

SB

154

Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
Phone: (907) 465-2327
Fax: (907) 465-5241



Interim:
119 N. Cushman
Fairbanks, AK 99701
Phone: (907) 456-8161

Senator Pete Kelly
District P

Senate Bill 154 Sectional Analysis

“An Act relating to mental health treatment facilities; repealing the termination date of the mental health treatment assistance program; and providing for an effective date.”

This bill repeals the sunset clause for the Designated Evaluation and Treatment program (DET).

Section 1. of the bill repeals the sunset provisions Sections 2, 4, 6, and 9 of ch. 87 SLA 1999. Those current sections that would be removed cover:

- the clarification of liability for expenses of placement in a treatment facility, (Section 2.)
- the clarification of the definition of “designated treatment facility”, (Section 4.)
- clearly defines the eligibility and procedures of the DET program. (Section 6.):
 - Applicability
 - Eligibility for assistance
 - Application for assistance
 - Decision on eligibility
 - Eligible services rates
 - Payment
 - Appeal
 - Regulations
 - Definitions
- Established an effective date of sunset as July 1, 2001 (Section 9.)

Section 2 of this bill causes the repeal to take effect immediately.

If the sunset occurs, then it reinstates the vague language that led to confusion and inconsistencies in managing the program. These problems led to a lawsuit which prompted the statutory change.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 154
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
Title: Sunset of Designated Evaluation and BRU: Community Mental Health Grants
Treatment Program Component: Designated Eval & Treatment
Sponsor: Sen. Kelly
Requester: Senate (HES) Component Number: 1014

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1
Miscellaneous						
TOTAL OPERATING	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1

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

1002 Federal Receipts	582.1					
1003 GF Match						
1004 GF						
1007 I/A Receipts	723.7	723.7	723.7	723.7	723.7	723.7
1037 GF/Mental Health	1,146.3	1,728.4	1,728.4	1,728.4	1,728.4	1,728.4
1092 MHTAAR	200.0	200.0	200.0	200.0	200.0	200.0
TOTAL	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1

Estimate for any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

ALL FUNDING FOR DET IS INCLUDED IN THE GOVERNOR'S BUDGET. This bill allows for the continuation of Designated Evaluation and Treatment services covered in the FY02 Governor's Request. These statutes (sunset date July 1, 2001) establish consistent methods for the Department to pay for voluntary or involuntary inpatient psychiatric services for individuals who pose a danger to themselves or others because of mental illness, or who are gravely impaired by mental health systems, and who have no third party payor and cannot afford the high cost of hospitalization. The provision of these services in local communities fits with the objectives of serving consumers close to home. Federal laws have reduced the % of the \$10 million in Disproportionate Share Hospital funds that have been available to API on an annual basis since the 1980s. This "frees up" the balance of the DSH funds for other special needs populations served by qualifying hospitals. The DET assistance program is a logical, eligible recipient of these funds..

Prepared by: Sarah Brinkley, Admin Manager Phone 465-3167
Division: DMHDD Date/Time 1/0/00 12:00 AM
Approved by: Elmer A. Lindstrom, Special Assistant Date 3/22/01 10:12 AM
Agency: Department of Health & Social Services

ANALYSIS: (continued)

Of the total \$2,652.1 DET budget for FY02, \$2,392.1 was in the FY02 Governor's Request and \$723.7 was added through the FY02 Governor's Amended Request.

Breakdown of FY02 DET projections:

Grants - \$260.0

Fee for Service - \$2,392.1

Fairbanks \$1,262.1

Juneau \$ 641.6

Mat-Su \$ 237.1

Ketchikan \$ 99.9

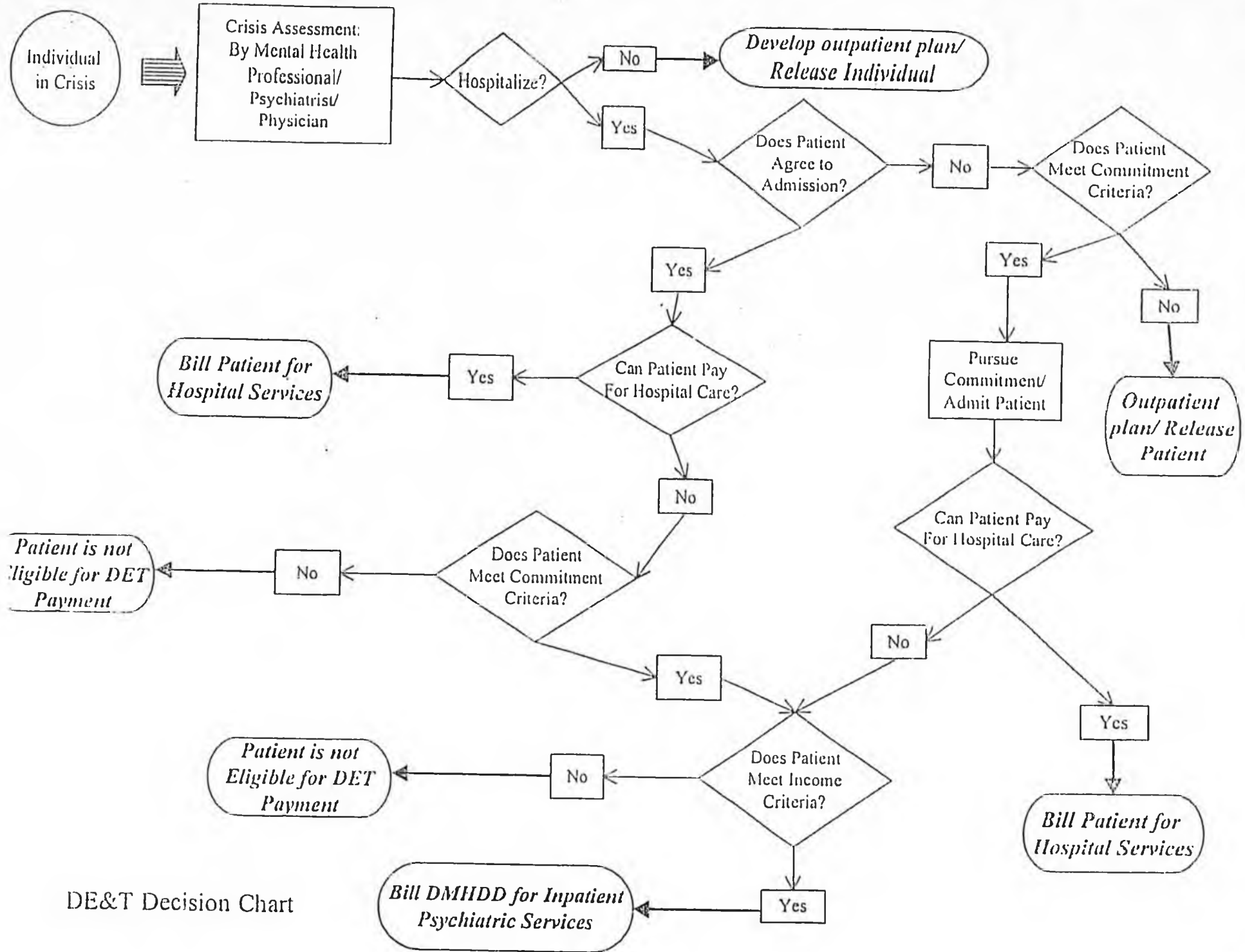
Anchorage \$ 60.3

YKHC \$ 55.2

other \$ 35.9

*Note: The DET component's FY02 budget contains, in addition to the above \$2,652.1 authority for projected needs, another \$142.8 in excess federal authority on the books for potential unanticipated future federal awards.

BACK-UP INFORMATION



DE&T Decision Chart

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For distribution information, call the Governor's Legislative Office

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**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 3/21/01

FURTHER: Finance

Date of 5-Day Notice: 03/22/01
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 03/28/01

Health, Education and Social Services Committee considered **SENATE BILL NO. 154**

REPEAL SUNSET OF MENTAL HEALTH ASSISTANCE

"An Act relating to mental health treatment facilities; repealing the termination date of the mental health treatment assistance program; 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#
Health & Social Serv.	3/22/01			

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>Thomas D. Leman</i>	✓			
<i>George W. Hill</i>	✓			
<i>Bettye Davis</i>	✓			
CHAIR: <i>Lyle H. Green</i>	✓			

ALASKA STATE LEGISLATURE



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(907) 465-3805 Fax

SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE SENATOR LYDA GREEN, CHAIR

To: Senate HESS Members

From: Aurora Hauke, Committee Aide

Date: March 28, 2001

Subject: SB 154 REPEAL SUNSET OF MENTAL HEALTH ASSISTANCE

Please find attached additional letters of support for SB 154 REPEAL SUNSET OF MENTAL HEALTH ASSISTANCE.

SENATOR LOREN LEMAN, VICE-CHAIR
SENATOR JERRY WARD, SENATOR GARY WILKEN, SENATOR BETTYE DAVIS



Denali Center
Fairbanks Memorial Hospital
Banner Health Systems

Denali Center 1510 19th Avenue Fairbanks, AK 99701 (907) 458-5100	Fairbanks Memorial Hospital 1650 Cowles Street Fairbanks, AK 99701-5999 (907) 452-8181 Fax (907) 458-5324
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March 26, 2001

Senator Pete Kelly
State Capitol, Room 518
Juneau, AK 99801-1182

Dear Senator Kelly:

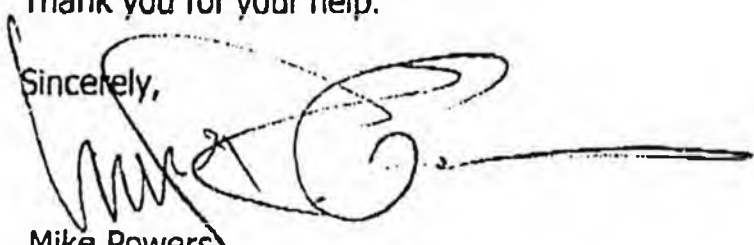
As you know, Fairbanks and other sole-hospital communities across Alaska have struggled with providing quality local hospitalization for mentally ill adults. With your help over the past several years, Fairbanks, Juneau and Bethel have made great strides in taking care of local residents, and have significantly reduced the burden we have placed on Anchorage in our ability to treat mental health patients in our local communities.

Last year Fairbanks' public health and safety agencies reduced the number of mental health patients transferred to Alaska Psychiatric Institute from 75 to 5, dramatically impacting the cost, inconvenience and level of care provided to these patients.

Thank you for championing SB-154. Repealing the sunset clause of the current Designated Evaluation and Treatment program profoundly and favorably impacts the care of and the cost to the mentally ill in Fairbanks, and across Alaska.

Thank you for your help.

Sincerely,



Mike Powers
Administrator
Fairbanks Memorial Hospital

F.M.H./D.C. MEDICAL STAFF
 FAIRBANKS MEMORIAL HOSPITAL/DENALI CENTER
 1650 COWLES STREET
 FAIRBANKS, ALASKA 99701

2001 OFFICERS:

RICHARD HATTAN, M.D.
 PRESIDENT/CHIEF OF STAFF
 TIMOTHY TESLOW, M.D.
 VICE PRESIDENT
 DAVID WRIGLEY, M.D.
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 CHAIR, SURGERY
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 CHAIR, QI/QUR COMMITTEE

CAROL PHILLIPS, M.D.
 JEFFREY ZUCKERMAN, M.D.
 FOUNDATION REPRESENTATIVES

R. Duane Hopson, M.D.
Director of Mental Health

March 26, 2001

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 State Capitol, Room 518
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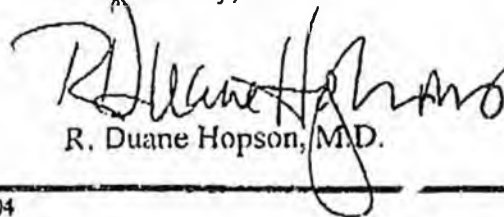
Dear Senator Kelly,

I am writing to you to request your support of SB-154, which I believe is vital to the continued growth of Mental Health not only in Fairbanks but also throughout the Interior. The funds made available through this Bill will continue to support the efforts begun two years ago and assure ongoing growth and development of a Mental Health system throughout the State.

A current area of growth has been in the expansion of an inpatient unit here at Fairbanks Memorial Hospital, which has allowed for the provision of psychiatric care locally rather than in distant communities. The number of transfers from Fairbanks to Alaska Psychiatric Institute has significantly dropped and the development of an acute care milieu and philosophy on the Mental Health Unit both attest to the changes that are being made. Future plans include growth in the areas of partial hospitalization and outpatient services to complete the network of services as we develop a comprehensive mental health system for the Interior.

I hope that you will continue to support the efforts of our community and the growth of Mental Health in Alaska with SB-154.

Respectfully,


 R. Duane Hopson, M.D.

03/27/2001 00:30 307 479 5110 CAROL J. PHILLIPS MD PAGE 01

EMERGENCY MEDICINE ASSOCIATES, P.C.

President, Carol J. Phillips, M.D., FACEP

P.O. Box 80848
Fairbanks, Alaska 99708-0848
Phone (907) 479-5117
Fax (907) 479-5110

MEMORANDUM

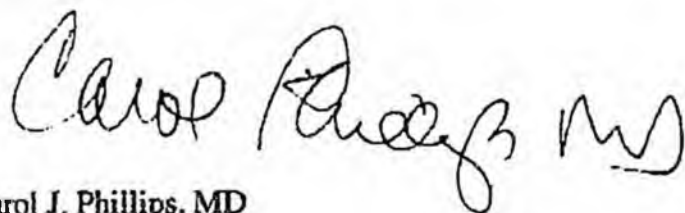
To: All Alaska Senators and Representatives
From: Emergency Medicine Associates, PC
Date: March 24, 2001
Subject: Designated Evaluation and Treatment Program

The Designated Evaluation and Treatment program is vital to the treatment of our community's mentally ill patients.

As you are making your decision whether to pass SB-154, please keep in mind that patients need to be near family who know and care for them. Local doctors are familiar with our community's patients and can work in conjunction with patients' families to plan treatments accordingly.

Please-- I recommend strongly that you pass SB-154.

Thank you for your time.



Carol J. Phillips, MD



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March 26, 2001

Senator Pete Kelly
State Capitol, Room 518
Juneau, AK 99801-1182

Dear Senator Kelly:

This letter is written in support of SB-154. Before making any decisions in regard to this bill, I urge that the legislature review the following information.

- SB-154 concerns the sunset provision of the mental health treatment assistance program statute, which was instituted in 1998 as a part of the state mental health reform program.
- This statute and its' corresponding program, the Designated Evaluation and Treatment Program (DET), encourages hospitalization for the mentally ill in their home community. Under this statute mentally ill individuals are hospitalized locally, instead of being sent to API.
- Treating mentally ill individuals in or near their home communities allows for family participation in treatment, as well as access to providers familiar with resources available to the individual after discharge. This results in shorter length of stays and more practical post-hospitalization planning.
- In response to this statute and to the needs of the community, Fairbanks Memorial Hospital has upgraded its psychiatric unit to accommodate local hospitalization of mentally ill individuals and we plan for the future growth in meeting the needs of the mentally ill.

Supporting these efforts will continue to assure the ongoing growth and development of a strong mental health system throughout the state.

In conclusion, I hope you will recognize the importance of supporting this bill in order to provide quality patient care to the community we serve.

Sincerely,

Karl H. Sanford, RN
Assistant Administrator
Inpatient Services

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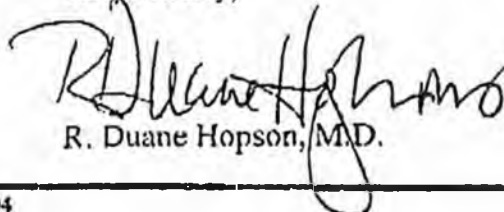
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P.O. Box 80848
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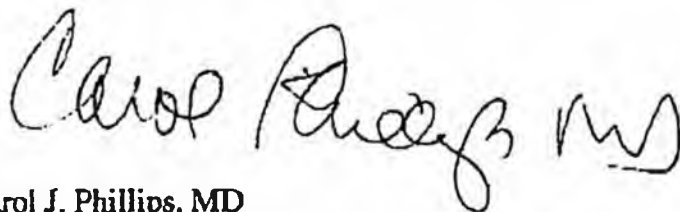
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SENATOR JERRY WARD, SENATOR GARY WILKEN, SENATOR BETTYE DAVIS

ALASKA MENTAL HEALTH BOARD

TONY KNOWLES, GOVERNOR
STATE OF ALASKA

431 N. Franklin, Suite 200
Juneau, Alaska 99801
Office: (907) 465-3071
Fax: (907) 465-3079

March 27, 2001

The Honorable Lyda Green, Chair
Senate Health Education and Social Services Committee
State Capitol, Room 125
Juneau, AK 99801-1182

Dear Senator Green:

The Alaska Mental Health Board (AMHB) wishes to convey to the committee its position concerning SB 154. Senator Kelly's bill would repeal the 2001 sunset of the mental health treatment assistance program or Designated Evaluation and Treatment (DET). As you know, this program provides essential services at local hospitals for people experiencing mental health crises or in need of short-term evaluation and treatment. The AMHB regards the continuation of DET as absolutely essential for two reasons:

- ◆ We believe that the provision of local DET services, where possible, is a core element of an efficient, effective community mental health system. People simply have a better chance at recovery if they are treated in their home community, in a familiar setting close to family, friends, and local providers.
- ◆ DET services, in Anchorage and statewide, are a cornerstone of the Community Mental Health/API Replacement Project. Without DET services available at local hospitals, the carefully planned system of care complementing a smaller API will be incomplete. The AMHB strongly supports diverting to community-based services as many people currently sent to API as possible.

We urge the committee to move this bill as quickly as possible. Sunset looms for this essential service; SB 154 must pass both houses of the legislature this session.

Please let me know if you have any questions. Thank you for your consideration.

Sincerely,

Richard Rainery
Acting Executive Director

cc: Karen Perdue, Commissioner
Elmer Lindstrom, Special Assistant

**NAMI of Fairbanks**

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March 26, 2001

Senator Lyda Green
State Capitol, Room 125
Juneau, AK 99801-1182

Dear Senator Green:

I strongly support the passage of SB-154 by the legislature this session.

The Designated Evaluation and Treatment Program (DET) encourages local treatment of the mentally ill by community hospitals. Prior to the state mental health reforms of 1998 mentally ill individuals were sent to API. The 1998 statute provides guidelines for extent of treatment to be given, as well as urging hospitals to offer expanded services for the mentally ill of their community. The sunset clause for the DET will go into effect at the end of June 2001.

As advocates of the mentally ill in the Fairbanks Community we supported the increased size and scope of Fairbanks Memorial Hospital's psychiatric unit in order to facilitate care of Fairbanks' mentally ill individuals. Family support of a mentally ill patient is important to their recovery and decreases the patient's length of stay. By allowing patients to remain in the care of their community provider, the patient will receive the optimum continuum of care during and following hospitalization.

The mental health assistance program is responsible for two years of progress in psychiatric treatment. However, these two years of effort and progress will count for little if the sunset clause is allowed to go into effect. Please join us in supporting the passage of SB-154.

I enjoyed meeting you this last week and am pleased at your sincere regards of mental health issues. Keep up the good work, and I feel I have a friend in Juneau. Thank-You.

Sincerely,

Bobby Miller
Consumer
Vice President-NAMI

Bobby Miller

Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
Phone: (907) 465-2327
Fax: (907) 465-5241



Interim:
119 N. Cushman
Fairbanks, AK 99701
Phone: (907) 456-8161

Senator Pete Kelly
District P

SB154

“An Act relating to mental health treatment facilities; repealing the termination date of the mental health treatment assistance program; and providing for an effective date.”

SB154 would repeal the sunset clause on a bill that passed in 1999 that created the Designated Evaluation Program. This program provides treatment through local hospitals for people who are in mental crisis. These individuals are working poor people who have no insurance or Medicaid coverage, who cannot afford hospitalization and who meet certain eligibility requirements.

If the sunset clause is not repealed, the following will be lost:

- Description of application, application review and appeal procedures
- Authorization of the department to establish eligible services and reimbursement rates
- Description of procedures for payment for the services provided
- Clarification of language and definitions to accurately reflect statutory intent
- Clarification of the responsibilities of the Department
- Language that establishes who is eligible for assistance for inpatient services:
 - Individuals who meet criteria for commitment under current statutes (i.e. danger of harming self or others or gravely disables as a result of mental illness, and is likely to improve with treatment)
 - Individuals whose household income is below 185% of federal poverty guidelines for Alaska and who have no other third party payer

SB 154 would remove the sunset clause and extend the program indefinitely. Without this change, individuals in need of treatment would have to be transported to Alaska Psychiatric Institute or held in correctional facilities.

All of this is due to sunset July 1, 2001, sending the program back to it's original vague and problematic state.



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Fairbanks Memorial Hospital
Banner Health Systems

Denali Center
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Fairbanks Memorial Hospital
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Fairbanks, AK 99701-5098
(907) 452-3181
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March 23, 2001

Honorable Pete Kelly
State Senate

Dear Senator Kelly:

Regarding SB-154, I strongly encourage support of its passage this session, for the following reasons:

- The bill repeals the sunset clause of the mental health treatment assistance program, established two years ago as part of the reform of the state mental health program.
- The Designated Evaluation and Treatment Program (DET) promotes access to hospital care for mentally ill individuals as close to home as possible.
- This bill provides for the local hospitalization of mentally ill individuals who would otherwise be committed to API.
- Family members and local community providers would be involved in hospital care and discharge planning.
- This would result in shorter length of stays and more realistic follow-up care recommendations.
- Fairbanks Memorial Hospital recently expanded its psychiatric unit in order to meet the needs of individuals who formerly were sent to API

As you can clearly see, the success of the efforts over the last two years would be lost if the program is sunsetted and Alaska returns to its former way of doing business. I ask that you voice my vote of strong support of the passage of SB-154.

Sincerely,

RICHARD HATTAN, M.D.
Chief of Staff
Medical/Dental Staff of
Fairbanks Memorial Hospital/Denali Center

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES

TONY KNOWLES, GOVERNOR

ALASKA PSYCHIATRIC INSTITUTE
2900 PROVIDENCE DRIVE
ANCHORAGE, ALASKA 99508-4677
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FAX: (907) 269-7251

March 16, 2001

The Honorable Pete Kelly
Alaska State Senate
State Capitol - Room 518
Juneau, AK 99801-1182

Dear Senator Kelly:

I am writing to express the support of the management of Alaska Psychiatric Institute (API) for continuation of the legislation authorizing payments to designated evaluation and treatment (DET) hospitals across the State of Alaska who provide inpatient psychiatric services to Alaskans who meet statutory criteria for inpatient treatment.

As you know, API is the State's only public hospital. Our mission is to provide an appropriate array of quality, inpatient psychiatric services for the treatment of Alaskans with psychiatric disorders who meet admission criteria. API's patients come from all around the State.

One of our major and ongoing concerns is the admission pressure on the facility. Between FY95 and FY00, API's admissions have increased 56%, while our bed capacity has actually decreased to our present capacity of 74 beds. The attached graph demonstrates the impact on treatment capacity (higher admissions, shorter lengths of stay). Because our bed capacity is limited and the admissions frequent, we are required to discharge patients quickly, leading to criticism from some community mental health service providers that the hospital stays of the persons admitted to API are too short and that patients are discharged before they are ready to return to their communities.

However, API treatment staff truly have no choice but to discharge the majority of our patients relatively quickly because otherwise our beds would quickly fill up with patients with longer hospital stays and our patient census would not only quickly reach our supposed maximum capacity of 74 but soon seriously exceed the beds available (we have been as high as 88 in the last year or so).

Therefore, the reason API fully supports DET legislation is that it encourages local community hospitals to admit and treat persons experiencing a mental health crisis in their community of residence rather than transporting these individuals to API.

Page Two - Senator Pete Kelly - March 16, 2001

When we look at the annual increase in the number of API admits, we consider ourselves fortunate indeed that the DET statute has actually reduced referrals to API from the communities of Juneau and Fairbanks, and more recently from Kodiak and Nome.

Without the willingness of these hospitals to provide DET services, many of the persons admitted in the last few years to Bartlett Memorial Hospital in Juneau or Fairbanks Memorial Hospital, for example, would have been transported from their community (often in handcuffs!) and admitted to API instead, only further substantially increasing admission pressure on API.

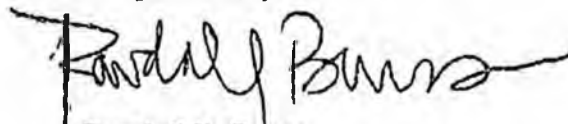
However, as a result of the provisions of the DET legislation, admissions from Juneau remain very low and, with the recent opening of the Fairbanks Memorial Hospital's expanded psychiatric unit, the admissions from Fairbanks to API have dropped substantially. This has been a real success story.

My concern would be, should the statutory authority to reimburse DET hospitals be allowed to sunset, that local hospitals would soon cease providing this service and the persons experiencing a mental health emergency requiring hospital-level care who now are able to be treated in their home community, near family and friends, would be transported to API for admission and treatment, neither a therapeutic or cost-effective solution.

I understand that you are supportive of continuing this important service to Alaskans with mental illnesses, and I provide this letter to you to demonstrate to you the present value of funded DET services to API. If these local services were not present, API would itself soon need additional budget funds to staff and operate the hospital to its increasing capacity.

If I can be of further assistance to you, or if you have any additional questions, please do not hesitate to contact me. And thank you for this opportunity to comment on the value of the DET legislation to API.

Respectfully yours,



Randall P. Burns
Chief Executive Officer

cc: Anne Henry, DMHDD

SEVEN (FISCAL) YEAR DATA COMPARISON
Alaska Psychiatric Institute

	FY94 (114 Beds)	FY95* (79 Beds)	FY96 (79 Beds)	FY97 (79 Beds)	FY98 (79 Beds)	FY99 (79 Beds)	FY00** (74 Beds)	Increase from FY95 to FY00
Admissions	1,052	946	1,164	1,258	1,352	1,350	1,480	56%
Discharges	1,043	984	1,161	1,266	1,333	1,361	1,497	51%
Inpatient Days	35,144	23,208	23,382	25,403	25,421	26,205	23,260	0%
Highest Daily Census	112	72	71	91	84	88	80	
Lowest Daily Census	82	56	56	51	51	55	49	
Average Daily Census	96	64	64	70	70	72	64	
ALOS ***	21 (28)	15 (35)	13 (18)	13 (21)	13 (18)	13 (21)	10 (22)	

* Following a substantive budget cut, API down-sized from 114 beds to 79 beds in late 1994.

** As a part of the API 2000/Community Mental Health Project, following the placement of a number of long-term patients in a residential program operated through ASSETS in Anchorage, effective January 1, 2000, API reduced its bed capacity on its longer term patient unit (Kotmni) by five beds, thus reducing API's total bed capacity to 74.

*** "ALOS" means the average length of stay for a patient at API; the top number provided in this row does not include any patient at API whose stay exceeded six months. Patients with lengths of stay in excess of six months are generally treated on API's Kotmni Unit, where their complex treatment or placement needs, or their legal status, frequently require stays in excess of six months and often many years; it also will include any patient on API's Toku Unit whose treatment needs may require stays that extend beyond six months. The bottom number in parentheses in this row reflects a LOS that includes all patients, regardless of their length of stay at the hospital.



INTERIOR
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HEALTH
CLINIC

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March 25, 2001

Senator Pete Kelly
119 North Cushman Suite 201
Fairbanks, Alaska 99701

Pete
Dear Senator Kelly:

One in 5 adults has a diagnosable mental disorder and one in four families will have a member with mental illness. Meeting the mental health needs of our communities remains one of the greatest challenges for healthcare providers. Many individuals needing treatment are unable to work because of their illness and will not seek needed inpatient treatment for fear of large medical bills, although they may be at risk of endangering themselves or others.

We urge you to support SB-154 introduced by Senator Kelly. The bill repeals the sunset clause of the mental health treatment assistance program. This program was established two years ago as part of the reform of the state mental health program. It provides for the local hospitalization of mentally ill individuals who would otherwise be committed to API. In many instances, this includes traveling from Fairbanks to Anchorage through the judicial system. This option can be frightening and detrimental to someone already suffering from mental illness. With the expansion of the mental health unit at Fairbanks Memorial Hospital from 9-20 beds, the need to transport patients' through the judicial system to API has drastically been reduced.

The Designated Evaluation and Treatment Program (DET) promotes access to hospital care for mentally ill individuals as close to home as possible. Involvement of family members and local community providers in hospital care and discharge planning results in shorter length of stays, more realistic follow-up care and local family support.

The 1998 statute clearly defines the boundaries of the program while encouraging local hospitals to take a greater role in providing care for the civilly committed patients. The success of the efforts over the last two years would be lost if the program is sunsetted and Alaska returns to its former way of doing business. By passing SB-154 before June 2001, access to local mental health care in Fairbanks and Alaska will continue the strengthening of local programs that began with the inception of the original bill.

Please contact me if I may provide further information.

Sincerely,

Cheryl Kilgore
Executive Director

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

March 27, 2001

Senator Lyda Green
Chair, Senate HESS Committee
State Capitol, Room, 125
Juneau, AK 99801-1182

Dear Senator Green:

The Alaska State Hospital and Nursing Home Association supports SB-154 and urges timely passage of this key piece of legislation. Two years ago the legislature passed a reform of the Designation Evaluation and Treatment Program which provided for community hospitalization of individuals who would otherwise be sent to API. The program had been vague and problematic for the state, local hospitals and most importantly, the consumers. With the reform, the program has clarity, and established boundaries concerning the state's role in coverage for acutely mentally ill individuals who meet the civil commitment criteria.

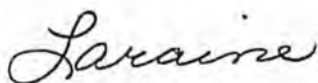
The advances in psychiatric medicine in the last decade have resulted in new medications and improved treatment and rehabilitation outcomes. Access to local hospitalization during an acute crisis increases involvement of family members and local treatment resources in discharge planning. Local hospitalization results in shorter hospital stays and less debilitating institutionalization outcomes, which can be associated with hospitalization at a distant state facility. Based on the utilization of local hospitals for acute care, the state plans to build a replacement for API that will have fewer beds than would otherwise be needed.

Over 4000 Alaskans are hospitalized each year for psychiatric care. The state, as payer of last resort, supports coverage for patients under the Designated Evaluation and Treatment for approximately 250 of these patients.

The passage of SB-154 this legislative session is needed as the reform passed two years ago sunsets July 1, 2001. Without SB-154, the Designated Evaluation and Treatment Program will return to its original vague and problematic state. API does not have sufficient beds to provide the care now being provided by local hospitals.

Therefore, ASHNHA is asking that you support SB-154.

Sincerely yours,



Laraine L. Derr
President/CEO



LAWS OF ALASKA

1999

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Chapter No.
87

AN ACT

Relating to mental health services and programs; relating to liability for payment for mental health evaluation and treatment services; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 30, 1999

Actual Effective Date: Sections 2, 4, and 6 take effect July 1, 2001; remainder of Act takes effect July 1, 1999

AN ACT

1 Relating to mental health services and programs; relating to liability for payment for mental
2 health evaluation and treatment services; and providing for an effective date.

3

4

5 * Section 1. AS 47.30.910 is repealed and reenacted to read:

6 **Sec. 47.30.910. Liability for expense of placement in a facility.** (a) A
7 patient, the patient's spouse, or the patient's parent if the patient is under 18 years of
8 age shall pay the charges for the care, transportation, and treatment of the patient when
9 the patient is hospitalized under AS 47.30.670 - 47.30.915 at a state-operated facility,
10 an evaluation facility, or a designated treatment facility providing services under
11 AS 47.30.670 - 47.30.915. The patient, the patient's spouse, or the patient's parent if
12 the patient is under 18 years of age shall make arrangements with a state-operated
13 facility, an evaluation facility, or a designated treatment facility for payment of
14 charges, including providing income information necessary to determine eligibility for

Chapter 87

1 benefits under AS 47.31. Charges assessed for services provided under AS 47.30.670 -
2 47.30.915 when a patient is hospitalized at a state-operated facility may not exceed the
3 actual cost of care and treatment. The department may, when assessing charges for
4 services provided at a state-operated facility, consider the ability to pay of a patient,
5 a patient's spouse, or a patient's parent if the patient is under 18 years of age. In order
6 to impose liability for a patient's cost of care at a state-operated facility, the department
7 shall issue an order for payment within six months after the date on which the charge
8 was incurred. The order remains in effect unless modified by subsequent court order
9 or department order. The department may not impose liability for a patient's cost of
10 care at a state-operated facility if the patient would otherwise meet the eligibility
11 criteria, other than location of service, in AS 47.31.010.

12 (b) The department, the evaluation facility, or a designated treatment facility
13 shall make reasonable efforts to determine whether the patient, the patient's spouse, or
14 the patient's parent if the patient is under 18 years of age has a third-party payor or has
15 the available means to substantially contribute to the payment of charges, or whether
16 the patient is eligible for assistance under AS 47.31.

17 (c) If a patient is hospitalized at a state-operated facility and the patient, the
18 patient's spouse, or the patient's parent if the patient is under 18 years of age fails to
19 provide to the department information necessary to determine whether there is a third-
20 party payor or available means to substantially contribute to the payment of charges,
21 or whether the patient would, if not hospitalized at a state-operated facility, be eligible
22 for assistance under AS 47.31, the department may issue an administrative order
23 imposing full liability for the patient's actual cost of care on the patient, the patient's
24 spouse, or the patient's parent if the patient is under 18 years of age. The order
25 remains in effect unless modified by subsequent court order or department order.

26 (d) If a person who is hospitalized under AS 47.30.670 - 47.30.915 at an
27 evaluation facility or a designated treatment facility cannot pay or substantially
28 contribute to the payment of charges described under this section, the patient may
29 apply for assistance under AS 47.31.

30 (e) The department may charge or accept money or property from a person for
31 the care or treatment of a patient at a state-operated facility.

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1 (f) Money paid by the patient or on the patient's behalf to the department
2 under this section shall be deposited in the general fund.

3 * Sec. 2. AS 47.30.910 is repealed and reenacted to read:

4 **Sec. 47.30.910. Liability for expense of placement in a treatment facility.**

5 (a) A patient, or the patient's legal representative acting in a representative capacity,
6 or the patient's spouse, or the patient's parents if the patient is under 18 years of age,
7 shall pay or contribute to the payment of the charges for the care, transportation, and
8 treatment of the patient when hospitalized under AS 47.30.660 - 47.30.915. Charges
9 assessed after an order for commitment for treatment is issued and charges assessed
10 when a patient is hospitalized at a facility operated by the department, or under a
11 contract for services with the department, may not exceed the actual cost of the care
12 and treatment. The department may order payment by the patient or by the person
13 responsible for payment for the patient's care and treatment under this subsection
14 according to ability to provide for payment. The department may make necessary
15 investigations to determine the ability to pay and may require sworn statements of
16 income by the patient, the patient's legal representative acting in a representative
17 capacity, or the patient's spouse or parent. In the exercise of the commissioner's
18 discretion, the commissioner may impose full liability for the patient's actual cost of
19 care and treatment on the patient, the patient's legal representative, the patient's spouse,
20 or parent for refusal to supply a sworn statement of income. An order for payment
21 must be issued by the department within six months after the date on which the charge
22 was incurred. The order must remain in full force and effect unless modified by
23 subsequent court or department order. Liability under this subsection shall be
24 determined as follows: a patient hospitalized under AS 47.30.660 - 47.30.915, or the
25 person responsible for payment of charges for the patient, may be required to pay
26 according to ability to provide for payment, and in the manner and proportion that the
27 department finds is not detrimental to the patient's rehabilitation. The department
28 shall, at any time that it determines the action will serve the best interests of the state
29 and the patient or the person responsible for payment, relieve the patient or the person
30 responsible for payment from liability for charges for the care, transportation, and
31 treatment of the patient.

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1 (b) As used in (a) of this section, the term "actual cost of the care and
2 treatment" means either the rate provided for by a contract entered into under
3 AS 47.30.660 - 47.30.915, or, in the absence of a contract, a daily rate approved by
4 the department.

5 (c) The department may charge, or accept from a person money or property,
6 for the care or treatment of an inpatient or outpatient or for other purposes, even if the
7 payment is not required by an order of the department, so long as the total payments
8 received do not exceed the actual cost of care or treatment.

9 (d) All money paid by the patient or on the patient's behalf to the department
10 under this section must be deposited in the general fund.

11 (e) If an order for payment is entered by the department under this section, and
12 delinquency in the payment of any amount due the state under the order continues for
13 a period of more than 30 days after the notification to the patient or the legal
14 representative, spouse, or parent of the patient by the department, the state may
15 proceed to collect the amounts due by appropriate proceedings. An action to enforce
16 the collection of payments may only be brought within three years after the date of
17 notification of a delinquent payment.

18 (f) The orders of the department issued under this section may relate only to
19 charges incurred after July 1, 2001.

20 * Sec. 3. AS 47.30.915(4) is amended to read:

21 (4) "designated treatment facility" or "treatment facility" means a
22 hospital, clinic, institution, center, or other health care facility that has been designated
23 by the department for the treatment or rehabilitation of mentally ill persons under
24 AS 47.30.670 - 47.30.915 [AND FOR THE RECEIPT OF THESE PERSONS BY
25 COURT-ORDERED COMMITMENT,] but does not include correctional institutions;

26 * Sec. 4. AS 47.30.915(4) is repealed and reenacted to read:

27 (4) "designated treatment facility" means a hospital, clinic, institution,
28 center, or other health care facility that has been designated by the department for the
29 treatment or rehabilitation of mentally ill persons and for the receipt of these persons
30 by court-ordered commitment, but does not include correctional institutions;

31 * Sec. 5. AS 47 is amended by adding a new chapter to read:

Chapter 31. Mental Health Treatment Assistance Program.

Sec. 47.31.005. Applicability. This chapter applies only to those patients who have received evaluation or treatment at an evaluation facility or a designated treatment facility that is not a state-operated hospital.

Sec. 47.31.010. Eligibility for assistance. (a) The department shall provide financial assistance under this chapter to a patient who

(1) does not have the available means to pay or substantially contribute to the payment of charges assessed by a facility;

(2) has no other third party to pay for the evaluation or treatment provided under AS 47.30; and

(3) meets the criteria in this chapter.

(b) To be eligible for assistance under this chapter, a patient must have

(1) been admitted for inpatient evaluation or treatment at an evaluation facility or a designated treatment facility other than a state-operated hospital after either

(A) an involuntary commitment under AS 47.30.700 - 47.30.915; or

(B) a voluntary admission chosen by the patient after a determination by the patient's treating physician that the patient meets the involuntary commitment criteria in AS 47.30.700 - 47.30.915 and that involuntary commitment proceedings would be initiated if the patient did not choose to be admitted voluntarily; and

(2) a gross monthly household income that does not exceed 185 percent of the federal poverty guideline for this state for the calendar month in which service was provided.

Sec. 47.31.015. Application for assistance. (a) To receive assistance under this chapter, a patient or a patient's legal representative must apply in writing on a form provided by the department. A patient must apply for assistance within 180 days after the date of discharge from the facility.

(b) A patient is considered to have applied for assistance under (a) of this section if the evaluation facility or designated treatment facility notifies the department

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Chapter 87

1 on a form provided by the department that there is good cause to believe that the 1
2 patient would be eligible for assistance under this chapter and 2
3 (1) the patient, the patient's spouse, or the patient's parent if the patient 3
4 is under 18 years of age failed within 150 days after the date of discharge from the 4
5 facility to make arrangements to pay the evaluation facility or designated treatment 5
6 facility; or 6
7 (2) the patient lacks the mental capacity to apply for benefits under this 7
8 chapter. 8
9 (c) A patient who applies or is considered to have applied for assistance under 9
10 this chapter, the patient's spouse, the patient's parent if the patient is under 18 years 10
11 of age, or a person in the patient's household shall release records and information to 11
12 the department necessary to verify eligibility for the assistance. 12
13 (d) If a patient, the patient's spouse, the patient's parent if the patient is under 13
14 18 years of age, or a person in the patient's household fails to provide records and 14
15 information to the department necessary to verify eligibility, the department may issue 15
16 an administrative order imposing full liability for the patient's cost of care and 16
17 treatment to the evaluation facility or designated treatment facility. 17
18 **Sec. 47.31.020. Decision on eligibility.** (a) Within 30 days after receiving 18
19 a complete application, the department shall give notice in writing of an eligibility 19
20 determination to the patient or the patient's legal representative. If the patient is found 20
21 ineligible, the notice must contain the reason for the denial and an explanation of the 21
22 patient's right to an administrative appeal of the denial. 22
23 (b) The department shall provide a copy of the notice of eligibility or 23
24 ineligibility to the facility at which the patient was treated. 24
25 **Sec. 47.31.025. Eligible services; rates.** The department shall identify the 25
26 type and level of services for which assistance is available under this chapter. An 26
27 evaluation facility or a designated treatment facility shall be reimbursed at a rate 27
28 established by the department that is equivalent to the Medicaid rate for that facility 28
29 at the time service was rendered as determined under AS 47.07.070. 29
30 **Sec. 47.31.030. Payment.** If the department determines that a patient is 30
31 eligible for assistance under this chapter, the department shall provide for payment of 31

1 assistance directly to the facility. By endorsing the check received from the
2 department or authorizing the endorsement by the facility's agent, the facility certifies
3 that the claim for which the check is payment is true and accurate unless written notice
4 of an error is sent to the department by the facility within 30 days after the date the
5 check is presented by the facility for payment.

6 **Sec. 47.31.035. Appeals.** (a) A patient or the patient's legal representative
7 may appeal a denial of assistance by sending written notice of objection to the
8 department within 30 days after the date of the notice of denial. The written notice
9 of objection must include an explanation of the reasons for the objection and may
10 include documentation supporting the objection. AS 44.62 (Administrative Procedure
11 Act) does not apply to the appeal.

12 (b) The commissioner or the commissioner's designee shall review the notice
13 of objection and issue a decision within 90 days after its receipt. The commissioner
14 or the commissioner's designee may request additional information on the appeal from
15 either the patient, the evaluation facility or designated treatment facility, or department
16 staff. A request for additional information suspends the time period for the appeal
17 until the department determines that the additional information has been received. If
18 more than 180 days have passed from the date of submission of a notice of appeal and
19 the additional information requested by the commissioner or the commissioner's
20 designee has not been received from a patient, the evaluation facility, the designated
21 treatment facility, or the department, the appeal shall be considered denied.

22 (c) The decision on the appeal under (b) of this section, including an appeal
23 denied for failure to submit additional information, is a final agency decision and may
24 be appealed to the superior court under the Alaska Rules of Appellate Procedure.

25 **Sec. 47.31.900. Regulations.** The department shall, after consultation with the
26 Alaska Mental Health Trust Authority, adopt regulations to interpret or implement this
27 chapter.

28 **Sec. 47.31.990. Definitions.** In this chapter, unless the context otherwise
29 requires,

30 (1) "commissioner" means the commissioner of health and social
31 services;

Chapter 87

1 (2) "department" means the Department of Health and Social Services;

2 (3) "designated treatment facility" has the meaning given in

3 AS 47.30.915;

4 (4) "evaluation facility" means a health care facility that has been

5 designated by the department to perform the evaluations described in AS 47.30.670 -

6 47.30.915, including a facility licensed under AS 18.20.020 or operated by the federal

7 government;

8 (5) "gross monthly household income" means all earned or unearned

9 income from any source of a member of the patient's household;

10 (6) "household" means a patient and each person

11 (A) residing with the patient; and

12 (B) related to the patient by marriage or other legal relationship

13 giving rise to a duty of support and maintenance;

14 (7) "mental illness" has the meaning given in AS 47.30.915.

15 * Sec. 6. AS 47.31.005, 47.31.010, 47.31.015, 47.31.020, 47.31.025, 47.31.030, 47.31.035,

16 47.31.900, and 47.31.990 are repealed.

17 * Sec. 7. APPLICABILITY. Sections 1, 3, and 5 of this Act apply to expenses incurred

18 for mental health services received on or after the effective date of secs. 1, 3, and 5 of this

19 Act.

20 * Sec. 8. Except as provided in sec. 9 of this Act, this Act takes effect immediately under

21 AS 01.10.070(c).

22 * Sec. 9. Sections 2, 4, and 6 of this Act take effect July 1, 2001.