

CONF.

COMM.

SB

301

Received in the Senate: 5/11/04 10:00am
(Date/Time)

Received in the House: 5/11/04 11:41am
(Date/Time)

CONFERENCE COMMITTEE REPORT

Date: _____

MR. PRESIDENT: MR. SPEAKER: (Reported out of committee)

The CONFERENCE COMMITTEE with limited powers of free conference considering:

•Senate Version: without limited powers of free conference considering:

CS FOR SENATE BILL NO. 301(FIN)

"An Act relating to the Alaska Pioneers' Home and the Alaska Veterans' Home; relating to eligibility for admission to the Alaska Pioneers' Home and Alaska Veterans' Home; relating to the eligibility of residents for the Alaska Pioneers' Home and the Alaska Veterans' Home for general relief assistance; relating to state veterans' home facilities; making conforming amendments; and providing for an effective date."

and

•House Version:

HOUSE CS FOR CS FOR SENATE BILL NO. 301(FIN) am H
(Same Title)

Recommends the:

CCS SB 301 be adopted.

New Title (see attached) Same Title as: Senate Version House Version

-- or -- Recommends the: Senate Version House Version be adopted.

House & Senate Letter of Intent attached.

FN #	List by Dept(s)	New Fiscal Note	Previous Fiscal Note	Fiscal Impact	Indet.	Zero
1	HSS		✓	✓		

Senate Conferees:
[Signature]
Senator Bunde, Chair
[Signature]
Senator Stedman
[Signature]
Senator Olson

House Conferees:
[Signature]
Representative Foster, Chair
[Signature]
Representative Wilson
[Signature]
Representative Gruenberg

Return Conference Bill and attachments to the Senate Secretary's Office.



Health, Education, and Social Services Committee
Alaska State Senate

Letter of Intent

It is the intent of the legislature in passing Senate Bill 301 relating to an Alaskan Veterans Home that the Department of Health and Social Services will convert the Palmer Pioneers' Home to be a state veterans' home approved by the US Department of Veterans Affairs. After the conversion, the department should continue to maintain a Pioneers' Home waiting list for the Palmer Home. It is the intent of the legislature that the home will provide 75% of the resident capacity for veterans and 25% of the resident capacity for others selected from the Pioneer's Home waiting list.

The legislature encourages the department to actively work to fill all vacant beds using the current Pioneers' Home waiting list prior to certification of the Home as a state veterans' home.

Adopted by the Senate

April 1, 2004

Adopted by the House

April 14, 2004

COMMITTEE COPY



Official Business

Alaska State Legislature

House of Representatives

Letter of Intent

Alaska House of Representatives

by Representatives Gara, Crawford, Kerttula, Stoltze, Guttenberg

HOUSE CS FOR CS FOR SENATE BILL NO. 301(FIN) am H

It is the intent of the legislature that this bill shall not reduce the number of non-veteran Pioneers' Home residents living in the Pioneers' Homes statewide.

Adopted by the House
April 14, 2004

COMMITTEE COPY

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 301
 (S) Publish Date: 2/6/04

Revision Date/Time (Note if correction):

Title RELATING TO PIONEER AND VETERAN HOMES

Dept. Affected: Health & Social Services

RDU Alaskan Pioneer Homes

Component Pioneers Homes

Sponsor RULES COMMITTEE

Requester _____

Component No. 2671

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel		2.0	2.0	2.0	2.0	2.0
Contractual		24.0	52.8	58.1	63.9	70.3
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	26.0	54.8	60.1	65.9	72.3

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1002)		73.0	289.7	401.8	514.0	570.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts		73.7	289.7	401.8	514.0	570.0
1003 GF Match						
1004 GF		(47.7)	(234.9)	(341.7)	(448.1)	(497.7)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
TOTAL	0.0	26.0	54.8	60.1	65.9	72.3

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will provide authority to serve veterans through identification of one or more homes within the Pioneer Homes system as a Veteran Home consistent with US Veterans Administration requirements. Once certified by the VA, the state can bill the VA \$26.95 per day for services provided to qualified residents of the Veteran Home. VA receipts are anticipated for the Palmer Pioneer Home certification sometime in FY2006. The Governor's FY2005 capital budget includes a request to convert the Palmer Pioneers' Homes from its current use to a State Veteran Home (SVH). The conversion is estimated to cost \$3.5 million in FY2005, of which 35% is state match.
 (Continued on next page)

Prepared by: David W. Williams
 Division Alaska Longevity Programs
 Approved by: Joel S. Gilbertson, Commissioner
 Agency Department of Health and Social Services

Phone 465-5737
 Date/Time 01/12/2004
 Date 01/12/2004

FISCAL NOTE
FN 1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. SB 301

ANALYSIS CONTINUATION

Operating cost analysis:

Expenditures

Additional FY06 operating costs include \$2.0 in travel for attendance at federal meetings, national VA meetings and similar negotiations (based on one out-of-state trip a year). The contractual line includes \$24.0 for a transportation contract for Veterans' doctor visits for one-half year. The second year is a full year with growth according to the number of veterans. The assumption for growth is one new veteran resident each month. Veterans must go to the VA doctor in Anchorage.

Revenues:

The VA rate for domiciliary care is \$26.95 per day. Federal approval of the funding is dependent upon the state funding its portion of required construction/remodeling costs. With legislative approval of the capital request, it is anticipated that construction could begin in September 2004. The VA anticipates 450 days for construction with an anticipated opening date mid-year FY2006.

Estimate of VA Payments	FY06	FY07	FY08	FY09	FY10
Veterans Per Day Rate	\$26.95	\$26.95	\$26.95	\$26.95	\$26.95
Veteran residents who qualify for 'A domiciliary care	16	31	43	55	61
Days of care in month	180	365	365	365	365
Utilization/Vacancy	95%	95%	95%	95%	95%
VA Revenue in Fiscal Year	\$73,735	\$289,692	\$401,831	\$513,970	\$570,040

CONFERENCE CS FOR SENATE BILL NO. 301
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE CONFERENCE COMMITTEE

Offered:

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

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska Pioneers' Home and the Alaska Veterans' Home; relating
2 to eligibility for admission to the Alaska Pioneers' Home and Alaska Veterans' Home;
3 relating to the eligibility of residents for the Alaska Pioneers' Home and the Alaska
4 Veterans' Home for general relief assistance; relating to state veterans' home facilities;
5 making conforming amendments; and providing for an effective date."

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

7 * Section 1. AS 08.68.395(g)(2) is amended to read:

8 (2) "health care facility" means a private, municipal, state, or federal
9 hospital, psychiatric hospital, tuberculosis hospital, skilled nursing facility, kidney
10 disease treatment center (excluding freestanding hemodialysis units), intermediate care
11 facility, or Alaska Pioneers' Home or Alaska Veterans' Home administered by the
12 Department of Health and Social Services [ADMINISTRATION] under AS 47.55.

13 * Sec. 2. AS 15.05.020 is amended to read:

1 **Sec. 15.05.020. Rules for determining residence of voter.** For the purpose
2 of determining residence for voting, the place of residence is governed by the
3 following rules:

4 (1) A person may not be considered to have gained a residence solely
5 by reason of presence nor may a person lose it solely by reason of absence while in the
6 civil or military service of this state or of the United States or of absence because of
7 marriage to a person engaged in the civil or military service of this state or the United
8 States, while a student at an institution of learning, while in an institution or asylum at
9 public expense, while confined in public prison, while engaged in the navigation of
10 waters of this state [,] or the United States or of the high seas, while residing upon an
11 Indian or military reservation, or while residing in the Alaska Pioneers' Home or the
12 Alaska Veterans' Home.

13 (2) The residence of a person is that place in which the person's
14 habitation is fixed, and to which, whenever absent, the person has the intention to
15 return. If a person resides in one place, but does business in another, the former is the
16 person's place of residence. Temporary construction camps do not constitute a
17 dwelling place.

18 (3) A change of residence is made only by the act of removal joined
19 with the intent to remain in another place. There can only be one residence.

20 (4) A person does not lose residence if the person leaves home and
21 goes to another country, state, or place in this state for temporary purposes only and
22 with the intent of returning.

23 (5) A person does not gain residence in any place to which the person
24 comes without the present intention to establish a permanent dwelling at that place.

25 (6) A person loses residence in this state if the person votes in another
26 state's election, either in person or by absentee ballot, and will not be eligible to vote
27 in this state until again qualifying under AS 15.05.010.

28 (7) [REPEALED

29 (8)] The term of residence is computed by including the day on which
30 the person's residence begins and excluding the day of election.

31 (8) [(9) REPEALED

1 (10)] The address of a voter as it appears on an official voter
 2 registration card is presumptive evidence of the person's voting residence. This
 3 presumption is negated only if [BY] the voter notifies [NOTIFYING] the director in
 4 writing of a change of voting residence.

5 * Sec. 3. AS 17.37.070(6) is amended to read:

6 (6) "facility monitored by the department or the Department of
 7 Administration" means an institution, building, office, or home operated by the
 8 department or the Department of Administration, funded by the department or the
 9 Department of Administration, under contract with the department or the Department
 10 of Administration, inspected by the department or the Department of Administration,
 11 designated by the department or the Department of Administration, or licensed by the
 12 department or the Department of Administration, for the care of

13 (A) juveniles; for the purposes of this subparagraph,
 14 "institution" includes a foster home and a group home, and a juvenile detention
 15 facility, a juvenile detention home, a juvenile work camp, and a treatment
 16 facility, as those terms are defined in AS 47.14.990;

17 (B) the elderly; for the purposes of this subparagraph,
 18 "institution" includes

19 (i) an assisted living home as defined in AS 47.33.990;

20 and

21 (ii) the Alaska [A] Pioneers' Home or the Alaska
 22 Veterans' Home, operated under AS 47.55;

23 (C) the mentally ill; for the purposes of this subparagraph,
 24 "institution" includes a designated treatment facility and an evaluation facility,
 25 as those terms are defined in AS 47.30.915;

26 * Sec. 4. AS 18.07.111(8) is amended to read:

27 (8) "health care facility" means a private, municipal, state, or federal
 28 hospital, psychiatric hospital, tuberculosis hospital, skilled nursing facility, kidney
 29 disease treatment center (including freestanding hemodialysis units), intermediate care
 30 facility, and ambulatory surgical facility; the term excludes

31 (A) the [AN] Alaska Pioneers' Home and the Alaska

1 Veterans' Home administered by the Department of Health and Social
2 Services [ADMINISTRATION] under [AS 44.21.02(9) AND] AS 47.55; and

3 (B) the offices of private physicians or dentists whether in
4 individual or group practice;

5 * Sec. 5. AS 18.35.300 is amended to read:

6 **Sec. 18.35.300. Places where smoking is regulated.** Smoking in any form is
7 a nuisance and a public health hazard and is prohibited in the following vehicles and
8 indoor places, except as allowed under AS 18.35.310:

9 (1) a vehicle of public transportation and a waiting, baggage, or
10 boarding area for a vehicle of public transportation, including a bus, ferry vessel, train,
11 limousine for hire, taxicab, or scheduled interstate or intrastate aircraft flight when
12 consistent with federal law;

13 (2) a place of employment, a building or other structure, or a portion of
14 them, owned, leased, or operated by the state or a political subdivision of the state,
15 including an office, library, museum, theater, concert hall, convention hall,
16 gymnasium, swimming pool, or other place of entertainment or recreation;

17 (3) a public or private postsecondary educational institution or adult
18 day care facility;

19 (4) a courtroom or jury deliberation room;

20 (5) a room, chamber, or other place under the control of the state
21 senate or state house of representatives while a public meeting or public assembly is
22 not in progress;

23 (6) a nursing home, rest home, or other residential health care
24 institution or facility, or a public or private office or facility that is engaged primarily
25 in providing mental health services;

26 (7) a food service establishment that has a seating capacity of at least
27 50 persons;

28 (8) a grocery store or other store maintained primarily for the retail
29 sale of food products;

30 (9) a place of employment in which the owner, manager, proprietor, or
31 other person who has control of the premises posts a sign stating that smoking is

1 prohibited by law;

2 (10) a correctional facility; and

3 (11) the Alaska [A] Pioneers' Home or the Alaska Veterans' Home.

4 * Sec. 6. AS 36.30.990(1) is amended to read:

5 (1) "agency"

6 (A) means a department, institution, board, commission,
7 division, authority, public corporation, the Alaska Pioneers' Home, the Alaska
8 Veterans' Home, or other administrative unit of the executive branch of state
9 government;

10 (B) does not include

11 (i) the University of Alaska;

12 (ii) the Alaska Railroad Corporation;

13 (iii) the Alaska Housing Finance Corporation;

14 (iv) a regional Native housing authority created under
15 AS 18.55.996 or a regional electrical authority created under
16 AS 18.57.020;

17 (v) the Department of Transportation and Public
18 Facilities, in regard to the repair, maintenance, and reconstruction of
19 vessels, docking facilities, and passenger and vehicle transfer facilities
20 of the Alaska marine highway system;

21 (vi) the Alaska Aerospace Development Corporation;

22 (vii) the Alaska State Pension Investment Board;

23 (viii) the Alaska Seafood Marketing Institute;

24 * Sec. 7. AS 37.05.146(c)(31) is amended to read:

25 (31) Alaska Pioneers' Home and Alaska Veterans' Home care and
26 support receipts under AS 47.55.030;

27 * Sec. 8. AS 37.05.990(2) is amended to read:

28 (2) "state agency," "agency," "department," or similar term means a
29 department, office, institution, board, commission, bureau, division, or other
30 administrative unit forming the state government, and includes the Alaska Pioneers'
31 Home, the Alaska Veterans' Home, and the University of Alaska.

1 * **Sec. 9.** AS 37.07.120(1) is amended to read:

2 (1) "agency" means a department, officer, institution, board,
3 commission, bureau, division, or other administrative unit forming the state
4 government and includes the Alaska Pioneers' Home, the Alaska Veterans' Home,
5 and the University of Alaska, but does not include the legislature or the judiciary;

6 * **Sec. 10.** AS 39.25.120(c)(8) is amended to read:

7 (8) Alaska Pioneers' Home and Alaska Veterans' Home managers;

8 * **Sec. 11.** AS 44.29.020(a)(16) is amended to read:

9 (16) the Alaska Pioneers' Home and the Alaska Veterans' Home
10 [HOMES];

11 * **Sec. 12.** AS 47.25.140 is amended to read

12 **Sec. 47.25.140. Residents of public institutions.** Payment under
13 AS 47.25.120 - 47.25.300 may not be made to or on [IN] behalf of an individual who
14 is a resident of a [THE ALASKA PIONEERS' HOME OR OTHER] public institution,
15 except as a patient in a public medical institution, or an individual who is a patient in a
16 public or private institution for tuberculosis or mental disease. A resident of a [THE
17 ALASKA PIONEERS' HOME OR OTHER] public institution who is otherwise
18 eligible to receive an allowance under AS 47.25.120 - 47.25.300 may apply for the
19 allowance instead of the support and maintenance provided in the [HOME OR] public
20 institution.

21 * **Sec. 13.** AS 47.25.140 is amended by adding a new subsection to read:

22 (b) In this section, "public institution" does not include the Alaska Pioneers'
23 Home or the Alaska Veterans' Home.

24 * **Sec. 14.** AS 47.45.240(c) is amended to read:

25 (c) The commission may not investigate, review, or undertake any
26 responsibility for the longevity bonus program under AS 47.45.010 - 47.45.160 or the
27 Alaska Pioneers' Home or Alaska Veterans' Home [HOMES] under AS 47.55.

28 * **Sec. 15.** AS 47.55.010 is repealed and reenacted to read:

29 **Sec. 47.55.010. Maintenance and operation of Alaska Pioneers' Home and**
30 **Alaska Veterans' Home.** (a) Except as otherwise provided in this subsection, the
31 state shall maintain and operate facilities known as the Alaska Pioneers' Home at

1 Sitka, Anchorage, Fairbanks, Juneau, Ketchikan, Palmer, and other sites designated by
2 the commissioner of health and social services. The state may maintain and operate
3 one or more facilities known as the Alaska Veterans' Home at sites designated by the
4 commissioner of health and social services. The only Pioneers' Home that may be
5 maintained and operated as a Veterans' Home is the Pioneer's Home located in Palmer,
6 Alaska. The Alaska Pioneers' Home and the Alaska Veterans' Home shall be
7 collectively administered by the Department of Health and Social Services as the
8 Alaska Pioneers' Home and Alaska Veterans' Home.

9 (b) The department shall formulate general policies for the homes designated
10 under (a) of this section. It may hold hearings and subpoena witnesses and documents
11 and may administer oaths in connection with the homes.

12 (c) The department shall

13 (1) cooperate with the federal government in matters pertaining to the
14 welfare of Alaska pioneers and of veterans who reside in the homes operated under
15 this chapter, make the reports in the form and containing the information the federal
16 government from time to time desires, and accept money allotted by the federal
17 government, its agencies, or its instrumentalities in establishing, extending, and
18 strengthening services for pioneers and veterans who reside in a home operated under
19 this chapter;

20 (2) adopt regulations necessary to conduct business and to carry out
21 the provisions of this chapter, require bonds and undertakings from persons employed
22 by a home as in its judgment are necessary, and pay the premiums on them, and
23 establish regional and local offices and the advisory groups that are necessary or
24 considered expedient to carry out or assist in carrying out a duty or authority assigned
25 to it.

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

30 (4) study the needs of pioneers and veterans of this state who reside in
31 the homes operated under this chapter and submit recommendations for new

1 regulations and proposed legislation.

2 (d) The department may employ the necessary subordinate officers and
3 employees, and shall prescribe methods for operation of the homes, standards of care
4 and service to home residents, and rules governing personnel. The methods for
5 operation and standards of care and services to residents prescribed under this
6 subsection shall be the same as the methods for operation and standards of care
7 established by the department for an assisted living home licensed under AS 47.33.

8 (e) The department may engage in activities directed to increase revenue from
9 a home. These activities may include the lease of excess bed or floor space, up to 50
10 percent of the total floor space in a home, or lease of space or buildings that are not in
11 use or are underutilized.

12 (f) The department shall conduct, at least annually, an unannounced inspection
13 of each site of the Alaska Pioneers' Home and the Alaska Veterans' Home to
14 determine compliance of the facilities with all applicable laws and regulations.

15 * **Sec. 16.** AS 47.55.020 is repealed and reenacted to read:

16 **Sec. 47.55.020. Admission to a home.** (a) Every person residing in the state
17 who is 65 years of age or older, has been a resident of the state continuously for more
18 than one year immediately preceding application for admission, and is in need of
19 residence at a home because of physical disability or other reason, is eligible for
20 admission to the Alaska Pioneers' Home or the Alaska Veterans' Home under
21 conditions prescribed in regulations. The spouse of a person who is eligible for
22 admission under other provisions of this subsection is also eligible for admission to a
23 home under conditions prescribed by the department if the spouse is 65 years of age or
24 older and has been a resident of the state continuously for more than one year
25 immediately preceding application for admission.

26 (b) Every person admitted to a home who receives income from any source in
27 excess of \$100 a month shall be required by the department to pay the excess to the
28 department immediately upon receipt of the money in payment, or part payment, of
29 the cost of the person's care. However, the department may not require in any month
30 the payment of an amount greater than the monthly rate set under AS 47.55.030(b)
31 except to satisfy indebtedness incurred under AS 47.55.070. The department may not

1 evict a person from a home if the income and assets of the person are insufficient to
 2 pay the monthly rate set under AS 47.55.030(b) and the person is otherwise in
 3 compliance with requirements under this chapter.

4 (c) At the end of each month, the payments made under (b) of this section
 5 shall be transmitted to the commissioner of revenue. The department may pay the sum
 6 of \$100 a month to a resident without money.

7 (d) Notwithstanding AS 47.55.070 and (b) of this section, a resident of a home
 8 whose income, assets, and other resources are insufficient to pay the monthly rate set
 9 under AS 47.55.030(b), and who does not have private insurance to cover the cost of
 10 care, qualifies for payment assistance if the resident is otherwise in compliance with
 11 requirements under this chapter. The amount of payment assistance equals the amount
 12 needed, when added to other income and assets of the resident, to pay the monthly rate
 13 set under AS 47.55.030(b). Payment assistance received by a home resident is a debt
 14 to the state. In determining the amount of payment assistance for which a home
 15 resident qualifies, the following income, assets, and other resources of the resident
 16 shall be disregarded:

17 (1) income from any source in an amount up to \$100 a month as
 18 established by the department by regulation;

19 (2) the following assets received under 43 U.S.C. 1601 - 1629g
 20 (Alaska Native Claims Settlement Act):

21 (A) cash dividends and other income equal to at least \$2,000 as
 22 established by the department by regulation;

23 (B) stock;

24 (C) noncash dividends from stock; and

25 (D) land;

26 (3) a permanent fund dividend issued under AS 43.23;

27 (4) compensation to volunteers under the federal retired and senior
 28 volunteers (42 U.S.C. 5001), foster grandparents (42 U.S.C. 5011), and senior
 29 companion (42 U.S.C. 5013) programs made in accordance with 42 U.S.C. 5044(f);

30 (5) federal World War II restitution payments made under 50 U.S.C.
 31 App. 1989b-4 and c-5;

- 1 (6) payments under AS 18.67 (Violent Crimes Compensation Board);
 2 (7) an amount, determined by the department by regulation, that is
 3 sufficient for burial expenses of the resident, the resident's spouse, and dependents of
 4 the resident;
 5 (8) real property being used as the primary residence of the resident's
 6 spouse or a dependent of the resident;
 7 (9) other real or personal property equal to at least a total value of up
 8 to \$10,000 as established by the department by regulation.

9 (e) As a condition for receipt of payment assistance under (d) of this section,
 10 the department, under regulations adopted by the department, may require a person to
 11 apply for other state or federally sponsored programs that may reduce the amount of
 12 the payment assistance.

13 * **Sec. 17.** AS 47.55.030(a) is amended to read:

14 (a) A person eligible for admission under AS 47.55.020 may, on application,
 15 be admitted to the Alaska Pioneers' Home or the Alaska Veterans' Home [HOME]
 16 upon the person's agreement to pay to the state each month an amount the department
 17 [DEPARTMENT OF HEALTH AND SOCIAL SERVICES] considers sufficient to
 18 compensate the state for the cost of care and support of the person at the home. When
 19 this agreement is entered into, the department [DEPARTMENT OF HEALTH AND
 20 SOCIAL SERVICES] may require security for the payments.

21 * **Sec. 18.** AS 47.55.030(c) is amended to read:

22 (c) The department [DEPARTMENT OF HEALTH AND SOCIAL
 23 SERVICES] shall provide to all residents of the homes [PIONEERS' HOME] written
 24 notice of any proposed change in the rate charged for care and support of persons at
 25 the homes [HOME]. Notice under this section shall be given not less than 60 days
 26 before a change is adopted. The notice must include the time, date, and place of a
 27 hearing to be held by the department [DEPARTMENT OF HEALTH AND SOCIAL
 28 SERVICES] under (d) of this section. The department may not change the rate
 29 charged more than once in a fiscal year.

30 * **Sec. 19.** AS 47.55.040 is amended to read:

31 **Sec. 47.55.040. Transfer of mentally ill residents to an [ANOTHER]**

1 institution. A person regularly admitted into the Alaska Pioneers' Home or the
 2 Alaska Veterans' Home [HOME] who is found to be insane may be transferred to an
 3 institution provided for the care and custody of insane persons for the state in the
 4 manner provided by law for the admission of other persons to the institution.

5 * Sec. 20. AS 47.55.050 is amended to read:

6 Sec. 47.55.050. **Maintenance funds.** The legislature shall, each session,
 7 appropriate the necessary funds for the maintenance of the Alaska Pioneers' Home
 8 and the Alaska Veterans' Home [HOME] to be expended by the department
 9 [DEPARTMENT OF HEALTH AND SOCIAL SERVICES], and the [THAT]
 10 department may receive funds, donations, and bequests from private individuals,
 11 societies, or organizations, and funds from the federal government for the support and
 12 maintenance of the homes [HOME].

13 * Sec. 21. 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 Alaska Pioneers' Home or the Alaska Veterans' Home constitutes
 16 a special trust fund. Unless otherwise provided by the donor, interest from the special
 17 trust fund is under the control and at the disposal of the department [DEPARTMENT
 18 OF HEALTH AND SOCIAL SERVICES], and expenditure from it is limited to the
 19 benefit and comfort of the residents of the homes [HOME].

20 * Sec. 22. AS 47.55.070 is repealed and reenacted to read:

21 Sec. 47.55.070. **Indebtedness of Alaska Pioneers' Home or Alaska**
 22 **Veterans' Home resident to state.** The following expenses incurred for an Alaska
 23 Pioneers' Home or Alaska Veterans' Home resident under this chapter and not
 24 recoverable from a collateral source are a debt of the resident to the state and may be
 25 recovered during the life of the resident:

26 (1) costs of standard or nursing care provided in the home each month
 27 to the resident not exceeding the rate established by the department under
 28 AS 47.55.030, with credit given for any amounts paid by or collected from the
 29 resident:

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

31 (3) arrearages in fees for television and telephone services provided in

1 the home; and

2 (4) prescription medicine.

3 * **Sec. 23.** AS 47.55.095 is amended to read:

4 **Sec. 47.55.095. Limitation on enforcement of claims against estate.**

5 Notwithstanding AS 47.55.080 and 47.55.090, upon the death of an Alaska [A]
6 Pioneers' Home or Alaska Veterans' Home resident or of a recipient of day care or
7 respite services, a state claim for unpaid debt owed to the home [PIONEERS' HOME]
8 may be satisfied only out of the decedent's estate. The state may not pursue a claim to
9 the extent doing so would work undue hardship, as determined by the department by
10 regulation [OF THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES], on
11 the surviving spouse or dependent of the decedent. Family portraits and heirlooms of
12 the type identified under AS 09.38.020(a)(3), without regard to value, may not be
13 taken by the state in satisfaction of a debt to the home [PIONEERS' HOME].

14 * **Sec. 24.** AS 47.55 is amended by adding a new section to read:

15 **Sec. 47.55.900. Definitions.** In this chapter, unless the context otherwise
16 requires,

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

18 (2) "home" means

19 (A) the Alaska Pioneers' Home; or

20 (B) the Alaska Veterans' Home;

21 (3) "physical disability or other reason" means inability of an
22 individual to maintain a household without regular assistance in shopping,
23 housekeeping, meal preparation, dressing, or personal hygiene because of physical or
24 medical impairment, infirmity, or disability;

25 (4) "resident of the state" has the meaning given "resident" in
26 AS 47.25.430(a);

27 (5) "veteran" means a person who has been discharged from the armed
28 forces of the United States, including the Alaska National Guard or the Alaska
29 Territorial Guard; the discharge from the armed forces must be other than
30 dishonorable.

31 * **Sec. 25.** (a) AS 44.29.020(a)(17) and 44.29.400 are repealed.

1 (b) Sections 5 and 8 - 15, ch. 4, SSSLA 2002, as those sections are amended by a
2 version of HB 447, if HB 447 is passed by the Second Session of the Twenty-Third Alaska
3 State Legislature and enacted into law, are repealed.

4 (c) Sections 50 and 51 of HB 447 or the equivalent bill sections of a later version of
5 HB 447, if passed by the Second Session of the Twenty-Third Alaska State Legislature and
6 enacted into law, are repealed.

7 * **Sec. 26.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 **TRANSITION: STATUS OF CERTAIN RESIDENTS OF THE ALASKA**
10 **PIONEERS' HOME OR THE ALASKA VETERANS' HOME.** (a) If a resident of an Alaska
11 Pioneers' Home facility or Alaska Veterans' Home facility was admitted to the facility before
12 the Department of Health and Social Services received the United States Veterans
13 Administration certification for the Alaska Veterans' Home to begin receiving per diem
14 payments for eligible veterans, the resident may not be evicted or required to relocate to a
15 different Alaska Pioneers' Home or Alaska Veterans' Home facility solely because of that
16 certification.

17 (b) The commissioner of the health and social services shall promptly post on the
18 Alaska Online Public Notice System (AS 44.62.175) the date that the certification described
19 in (a) of this section was received.

20 * **Sec. 27.** The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 **TRANSITION: REGULATIONS.** The Department of Health and Social Services
23 and other state agencies affected by this Act may immediately proceed to adopt regulations
24 necessary to implement the changes made by this Act. The regulations take effect under
25 AS 44.62 (Administrative Procedure Act), but not before the effective date of the respective
26 statutory changes.

27 * **Sec. 28.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 **REVISOR'S INSTRUCTION.** The revisor of statutes is instructed to change the
30 heading of AS 47.55 from "Pioneers' Home" to "Alaska Pioneers' Home and Alaska Veterans'
31 Home."

- 1 * **Sec. 29.** Section 27 of this Act takes effect immediately under AS 01.10.070(c).
- 2 * **Sec. 30.** Except as provided in sec. 29 of this Act, this Act takes effect July 1, 2004.

Received in the Senate: 5/11/04 10:00 am
(Date/Time)

Received in the House: 5/11/04 11:41 am
(Date/Time)

CONFERENCE COMMITTEE REPORT

Date: 5/10/04
(Reported out of committee)

MR. PRESIDENT: MR. SPEAKER:

The CONFERENCE COMMITTEE with limited powers of free conference considering:

•Senate Version: without limited powers of free conference considering:

CS FOR SENATE BILL NO. 301(FIN)

"An Act relating to the Alaska Pioneers' Home and the Alaska Veterans' Home; relating to eligibility for admission to the Alaska Pioneers' Home and Alaska Veterans' Home; relating to the eligibility of residents for the Alaska Pioneers' Home and the Alaska Veterans' Home for general relief assistance; relating to state veterans' home facilities; making conforming amendments; and providing for an effective date."

and

•House Version:

HOUSE CS FOR CS FOR SENATE BILL NO. 301(FIN) am H
(Same Title)

Recommends the:

CCS SB 301 be adopted.

New Title (see attached) Same Title as: Senate Version House Version

- or - Recommends the: Senate Version House Version be adopted.

House & Senate Letter of Intent attached.

FN #	List by Dept(s)	New Fiscal Note	Previous Fiscal Note	Fiscal Impact	Indet.	Zero
1	HSS		✓	✓		

Senate Conferees:
[Signature]
Senator Bunde, Chair
[Signature]
Senator Stedman
[Signature]
Senator Olson

House Conferees:
[Signature]
Representative Foster, Chair
[Signature]
Representative Wilson
[Signature]
Representative Gruenberg

Return Conference Bill and attachments to the Senate Secretary's Office.

Committee Side Notes
of committee action

HOUSE CS FOR CS FOR SENATE BILL NO. 301(FIN) am H

Conf. Comm. Action.

House Changes to Senate Bill 301

Change to section 2 amending Sec. 15.05.020. **Rules for determining residence of voter**

✓ accept

Page 3 line 3 changed "by the voter notifying" to "if the voter notifies"

Changes to section 15 amending Sec. 47.55.010. **Maintenance and operation of Alaska Pioneers' Home and Alaska Veterans' Home.**

✓ ok
✓ ok
✓ ok

1. On page 6 line 31 and page 7 lines 2 and 5 the words "and operate" were added following the word "maintain"
2. On page 7 " Anchorage, Fairbanks, Juneau, Ketchikan, Palmer" were added after the word "Sitka" to indicate the places where Pioneers' Homes are operated.
3. Page 8 added lines 12 - 14 to read "(f) The department shall conduct, at least annually, an unannounced inspection of each site of the Alaska Pioneers' Home and the Alaska Veterans' Home to determine compliance of the facilities with all applicable laws and regulations.

Changes to section 16 amending Sec. 47.55.020. **Admission to a home**

Vote 8
4-2. no

1. Page 8 Line 27 changes the amount of income an individual who is being subsidized for the cost of care can keep from \$100 to \$150 each month.
2. Page 9 line 17 makes conforming change increasing \$100 to \$150.
3. Page 10 line 8 increases the value of personal property a subsidized resident may keep from \$5,000 to 10,000

Cost Impact of House Changes

There is no Fiscal Note accompanying the bill and no increase in the Pioneers Home Budget thus, there is effectively \$157,200 reduction in program receipts

- The \$50 per month increase in stipend for Pioneer Home residents will, in effect, reduce annual program receipts to the Pioneer Home by \$157,200.
- The \$157,200 decrease in program receipts will result in a decrease in services through elimination of four fulltime, direct care service positions.
- The average monthly subsidy the state currently provides for a Pioneer Home resident is \$4,445.30
- 262 of the 433 current residents will benefit from the stipend increase. All will suffer from the reduced direct care positions

If all similarly situated individuals on state assistance programs had their stipends increased to \$150, the cost would exceed \$900,000 per year

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HCS CS SB301 (FIN) Am H
() Publish Date: _____

Revision Date/Time (Note if correction): _____

Dept. Affected: Health & Social Services

Title RELATING TO THE ALASKA PIONEERS'
HOMES AND ALASKA VETERANS' HOMES

RDU Alaskan Pioneer Homes

Component Pioneers Homes

Sponsor (RLS) BY REQUEST OF THE
GOVERNOR

Requester HOUSE (FIN)

Component No 2671

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel		2.0	2.0	2.0	2.0	2.0
Contractual		24.0	52.8	58.1	63.9	70.3
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	26.0	54.8	60.1	65.9	72.3

CAPITAL EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
CHANGE IN REVENUES (0)		73.0	289.7	401.8	514.0	570.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts		73.7	289.7	401.8	514.0	570.0
1003 GF Match						
1004 GF	157.2	109.5	(77.7)	(184.5)	(290.9)	(340.5)
1037 GF/Mental Health						
1156 Receipt Supported Services	(157.2)	(157.2)	(157.2)	(157.2)	(157.2)	(157.2)
Other(Specify Type-do not abbreviate)						
TOTAL	0.0	26.0	54.8	60.1	65.9	72.3

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will provide authority to serve veterans through identification of one or more homes within the Pioneer Homes system as a Veteran Home consistent with US Veterans Administration requirements. Once certified by the VA, the state can bill the VA \$26.95 per day for services provided to qualified residents of the Veteran Home. VA receipts are anticipated for the Palmer Pioneer Home certification sometime in FY2006. The Governor's FY2005 capital budget includes a request to convert the Palmer Pioneers' Homes from its current use to a State Veteran Home (SVH). The conversion is estimated to cost \$3.5 million in FY2005, of which 35% is state match.
(Continued on next page)

Prepared by: Dave Williams
Division: AK Pioneer Homes
Approved by: Joel S. Gilbertson, Commissioner
Agency: Department of Health and Social Services

Phone 465-5737
Date/Time 05/03/2004
Date 05/03/2004

FISCAL NOTE

FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HCS CS SB301 (FIN) Am H

ANALYSIS CONTINUATION

House Floor Amendments

The fiscal note shows a decrease of \$157.2 in Receipt Supported Services fund source and a corresponding increase of \$157.2 fund source from the General Fund to permit qualified residents to retain \$50 more per month for personal uses.

This change addresses House Floor amendments and is explained in more detail in following paragraphs. If the fund source change in this fiscal note is not approved an alternate offsetting reduction of four direct care staff, probably Certified Nurse Aides, within the Pioneer Home system will be necessary to reduce expenditures by \$157.2.

Operating cost analysis:

Additional FY06 operating costs include \$2.0 in travel for attendance at federal meetings, national VA meetings and similar negotiations (based on one out-of-state trip a year). The contractual line includes \$24.0 for a transportation contract for Veterans' doctor visits for one-half year. FY07 is a full year with growth according to the number of veterans. The assumption for growth is one new veteran resident each month. Veterans must go to the VA doctor in Anchorage.

Revenues:

The VA rate for domiciliary care is \$26.95 per day. Federal approval of the funding is dependent upon the state funding its portion of required construction/remodeling costs. With legislative approval of the capital request, it is anticipated that construction could begin in September 2004. The VA anticipates 450 days for construction with an anticipated opening date mid-year FY2006.

Estimate of VA Payments	FY06	FY07	FY08	FY09	FY10
Veterans Per Day Rate	\$26.95	\$26.95	\$26.95	\$26.95	\$26.95
Veteran residents who qualify for VA domiciliary care	16	31	43	55	61
Days of care in month	180	365	365	365	365
Utilization/Vacancy	95%	95%	95%	95%	95%
VA Revenue in Fiscal Year	\$73,735	\$289,692	\$401,831	\$513,970	\$570,040

Fund Source changes:

The increase in General Fund source is needed to replace a corresponding decrease in the Receipt Supported Services that results from House Floor amendments to increase by \$50 the amount of personal income a resident is allowed to retain each month for personal use.

Section 16 of the bill amends AS 47.55.020(b) to delete "\$100" and insert "\$150" and amends and renumbers AS 47.55.020(e)(1) to delete "\$100" and insert "\$150." These amendments increase the amount of money that a resident may retain for spending on personal items from \$100 to \$150.

FISCAL NOTE

FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HCS CS SB301 (FIN) Am H

ANALYSIS CONTINUATION

The amendments will permit a person admitted to a Pioneer Home who receives income from any source in excess of \$150 a month to pay the excess to the department up to the cost of the resident's care; limited to the established rate charged for the care and to disregard up to \$150 income per month in determining whether a resident qualifies for payment assistance. Taken together these amendments assure that each Pioneer Home resident will have no less than \$150 per month spending money, except for those residents who have no money. Residents who have no money will continue to receive \$100 under Section 16, paragraph (c) of the bill.

So far during FY 2004 there are is average of 433 residents in the Pioneer Homes. Of those, 270 rely on payment assistance to help pay the rate charged for their care. Of the 270 there are 8 residents who receive a cash grant of \$100 per month to use as spending money. The other 262 have some source of income and are allowed to keep \$100 per month as an income disregard when qualifying for payment assistance.

The number of residents who will realize an increase of \$50 per month in spending money averages 262 in FY 2004 YTD. There are 8 residents who will continue to receive \$100 per month. The \$50 increase in the amount that the resident does not use to self-pay the rate charged will decrease self-pay revenues by \$13,100 per month, annualized to \$157,200. The fiscal note shows the needed replacement of the \$157,200 with a like amount in general funds. (262 residents X \$50 X 12 Months = \$157,200)

Section 16, paragraph (d)(9) amends and renumbers AS 47.55.020(e)(10) to delete "\$5,000" and insert "up to \$10,000." This amendment will increase the value of real or personal property that may be disregarded in determining whether a resident qualifies for payment assistance. There is no fiscal impact anticipated from this amendment since so few Pioneer Home residents retain an automobile or similar possessions nowadays in line with the higher levels of acuity of today's residents.

623 recipients X \$50 X 12 months = \$373,800

Group Homes have another 206 persons who receive Medicaid waiver payments
206 recipients X \$50 X 12 months = \$123,600

There are another 154 HCB wavier recipients in various settings.
154 recipients X \$50 X 12 months = \$92,400

There are 285 persons who receive a General Relief subsidy or similar subsidy through
Behavioral Health programs
285 recipients X \$50 X 12 months = \$171,000

PIONEER HOME RATE HISTORY AND PROPOSED RATES

Pioneer Home Rate History

The chart below shows the history of monthly rates within the Pioneer Home system since 1996. The rate increase in July of 1996 was the first rate increase in the Pioneer Homes Advisory Boards seven year plan to move towards charging Pioneer Home residents the full cost of care. The final increase occurred in FY03; there was no increase in FY04.

PIONEER HOME RATES AND COST OF CARE – FY 2003

Effective Date	Coordinated Services	Basic Assisted Living	Enhanced Assisted Living	Alzheimer's Disease & Related Disorders	Comprehensive Care
July 1996	\$934	\$1,289	\$1,553	\$1,579	\$1,864
July 1997	\$1,140	\$1,720	\$2,140	\$2,200	\$2,630
July 1998	\$1,340	\$2,150	\$2,730	\$2,815	\$3,395
July 1999	\$1,540	\$2,580	\$3,315	\$3,430	\$4,160
July 2000	\$1,735	\$3,005	\$3,905	\$4,040	\$4,920
July 2001	\$1,935	\$3,435	\$4,490	\$4,655	\$5,685
July 2002	\$2,135	\$3,865	\$5,080	\$5,270	\$6,450
July 2003	\$2,135	\$3,865	\$5,080	\$5,270	\$6,450

Rates and Costs

Even though the rates charged by the Homes increased at 7 percent per year for several years, the rates charged still do not cover the cost of care. The monthly rate charged to a Pioneer Home resident during FY 2003 and the cost of care according to each level of service is as follows:

PIONEER HOME RATES AND COST OF CARE – FY 2003

Level of Service	FY 2003 Rate	FY 2003 Actual Cost
Coordinated Services	\$2,135	\$ 4,634
Basic Assisted Living	\$3,865	\$ 5,361
Enhanced Assisted Living	\$5,080	\$ 6,255
Alzheimer's & Dementia Related Disorders	\$5,270	\$ 7,965
Comprehensive Care	\$6,450	\$11,988

Subsidy
 \$ 2,199
 1486
 1175
 2695
 5,538

Proposed Rates and Costs

A change in rate structure is proposed for FY 2005 that reflects a change in the levels of service provided and current utilization patterns. The table below shows the rates proposed FY 2005 for the proposed levels of service and shows the FY 2003 actual cost of care as allocated to the levels. The proposed Level 1 rate is associated with the current Coordinated Services level of services. Proposed Level 2 is associated with what is now called Basic Assisted Living. Level 3 is a consolidation of the three highest levels of service: Enhanced Assisted Living, Alzheimers Disease & Related Disorders, and Comprehensive Services.

PIONEER HOME RATES AND COST OF CARE – FY 2005

Proposed Level of Service	Proposed FY 2005 Rate	Projected FY 2005 Cost	Subsidy
Level 1	\$2,240	\$4,675	2435
Level 2	\$4,060	\$5,409	1349
Level 3	\$5,880	\$7,783	1903

The proposed rate structure represents a rate increase of 5% for those residents currently receiving Coordinated Services and Basic Assisted Living. The rates paid by residents receiving Enhanced Assisted Living, Alzheimers Disease & Related Disorders, and Comprehensive Services were averaged to \$5,600 and then increased by 5%. These rate increases follow a year in which there was no change in rates. The projected FY 2005 costs are based on the FY 2005 budget which has less than 1 % growth over the FY 2003 actuals.

Senate Letter of Intent

H

03-02-2004

Senate Journal

2364

CS FOR SENATE BILL NO. 301(HES) "An Act relating to the Alaska Pioneers' Home and the Alaska Veterans' Home; relating to eligibility for admission to the Alaska Pioneers' Home and Alaska Veterans' Home; relating to the eligibility of residents for the Alaska Pioneers' Home and the Alaska Veterans' Home for general relief assistance; relating to state veterans' home facilities; making conforming amendments; and providing for an effective date."

and further recommends the adoption of the following Health, Education and Social Services Committee Letter of Intent:

Letter of Intent

It is the intent of the legislature in passing Senate Bill 301 relating to an Alaskan Veterans Home that the Department of Health and Social Services will convert the Palmer Pioneers' Home to be a state veterans' home approved by the U.S. Department of Veterans' Affairs. After the conversion, the department should continue to maintain a Pioneers' Home waiting list for the Palmer Home. It is the intent of the legislature that the home will provide 75% of the resident capacity for veterans and 25% of the resident capacity for others selected from the Pioneers' Home waiting list.

The legislature encourages the department to actively work to fill all vacant beds using the current Pioneers' Home waiting list prior to certification of the Home as a state veterans' home.

Signing do pass: Senator Dyson, Chair; Senator Green. Signing no recommendation: Senator Guess.

The following previously published fiscal information applies:
Fiscal Note No. 1, Department of Health and Social Services

The bill was referred to the Finance Committee.

Bill Root:

Display Bill Root

Next Bill

House Letter of Intent

H

04-14-2004

House Journal

3320

Yeas: Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Fate, Foster, Gara, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Heinze, Holm, Joule, Kapsner, Kerttula, Kookesh, Kott, Lynn, Masek, McGuire, Meyer, Morgan, Moses, Ogg, Rokeberg, Samuels, Seaton, Stepovich, Stoltze, Weyhrauch, Williams, Wolf

Nays: Kohring

Excused: Wilson

And so, HCS CSSB 301(FIN) am H passed the House.

Representative Coghill moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

The following letter of intent for HCS CSSB 301(FIN) am H was offered by Representatives Gara, Crawford, Kerttula, Stoltze, and Guttenberg:

"It is the intent of the legislature that this bill shall not reduce the number of non-veteran Pioneers' Home residents living in the Pioneers' Homes statewide."

Representative Gara moved and asked unanimous consent that the House adopt the letter of intent. There being no objection, it was so ordered.

Representative Coghill moved and asked unanimous consent that the House adopt the Senate letter of intent (Senate Journal page 2364). There being no objection, it was so ordered.

Representative Harris gave notice of reconsideration of the vote on HCS CSSB 301(FIN) am H.

Bill Root:

Display Bill Root

Next Bill

Governor's Transmittal Letter

H

02-06-2004

Senate Journal

2087

Dear President Therriault:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska Pioneers' Home (APH) and Alaska Veterans' Home (AVH).

The purpose of the bill is two-fold: to authorize the establishment of an AVH under the umbrella of our existing APH system and to provide long-term financial stability for both our AVH and APH programs.

For over a decade, the State of Alaska has struggled to develop a viable plan for an AVH. The time has come to move beyond planning to make an AVH a reality. With passage of this bill, the state would have clear statutory authority to serve veterans within the APH system by identifying one or more homes as an AVH consistent with the requirements of the United States Veterans' Administration.

In addition, the bill would require that, as a condition for receipt of assistance to pay the cost of care in a home, a home resident could be required to apply for other state or federally sponsored programs whose benefits could reduce the amount of that assistance.

Taken together, these changes are designed to ensure the sustainability of the APH and AVH system over the long-term. Additional federal and other third-party payments are critical in order to maintain the high quality of care the homes provide and home residents expect and deserve. Over time, the Department of Health and Social Services is optimistic that several millions of dollars of additional resources can be obtained in third-party reimbursements annually to support operation of the homes.

In the absence of additional third-party receipts, the APH and the AVH would remain unduly dependent on state general fund support and resident fees. Given the state's ongoing fiscal constraints and the impracticality of requiring home residents to pay for the full cost of care, failure to adopt the measures included in this bill may well jeopardize the APH and AVH over the long term.

02-06-2004

Senate Journal

2088

I urge your prompt and favorable action on this measure.

Sincerely yours,

/s/

Frank H. Murkowski
Governor