THE RECORD.doc

Type: Winword

> File (application/msword)

>

Encoding: base64

## Department of Veterans Affairs (VA) Fact Sheet

**VA State Home Program:** The VA State Home Per Diem Grant Program provides Federal payments to States for eligible veterans in State Veterans Homes (SVHs) recognized by VA. In order to receive the grant funds for either construction or per diem payments for nursing home, domiciliary, or adult day health care, the State must apply for the grant and meet VA standards. It is the responsibility of the State to conduct feasibility studies associated with establishing a State Veterans Home. State Veterans Homes are owned and operated by States. VA may recognize an entire facility or a specific area, such as a wing or floor within a larger facility, like a Pioneers Home. Veterans may not be intermingled with other residents of the home. VA recognition ensures that veterans receive consistent levels of care in accordance with VA standards. State nursing home regulations were published in the Federal Register on January 6, 2000. Section 51.20 provides directions for applying for recognition.

The SVH program provides grants to States for up to 65 percent of the costs of the construction or renovation of facilities for nursing home, domiciliary or adult day health care for eligible veterans. The State must provide 35 percent matching funds as a condition of construction grant award. The State may also request that VA recognize an existing facility or a portion of a facility as a State Home, as an alternative to construction, with the condition that the facility meet VA standards. Those standards are further described in the enclosed Question and Answer document. Eligible veterans must be located in a recognized SVH in order for the State to receive per diem payments. By law, these grants cannot be made available to individual veterans.

Should the State of Alaska choose to pursue any of these options for State Home development, VA staff is available to offer technical assistance. Once construction is completed, a local VA Medical Center of Jurisdiction is designated to work with a State Home to ensure that veterans receive the highest quality care. The requirement to satisfactorily meet SVH nursing home standards in order to achieve recognition is essentially the same whether the SVH is newly-constructed or designated as part of an existing facility. However, in the latter case, a specific standard (i.e., intermingling veterans with non-veterans) applies to SVH program integrity. A building housing a facility recognized as a State home for providing nursing home care may only provide nursing home care in the areas of the building recognized as a State home for providing nursing home care (38 CFR Parts 17 et al., 51.210 [u]). In other words, when SVH nursing home care is provided in only a portion of an existing facility, other types of care or programs cannot be conducted in areas specifically designated for the SVH. A recognized SVH would ultimately provide a safe environment for veterans residing in the state of Alaska. An Alaska SVH would ensure veterans receive the necessary medical care,

medications and medical assistive devices to veteran patients as prescribed by VA requirements.

Both local and VA Central Office staff have met with State officials over the past year about opportunities for Federal support. The State is encouraged to continue to meet with VA to seek alternatives, even though the option of dedicating a portion of the Pioneer Homes for veterans may not yet be available. VA looks forward to a continued close working relationship with the State of Alaska to help it meet all Federal grant requirements.

**VA Contract Community Nursing Home Program:** The Contract Community Nursing Home Program (CNH), established in 1965 is one of three VA-sponsored nursing home program. This program places patients requiring nursing home care in community nursing homes at VA expense. All VA medical facilities have CNH capabilities.

VA contracts with CNH facilities which meet Medicare/Medicaid standards and the most recent edition of the Life Safety Code. The contract allows VA to place a veteran in a CNH when the CNH agrees to accept the patient at the negotiated per diem rate. In FY 2001, the CNH program served an average of 4,000 veterans per day.

Patients who require care in a CNH due to activities of daily living impairments; medical diagnoses and/or the inability of the informal and formal care system to provide care at home or in the community comprise the target population for CNH. The population includes patients in need of rehabilitation, special clinical care, and those with behavioral management problems where nursing home care is needed and appropriate mental health interventions can be provided in the CNH.

**Department of Veterans Affairs (VA)  
Veterans Health Administration (VHA)  
State Home Program  
FY 2002  
Questions and Answers**

**1. What is a State home?**

The term "State home" means a home established by a State for veterans disabled by age, disease, or otherwise, who by reason of such disability are incapable of earning a living. A State home may provide nursing home care, domiciliary care or hospital care in combination with another level of care. Hospital care may be provided only when the State home also provides domiciliary and/or nursing home care.

**2. Can a State home furnish more than one level of care?**

Yes. A State home may furnish domiciliary, nursing home and hospital levels of care, as well as adult day health care. A home that furnishes more than one level of care must provide such care in clearly designated areas within the home, so that the levels of care are not intermingled.

**3. Who establishes a State home?**

The establishment, location, control and administration of a State home is the responsibility of the State, which it serves.

**4. How is a State home established?**

Generally, veterans' service organizations and interested State officials encourage the State legislature to enact legislation for establishment of a State veterans home and to appropriate funds for its construction and operation. States must assure that state operational funds are available to support quality of care in each level of care provided.

**5. What assistance from VA is available in the establishment of a State home?**

a. VA will provide guidance and consult with representatives of the State to ensure that the facility will meet regulations for VA recognition and Federal aid payments under provision of Title 38 USC 1741.

b. VA cannot participate in the cost of land.

6. Can a building in an existing State facility be approved as a State home?

A building or buildings in an existing facility may qualify, provided that they are established and operated as a separate entity (State home). It is permissible to purchase services, i.e., dietetic, engineering, laundry, and professional care from an existing facility. Purchased or contract services must meet the standards for each level of care.

7. Can a facility providing only hospital care recognized by VA as a State home?

No. A State home must provide domiciliary and/or nursing home care for veterans.

8. What are the veteran admission requirements to a State home?

a. Admission requirements are determined by the State.

b. Veteran and non-veteran eligibility requirements are provided in laws and regulations.

c. As a condition of receiving per diem payments, the State must submit two forms to the VA medical center of jurisdiction for each veteran as follows: a) VA Form 10-10EZ, "Application for Health Benefits," and b) VA Form 10-10SH, "State Home Program Application for Care, Medical Certification."

d. Veteran eligibility for per diem payments is determined and authorized by the VA medical center of jurisdiction. A VA physician reviews and authorizes the level of care. By using social security numbers, VA will track per diem payments for each eligible veteran.

9. How does VA assure Congress that State Veterans homes provide quality care?

The Under Secretary for Health assigns a VA medical center of jurisdiction for each State Veterans Home (SVH). Once assigned, the medical center director appoints an interdisciplinary team from among the staff. This team is charged with the ongoing monitoring of quality. The latter includes conducting an initial recognition survey, performing annual inspections, and communicating with the SVH about all quality concerns that arise between scheduled reviews. For each facility recognized as a SVH, the Director of the VA medical center of jurisdiction annually certifies whether the quality management met or did not meet the standards of the SVH Program. The State home is required to meet minimum standards in order to continue to receive per diem payments.

10. Does a State hospital or State nursing home require a State license?

Yes, the hospital facility shall be licensed as a long-term or acute care hospital by the State, and shall comply with Federal, State and local laws, rules and regulations for hospital care.

The nursing home facility shall be licensed as a skilled nursing home by the State and shall comply with Federal, State and local laws, rules and regulations for skilled nursing home care.

11. What Federal funds are available to a State for the operation of a State home?

a. Domiciliary Care -- up to one-half of the cost of care, not to exceed \$24.40 per day (FY 2002 rate).

b. Nursing Home Care -- up to one-half of the cost of care, not to exceed \$53.17 per day (FY 2002 rate).

c. Hospital Care -- up to one-half of the cost of care, not to exceed \$53.17 per day (FY 2002 rate).

d. Adult Day Health Care -- up to one-half of the cost of care, not to exceed \$34.64 per day (FY 2002 rate).

e. At the time of the construction grant award, a State is required to sign a memorandum of agreement with the U.S. Department of Veterans Affairs that requires the State to provide financial support for the entire cost of maintenance and operation of a State Veterans Home.

12. Can the State assess or charge veterans for the cost of their care?

Yes. The State-operated facility may establish a maintenance charge system and collect from the pension, compensation, or other income of veterans. This does not remove the State's responsibility for appropriating operating funds that will keep the home in compliance with VA standards.

13. Is there a limit on the amount collected from veterans?

No. However, this does not remove the State's responsibility for appropriating operational funds that will support the cost of maintenance of the building and operation of the home.

14. If a veteran in a State home requires hospitalization in a VA facility, can VA continue per diem payments?

No. VA per diem payments are not paid if a veteran in a State home is transferred to a VA medical center for hospital care or to a non-VA hospital at VA expense. However, VA per diem payments are continued up to 96 hours for a veteran transferred from a State home to a hospital at non-VA expense.

15. Can VA participate with States in the construction or acquisition of State home facilities?

a. Yes. Under Title 38 USC 8131-8137, VA is authorized to participate in up to 65 percent of the cost of acquisition and/or construction of new domiciliary or nursing home buildings, and/or the expansion, remodeling, or alteration of existing domiciliary, nursing or adult day health care buildings, provided VA standards and regulations are met. Acquisition and/or renovation costs of an existing building may not exceed the cost of construction of an equivalent new facility.

b. Such costs may include architect fees, supervision, inspection, cost of final audit, and initial equipment, which is not included in the construction contract and may not exceed 10 percent of the cost of construction.

c. VA may not participate in projects for maintenance and repair except, as they are involved inextricably in remodeling projects.

16. Can VA reimburse a State for the Federal share of completed construction projects? What are the conditions?

Yes, provided VA receives an initial application and approves all bid documents (drawings and specifications) before construction begins or early in the construction phase.

17. How can a State obtain VA regulations, instructions and application forms for construction projects?

Write to: Acting Chief Consultant, Geriatrics and Extended  
Care Strategic Healthcare Group (114)  
Veterans Health Administration  
Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

Other sources for obtaining current updates of the Code of Federal Regulations (CFR):

- (1) On the Internet at <http://www.gpo.gov>; or
- (2) Directly from the United States Government Bookstore:

1510 H Street, NW.  
Washington, DC 20005  
Tel. (202) 653-5075; FAX (202) 376-5055

18. Is there a limit on the number of beds that can be constructed with VA participation?

Yes. The total nursing home and domiciliary care beds may not exceed the limits established in 38CFR Part 59.

19. Who is responsible for construction projects?

The State is primarily responsible.

The State employs an architect and submits plans for review and approval by VA prior to awarding the contract. After a construction grant is awarded and during construction, which is supervised by the State, reimbursement claims may be submitted to VA for payment based on incurred costs.

20. May other than veterans occupy facilities constructed under Title 38 USC 8131-8137?

Yes. Twenty-five percent of the bed occupants at any one time may be veteran-related family members, i.e., spouses, surviving spouses, and/or Gold Star parents who are not entitled to payment of VA aid. When a State home accepts grant assistance for a construction project, 75 percent of the bed occupants at the facility must be veterans.

**21. How are construction grants awarded?**

VA establishes a priority list of applications as of August 15 each year for funding during the next fiscal year beginning October 1. After the appropriation for the construction grant program is approved, projects are funded in the order of priority on the list until Federal funds are spent.

**22. What is the first priority on the August 15 list?**

First priority is accorded to feasible applications for which States have provided sufficient State funds so that the project may proceed upon award of the grant without further State action being required to make such funds available. The first priority is further prioritized as (1) remedies for life/safety; (2) States without a construction grant for a nursing home; (3) great need for beds in a State; (4) renovation other than (1) above; (5) significant need for beds in a State; and (6) limited need for beds in a State.

**23. Is there a deadline for consideration for the August 15 priority list?**

Yes. The initial application must be received by April 15. Application must be received by August 15.

**24. What are sufficient funds for purposes of being ranked in priority one? Are there other requirements for being ranked in priority one?**

"Sufficient" funds are the State's 35 percent matching share. These funds must be available, and an authorized State official must certify that these funds are available and how long the funds will remain available. A copy of the approved legislation appropriating the funds for the specific project must accompany the certification.

**25. What are the other priority categories?**

Second priority is accorded to States that have not authorized the State's 35 percent matching share. The second priority is further prioritized as (1) remedies for life/safety; (2) States without a construction grant for a nursing home; (3) great need for beds in a State; (4) renovation other than (1) above; (5) significant need for beds in a State; and (6) limited need for beds in a State.

**26. Where can I find the Federal regulations for the priority system?**

Title 38, Code of Federal Regulations, Part 59 Grants to States for Construction or Acquisition of State Homes. The latest updated versions are available on the Internet at <http://www.gpo.gov>.

27. Is the State required to employ a State employee when the home is under a contractual agreement for daily operations?

Yes. When a State home is operated and staffed under a contractual agreement between a State agency that has jurisdiction over the home and an independent contractor, the oversight of the daily operations of the State Veterans Home is to be performed by a full-time, on-site State project officer (also referred to as a full-time on-site State representative). Further information concerning the role of this official is available upon request.

28. Where are State Home Program forms located on the web?

Eventually, all State Home Program forms are expected to be on the web. The web address is as follows: <http://vaww.va.gov/forms/medical/searchlist.asp>.

- VA Form 10-0388 – Documents and Information Required for State Home Construction and Acquisition Grants – Initial Application
- VA Form 10-0392 – State Home Construction Grant Program Space Program Analysis – Nursing Home and Domiciliary
- VA Form 10-0392a – State Home Construction Grant Program Space Program Analysis – Adult Day Health Care
- VA Form 10-0388a – Additional Documents and Information Required for State Home Construction and Acquisition Grants – Application
- VA Form 10-0148b – Certification of State Matching Funds to Qualify for Group 1 on the Priority List
- VA Form 10-0148c – Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions
- VA Form 10-0388 – Documents and Information Required for State Home Construction and Acquisition Grants – Initial Application
- VA Form 10-0143 – Department of Veterans Affairs Certification Regarding Drug-Free Workplace for Grantees Other Than Individuals
- VA Form 10-0144 – Certification Regarding Lobbying
- VA Form 10-0148d – Certification of Compliance with Federal Requirements – State Home Construction Grant
- VA Form 10-5348 – Memorandum of Agreement – Sample

- VA Form 10-0148d – Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Lower Tier Covered Transactions (to be signed by Contractor(s))
- VA Form 10-0388b – Documents/Certifications Required for State Home Construction and Acquisition Grants – Post-Grant Requirements
- VA Form 10-10EZ – Application for Benefits
- VA Form 10-10SH – State Home Program Application for Care, Medical Certification
- VA Form 10-5588 – State Home Report and Statement of Federal Aid Claimed
- VA Form 10-3567 – State Home Program Staffing Profile
- VA Form 10-0143A – Statement of Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973
- VA Form 10-144A – Statement of Assurance of Compliance with Equal Opportunity Laws
- VA Form 10-0143 – Certification Regarding Drug-Free Workplace
- VA Form 10-0144 – Certification Regarding Lobbying

## Alternatives

No.	Action	+	-
1	Do Nothing		
2	Stand Alone		
3	Convert existing Pioneers' Home to Veterans' Home		
4	Separate Pioneers'/Veterans' Home		
5	Combined Pioneers'/Veterans' Home		
6	Other		

*Distributed by  
Senator Wilken*

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION  
DIVISION OF ALASKA LONGEVITY PROGRAMS

*Pioneers' Homes & Advisory Board  
Longevity Bonus*

*Tony Knowles, Governor*

PO Box 110211  
Juneau, AK 99811-0211  
Phone (907)465-4400  
FAX (907)465-4108  
(907)465-8886

May 10, 2002

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

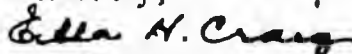
Dear Governor Knowles,

This morning the Senate Finance Committee heard SB 55 which you introduced last year. Senator Wilken stated that he will propose a CS this afternoon to the Finance Committee which will remove all three points contained in the bill for veterans. The CS removes: 1) the addition of *Veterans'* to the Pioneers' Home name, 2) the admission preference for veterans, and 3) the representation of veterans on the Pioneers' Home Advisory Board. This will leave only the \$250.0 for the veterans' study.

This CS is unacceptable to the Pioneers' Home Advisory Board. The Board supports the Pioneers' and Veterans' Home bill as originally introduced. As a Board we are advocating for those Pioneers' Home residents who are veterans and deserve the recognition that SB 55 provides them. The Board believes that SB 55 strengthens the Pioneers' Homes by recognizing the 95 veterans who presently reside in the Pioneers' Homes and those additional veterans and non-veterans who would be admitted by the passage of this bill. A stronger Pioneers' Home system benefits all residents.

If Senator Wilken's proposed CS is passed, the Board will recommend that you veto the bill.

Sincerely,



Ella H. Craig, Chair

Alaska Pioneers' Home Advisory Board

Ella H. Craig

John Dapcevich

John A. Gibbons

Edward W. Zastrow

Marjorie J. Hayes

Estella Odsather

Franklin G. Roth

Vallie M. Byrdsong

May 10, 2002

Senator Pete Kelly  
Senate Finance Co-Chair

Sir:

It is our understanding that SB55 will be voted on this date, with changes made to the original Bill.

If these changes are implemented by the Senate Finance Committee, it will basically gut the Bill which is unsatisfactory with the American Legion.

It will probably be our recommendation to the Governor that SB55 be vetoed if it arrives on his desk with the changes that were offered this morning to be included in the Bill.

With these changes, there is nothing left for the VETERAN.

Respectfully submitted,



Gene Franks

Past Department Commander  
American Legion  
Department of Alaska  
907 745-3311

**ROBERT L. HUFMAN**.....1018 Galena St. Fairbanks, AK 99709-4826  
Tel. (907) 474-0549 \* Fax: (907) 474-0536

April 30, 2002  
Via Fax #465-4714

Senator Gary Wilken  
State Capitol  
Juneau, Alaska 99801

Post-It™ brand fax transmittal memo 7671		# of pages ▶
To	From	
Co. SANDY	Co. P.P.	
Dept.	Phone #	
Fax #	Fax #	

Dear Gary:

I wish to offer the following comments and concerns regarding CS for SB55.

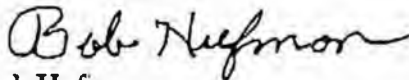
The administration would lead us to believe that the Memorandum for the Record, developed early in April between Marsha Goodwin of the VA and James Kohn and John Taber representing the State, solves all the problems previously associated with the legislation in question. One must read carefully the previous correspondence received from VA Secretary Anthony Principi. In particular, the existing rules and regulations required by the VA in order for the State to receive monetary assistance for Veterans. Granted, a few of the existing regulations may be waived on an experimental basis, however it is inconceivable that the primary requirements now in force would be changed one iota. For instance, (1) the premises in question, or a portion thereof, must have VA certification in order to assure adequate care for domiciled vets. There are serious doubts that any of the homes in their present condition could pass muster. Therefore, what is required and who pays for the necessary alterations? (2) Existing regulations state that Veteran's may not be co-mingled with the other residents. I wonder how that would be received by the approximately 90 vets now in residence and the other Home occupants. (3) No veteran in the home may receive a direct payment from the VA. It's against the law as written, even though the administration originally stated that would be the case. Rather than list all of the regulations that are questionable regarding the possibility to receive waiver or modification, I am faxing those to you in hopes that you will read them carefully and draw your own conclusions.

As you know, the demand for entrance into the Home system is now almost entirely in the advanced levels of care. The lack of funding to provide the skilled levels of care results in a vacancy rate of almost 100 beds. Unless adequate funding is forthcoming on a continuing basis, those 100 beds will remain vacant. Therefore, if veterans are granted preference as proposed, those few vacancies that do occur within the advanced level of care would be filled almost entirely by veterans until the proposed limit was reached. This might well involve an extended length of time before a non-veteran could be admitted. In short, without funding to open up the vacancies many seniors that have been on the list for long periods of time will be bypassed by a perhaps a short listed veteran. In that event, I suggest every other vacancy be filled by a vet, followed by a non-vet based on time of application.

I suggest a pilot program using those vets now in residence. Have the VA conduct an on site survey in order to ascertain if the Homes meet VA standards and if not, inform the State as to the requirements and identify associated costs. Once the Pioneer Homes are declared qualified for VA assistance, then consider changing the name to Pioneer and Veteran's Homes. Let's not get the cart before the horse!

Please call me if you have questions or wish to comment on the information faxed to you. I am also sending a copy of this letter and attachments to Representative Coghill's office.

With best regards,



Bob Huffman  
Chr., P of A Legislative Committee

APR-11-2002 09:52 AM SPPA

1/32/2002 18:40 FAX 9074388019

01/02/02 12:22 FAX 202 273 7838

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DEP. CHIEF OF STAFF

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THE SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

April 2, 2002

Jim Duncan  
Commissioner  
Department of Administration  
333 Willoughby Ave., 10<sup>th</sup> Fl.  
State Office Building  
Juneau, AK

Dear Mr. Duncan

This is in response to your letter regarding establishment of a partnership between the Department of Veterans Affairs (VA) and Alaska's Pioneer Homes. I appreciate your desire to meet the needs of veterans within the framework of the Pioneer Homes.

I fully support efforts that would enable VA and the State of Alaska to work cooperatively to address the elder care needs of Alaska's veterans. I understand the first step is to establish the Pioneer and Veterans Homes, and there is legislation pending to accomplish this. Once this legislation is enacted, I will be pleased to explore options for the provision of long term care for Alaska's veterans, to include the flexibilities of our State Veterans Homes and Contract Community Nursing Homes programs. I have enclosed some information on our State Veterans and Contract Community Nursing Home programs that I hope you will find helpful. What is paramount is assuring that the needs of Alaska's veterans and VA's standards for nursing home care are met.

Marsha Goodwin, Acting Chief Consultant, Geriatrics and Extended Care Programs, is available to meet with representatives of the Pioneer Homes and Alaska State officials to further discuss these options. If you should have any questions, she may be reached at 202-273-8540. A similar letter has been sent to Major General Phillip Oztes, Adjutant General/Commissioner and appropriate members of Congress. I look forward to a continued working relationship with you to better meet the needs of Alaska's veterans.

Sincerely yours,

Anthony J. Principi

Enclosures

04/11/02 10:57

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P.002

## MEMORANDUM FOR THE RECORD

This memorandum for the record has been developed in teleconference discussions among Marsha Goodwin, Acting Chief Consultant, Geriatrics and Extended Care Programs at the U.S. Department of Veterans' Affairs; James Kohn, Director, Division of Alaska Longevity Programs; and John Taber, Associate Director, Washington, D.C. Office of the Governor of Alaska, during the period of April 1-5, 2002.

The parties to this memorandum agree as follows:

The federal Veterans' Affairs State Home Per Diem Grant program provides financial assistance to veterans in state veterans homes within a framework of federal VA standards and regulations that do not presently allow for VA financial support of Alaskan veterans in the proposed Alaska Pioneers' & Veterans' Homes. It is agreed that the VA and the state of Alaska will work cooperatively to seek solutions to the issues that exist, including, if needed, federal legislation which would allow for VA support of veterans in the Alaska Pioneers' & Veterans' Home while preserving the ownership and authority of the state to operate and manage this unique long term care program. We agree that we will seek common ground for developing a potential demonstration that preserves both the character of Alaska's Pioneers' homes and the required standards of care for eligible Veterans. \*

As we work toward those solutions, we accept as governing principles the following:

Alaska's Pioneers' Homes are designed and managed as long-term assisted living facilities. There is no present intention to expand their role to include skilled nursing functions. The state of Alaska relies on agreements with private nursing homes and public and private hospitals to provide skilled nursing and hospital care as it is needed by Pioneers' Home residents. \*

Similarly, there is no present intention to expand the role of the Pioneers' homes to include Adult Day Care, because facilities that provide Adult Day Care already exist in most communities where the Pioneers' Homes are located and it would duplicate capacity to add that function to the Pioneers' Homes.

The state of Alaska seeks to ultimately include all six of the existing Pioneers' Homes in the Pioneers' Home/Veterans' Home program and seeks to integrate Pioneers and Veterans to the maximum extent practicable within those facilities. \*

The state of Alaska seeks to preserve the essence of the Pioneers' Home concept by continuing to use the admission and eligibility standards and cost sharing procedures and

policies that have served the Pioneers' Homes well for 89 years. We agree to work to find solutions to issues that such existing policies may create for veterans who qualify for assistance but do not fit within state admission and eligibility standards. \*

As we continue the discussions that we intend will lead to the necessary agreements and/or legislation to permit the Veterans Affairs State Home Per Diem Grant Program to operate in Alaska's Pioneers' Homes/Veterans' Homes, we agree to periodically provide information updates to Veterans and Veterans' Affairs officials in Alaska concerning those discussions. \*

SIGNED:

Marsha Goodwin, Veterans' Affairs

James Kohn, Alaska Longevity Programs

John Taber, Office of the Governor of Alaska

APR-11-2002 09:56 AM SPPA  
 14/02/2002 10:30 FAX 301 4608010  
 04/02/02 13:17 FAX 202 273 7236

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0003

### Department of Veterans Affairs (VA) Fact Sheet

**VA State Home Program:** The VA State Home Per Diem Grant Program provides Federal payments to States for eligible veterans in State Veterans Homes (SVHs) recognized by VA. In order to receive the grant funds for either construction or per diem payments for nursing home, domiciliary, or adult day health care, the State must apply for the grant and meet VA standards. It is the responsibility of the State to conduct feasibility studies associated with establishing a State Veterans Home. State Veterans Homes are owned and operated by States. VA may recognize an entire facility or a specific area, such as a wing or floor within a larger facility, like a Pioneers Home. Veterans may not be intermingled with other residents of the home. VA recognition ensures that veterans receive consistent levels of care in accordance with VA standards. State nursing home regulations were published in the Federal Register on January 6, 2000. Section 51.20 provides directions for applying for recognition.

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Should the State of Alaska choose to pursue any of these options for State Home development, VA staff is available to offer technical assistance. Once construction is completed, a local VA Medical Center of Jurisdiction is designated to work with a State Home to ensure that veterans receive the highest quality care. The requirement to satisfactorily meet SVH nursing home standards in order to achieve recognition is essentially the same whether the SVH is newly-constructed or designated as part of an existing facility. However, in the latter case, a specific standard (i.e., intermingling veterans with non-veterans) applies to SVH program integrity. A building housing a facility recognized as a State home for providing nursing home care may only provide nursing home care in the areas of the building recognized as a State home for providing nursing home care (38 CFR Parts 17 et al., 51.210 [U]). In other words, when SVH nursing home care is provided in only a portion of an existing facility, other types of care or programs cannot be conducted in areas specifically designated for the SVH. A recognized SVH would ultimately provide a safe environment for veterans residing in the state of Alaska. An Alaska SVH would ensure veterans receive the necessary medical care,

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/02/2002 18:38 FAX 807 428 8018  
14/02/02 15:14 FAX 202 273 7880

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DEP. CHIEF OF STAFF

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medications and medical assistive devices to veteran patients as prescribed by VA requirements. \*

Both local and VA Central Office staff have met with State officials over the past year about opportunities for Federal support. The State is encouraged to continue to meet with VA to seek alternatives, even though the option of dedicating a portion of the Pioneer Homes for veterans may not yet be available. VA looks forward to a continued close working relationship with the State of Alaska to help it meet all Federal grant requirements. \*

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Patients who require care in a CNH due to activities of daily living impairments; medical diagnoses and/or the inability of the informal and formal care system to provide care at home or in the community comprise the target population for CNH. The population includes patients in need of rehabilitation, special clinical care, and those with behavioral management problems where nursing home care is needed and appropriate mental health interventions can be provided in the CNH.

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/02/2002 10:37 FAX 807 474 0535  
14/02/02 11:10 FAX 807 278 7236

DBP. CHIEF OF STAFF

907 386 5033

**Department of Veterans Affairs (VA)  
Veterans Health Administration (VHA)  
State Home Program  
FY 2002  
Questions and Answers**

**1. What is a State home?**

The term "State home" means a home established by a State for veterans disabled by age, disease, or otherwise, who by reason of such disability are incapable of earning a living. A State home may provide nursing home care, domiciliary care or hospital care in combination with another level of care. Hospital care may be provided only when the State home also provides domiciliary and/or nursing home care.

**2. Can a State home furnish more than one level of care?**

Yes. A State home may furnish domiciliary, nursing home and hospital levels of care, as well as adult day health care. A home that furnishes more than one level of care must provide such care in clearly designated areas within the home, so that the levels of care are not intermingled. \*

**3. Who establishes a State home?**

The establishment, location, control and administration of a State home is the responsibility of the State, which it serves.

**4. How is a State home established?**

Generally, veterans' service organizations and interested State officials encourage the State legislature to enact legislation for establishment of a State veterans home and to appropriate funds for its construction and operation. States must assure that state operational funds are available to support quality of care in each level of care provided.

**5. What assistance from VA is available in the establishment of a State home?**

a. VA will provide guidance and consult with representatives of the State to ensure that the facility will meet regulations for VA recognition and Federal aid payments under provision of Title 38 USC 1741.

b. VA cannot participate in the cost of land.

6. Can a building in an existing State facility be approved as a State home? .

A building or buildings in an existing facility may qualify, provided that they are established and operated as a separate entity (State home). It is permissible to purchase services, i.e., dietetic, engineering, laundry, and professional care from an existing facility. Purchased or contract services must meet the standards for each level of care. \*

7. Can a facility providing only hospital care recognized by VA as a State home?

No. A State home must provide domiciliary and/or nursing home care for veterans.

8. What are the veteran admission requirements to a State home?

- a. Admission requirements are determined by the State.
- b. Veteran and non-veteran eligibility requirements are provided in laws and regulations.
- c. As a condition of receiving per diem payments, the State must submit two forms to the VA medical center of jurisdiction for each veteran as follows: a) VA Form 10-10EZ, "Application for Health Benefits," and b) VA Form 10-10SH, "State Home Program Application for Care, Medical Certification." \*
- d. Veteran eligibility for per diem payments is determined and authorized by the VA medical center of jurisdiction. A VA physician reviews and authorizes the level of care. By using social security numbers, VA will track per diem payments for each eligible veteran. \*

9. How does VA assure Congress that State Veterans homes provide quality care?

The Under Secretary for Health assigns a VA medical center of jurisdiction for each State Veterans Home (SVH). Once assigned, the medical center director appoints an interdisciplinary team from among the staff. This team is charged with the ongoing monitoring of quality. The latter includes conducting an initial recognition survey, performing annual inspections, and communicating with the SVH about all quality concerns that arise between scheduled reviews. For each facility recognized as a SVH, the Director of the VA medical center of jurisdiction annually certifies whether the facility management met or did not meet the

**10. Does a State hospital or State nursing home require a State license?**

Yes, the hospital facility shall be licensed as a long-term or acute care hospital by the State, and shall comply with Federal, State and local laws, rules and regulations for hospital care.

The nursing home facility shall be licensed as a skilled nursing home by the State and shall comply with Federal, State and local laws, rules and regulations for skilled nursing home care.

**11. What Federal funds are available to a State for the operation of a State home?**

a. Domiciliary Care -- up to one-half of the cost of care, not to exceed \$24.40 per day (FY 2002 rate).

b. Nursing Home Care -- up to one-half of the cost of care, not to exceed \$53.17 per day (FY 2002 rate).

c. Hospital Care -- up to one-half of the cost of care, not to exceed \$53.17 per day (FY 2002 rate).

d. Adult Day Health Care -- up to one-half of the cost of care, not to exceed \$34.64 per day (FY 2002 rate).

e. At the time of the construction grant award, a State is required to sign a memorandum of agreement with the U.S. Department of Veterans Affairs that requires the State to provide financial support for the entire cost of maintenance and operation of a State Veterans Home.

**12. Can the State assess or charge veterans for the cost of their care?**

Yes. The State-operated facility may establish a maintenance charge system and collect from the pension, compensation, or other income of veterans. This does not remove the State's responsibility for appropriating operating funds that will keep the home in compliance with VA standards.

17. How can a State obtain VA regulations, instructions and application forms for construction projects?

Write to: Acting Chief Consultant, Geriatrics and Extended  
Care Strategic Healthcare Group (114)  
Veterans Health Administration  
Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

Other sources for obtaining current updates of the Code of Federal Regulations (CFR):

- (1) On the Internet at <http://www.gpo.gov>, or
- (2) Directly from the United States Government Bookstore:

1510 H Street, NW.  
Washington, DC 20005  
Tel (202) 653-5076; FAX (202) 376-5055

18. Is there a limit on the number of beds that can be constructed with VA participation?

Yes. The total nursing home and domiciliary care beds may not exceed the limits established in 38CFR Part 59.

19. Who is responsible for construction projects?

The State is primarily responsible.

The State employs an architect and submits plans for review and approval by VA prior to awarding the contract. After a construction grant is awarded and during construction, which is supervised by the State, reimbursement claims may be submitted to VA for payment based on incurred costs.

20. May other than veterans occupy facilities constructed under Title 38 USC 8131-8137?

\* Yes. Twenty-five percent of the bed occupants at any one time may be veteran-related family members, i.e., spouses, surviving spouses, and/or Gold Star parents who are not entitled to payment of VA aid. When a State home accepts grant assistance for a construction project, 75 percent of the bed occupants at the facility must be veterans. \*

13. Is there a limit on the amount collected from veterans?

No. However, this does not remove the State's responsibility for appropriating operational funds that will support the cost of maintenance of the building and operation of the home.

14. If a veteran in a State home requires hospitalization in a VA facility, can VA continue per diem payments?

No. VA per diem payments are not paid if a veteran in a State home is transferred to a VA medical center for hospital care or to a non-VA hospital at VA expense. However, VA per diem payments are continued up to 96 hours for a veteran transferred from a State home to a hospital at non-VA expense.

15. Can VA participate with States in the construction or acquisition of State home facilities?

a. Yes. Under Title 38 USC 8131-8137, VA is authorized to participate in up to 65 percent of the cost of acquisition and/or construction of new domiciliary or nursing home buildings, and/or the expansion, remodeling, or alteration of existing domiciliary, nursing or adult day health care buildings, provided VA standards and regulations are met. Acquisition and/or renovation costs of an existing building may not exceed the cost of construction of an equivalent new facility.

b. Such costs may include architect fees, supervision, inspection, cost of final audit, and initial equipment, which is not included in the construction contract and may not exceed 10 percent of the cost of construction.

c. VA may not participate in projects for maintenance and repair except, as they are involved inextricably in remodeling projects.

16. Can VA reimburse a State for the Federal share of completed construction projects? What are the conditions?

Yes, provided VA receives an initial application and approves all bid documents (drawings and specifications) before construction begins or early in the construction phase.

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January 22, 2001

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

Dear President Halford:

Alaska has more veterans per capita than any other state except one. Yet, this is the only state in the nation without a veterans' home in service or development. At the same time, no other state operates a care program for seniors comparable to the Pioneers' Home system. We have a unique opportunity to enhance our Pioneers' Home system and serve our veterans at the same time. The bill I transmit today establishes the Alaska Pioneers' and Veterans' Home system as an efficient means to fully use our existing resources and serve our older veterans.

This bill would allow use of some 100 Pioneers' Home beds statewide that are empty today because cost of care has increased faster than the operating budget. A certain number of beds in the Pioneers Homes would be reserved for veterans who meet eligibility requirements for admission, including being at least 65 years old, being an Alaska resident for at least one year, and needing the services the homes provide. The number of beds to be reserved for veterans would be determined by the department by regulation.

Certainly the homes already serve a number of veterans. Some 78 current residents are veterans. Another 44 veterans are on the active waiting list.

Because of operating budget inadequacies, I have requested, in addition to this legislation, nearly \$2.5 million in General Funds and another \$2.6 million in receipts for staff and ancillary services at the Pioneers Homes as part of my Fiscal Year 2002 operating budget. Fully staffed, a Pioneers' and Veterans' Home system can begin filling

The Honorable Rick Halford  
January 22, 2001  
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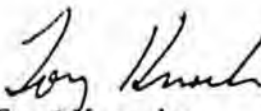
vacant beds and serving the needs of all Alaska seniors. At the same time, it provides an opportunity to recognize the service of Alaska's veterans, particularly those in need of long term care. To help guide us in future planning for services to meet the needs of veterans, I have also requested a \$200,000 capital appropriation to conduct a veterans housing and health needs survey.

The bill also modifies the membership of the Pioneers' Homes Advisory Board to include at least two veterans on the seven-member panel, with one seat reserved for the chair of the Alaska Veterans Advisory Council. I am introducing separate legislation today to establish that council in statute.

Finally, the bill also places in statute the current practice of requiring a one-year residency for admission to the homes. This is in response to a court decision years ago that found the 15-year residency requirement unconstitutional.

For years, building a veterans' home in Alaska has been an important goal of the state's veteran organizations. We can finally provide this service for our veterans and, at the same time, improve services for all Alaska senior citizens. I encourage your prompt and favorable action on this measure.

Sincerely,

  
Tony Knowles  
Governor

# SENATE COMMITTEE REPORT

DATE: 4/19/02

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/29/02

Health, Education and Social Services Committee considered

SENATE BILL NO. 55

*SB 55 PIONEERS' AND VETERANS' HOME/ADVISORY BOARD*

"An Act changing the name of the Alaska Pioneers' Home to the Alaska Pioneers' and Veterans' Home and of the Alaska Pioneers' Homes Advisory Board to the Alaska Pioneers' and Veterans' Home Advisory Board; relating to services for veterans in the home; relating to the advisory board for the home; making other amendments to the statutes relating to the home; making conforming amendments to other statutes; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DQA - Funding	1/15/02	\$		3
DQA - Contract	1/17/02	\$		2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>Betty Davis</i>	<input checked="" type="checkbox"/>			
CHAIR: <i>Soren D. Jensen</i>	<input checked="" type="checkbox"/>			

## SENATE COMMITTEE REPORT First Committee of Referral

DATE: 1/23/01

FURTHER: HESS  
Finance

Date of 5-Day Notice: 2/1/01  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 4/19/02

State Affairs Committee considered      SENATE BILL NO. 55

PIONEERS' AND VETERANS' HOMES/ADVISORY BOARD

and recommends:

- be replaced with CS SB 55 (STA)
- adopt previous CS (        )
- attached amendment(s)
- adopt Letter of Intent by          Committee
- further referral to          Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR #

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DOA-Contract	1/15/02	✓		2
DOA-Funding	1/17/02	✓		3

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Betty Davis</i>	✓			
<i>Ben Stevens</i>			✓	
CHAIR: <i>Constance Herlihy</i>			✓	

SENATE FINANCE COMMITTEE  
SB 55-PIONEERS' AND VETERANS' HOME/ADVISORY BD  
SIGN - IN

NAME: MIKE RIVER Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: SECOND VP PIONEERS OF ALABAMA Phone: 586-1661  
Address: 1669 EVERGREEN AVE Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
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Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions