

HB

440



FRANK H. MURKOWSKI
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February 4, 2004

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

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.

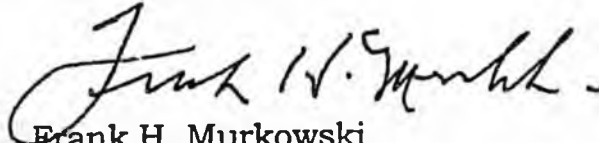
Taken together, these changes are designed to ensure the sustainability of the APH and AVH system over the long-term. Additional federal and other third-party payments are critical in order to maintain the high quality of care the homes provide and home residents expect and deserve. Over time, the Department 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.

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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.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE WILSON

TO: CSHB 440(MLV)

- 1 Page 6, line 29, following "Maintenance":
2 Insert "and operation"
3
4 Page 6, line 30:
5 Delete "The"
6 Insert "Except as otherwise provided in this subsection, the"
7 Following "maintain":
8 Insert "and operate"
9
10 Page 6, line 31 following "Sitka":
11 Insert ", Anchorage, Fairbanks, Juneau, Ketchikan, Palmer,"
12 Following "and":
13 Delete "at"
14
15 Page 7, line 1, following "maintain":
16 Insert "and operate"
17
18 Page 7, line 3, following "maintained":
19 Insert "and operated"

STATE OF ALASKA

DEPARTMENT OF HEALTH & SOCIAL SERVICES
DIVISION OF ALASKA PIONEER HOMES

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House Bill 440 (MVA)
Sectional Analysis
March 22, 2004

Section 1: Amends AS 08.68.395(g)(2), dealing with nursing practices, to add a reference to the Alaska Veterans' Home within the definition of "health care facility". The section also updates the reference to the current administration of the Homes by the Department of Health and Social Services.

Section 2: Amends AS 15.05.020, dealing with rules for determining residence of a voter, to change the reference to the Alaska Pioneers' Home to include the Alaska Veterans' Home. The section also reorders the numbering by deleting numbering for current sections (7) and (9) for which the language was repealed in 1972.

Section 3: Amends AS 17.37.070(6), dealing with facilities monitored by the state with regard to medical use of marijuana to change the reference to Alaska Pioneers' Home by adding "Alaska Veterans' Home."

Section 4: Amends the AS 18.07.111(8) definition of "health care facility" under the Certificate of Need program, to add the Alaska Veterans' Home to the list of facilities excluded from the requirement for a Certificate of Need. The section also updates the reference to the administration of the Homes by the Department of Health and Social Services.

Section 5: Amends AS 18.35.300 to include the Alaska Veterans' Home as a place where smoking is prohibited.

Section 6: Amends the AS 36.30.990(1) (A) definition of "agency" within the State Procurement Code to include the Alaska Veterans' Home.

Section 7: Amends AS 37.05.146(c)(31) dealing with the handling of public receipts to add "and Alaska Veterans' Home" to the term "Alaska Pioneers' Home."

Section 8: Amends AS 37.05.990(2) definition of "state agency," "agency," "department," or similar terms dealing with state fiscal procedures to include the Alaska Veteran's Home.

Section 9: Amends the Executive Budget Act definition of "agency" in AS 37.07.120(1) to include the Alaska Veterans' Home.

Section 10: Amends the State Personnel Act in AS 39.25.120(c)(8) to clarify that Alaska State Veterans Home managers in the state service are partially exempt positions.

Section 11: Amends AS 44.29.020(a)(16) to include the Alaska Veterans Home within the duties of the Department of Health and Social Services.

Section 12: Amends AS 47.25.140 to remove the statutory prohibition for payment of public assistance to a resident of the Alaska Pioneers' Home.

Section 13: Adds a new section, as AS 47.25.140(b), to clarify that the Alaska Pioneers' Home or the Alaska Veterans' Home is not a "public institution" under the State's public assistance law. The effect is to identify the Alaska Pioneers' Home and Alaska Veterans' Home as a facility in which residents may receive a Medicaid benefit under federal Medicaid regulations. Under the federal Medicaid regulations (42 CFR 435.1009 "public institution") a person living in a "public institution" of more than 16 beds is prohibited from receiving Medicaid benefits, unless that person is living in a medical institution. This clarification will allow payment for Medicaid services, but Medicaid will not cover the cost for room and board provided by the Pioneers' or Veterans' Homes.

Section 14: Amends AS 47.45.240(c) dealing with the powers, duties, and limitations of the Older Alaskans Commission so as to not permit the Commission to investigate, review, or undertake any responsibility for the Alaska Veterans' Home.

Section 15: Repeals and reenacts AS 47.55 to provide for general operational policies and adoption of regulations necessary for the Department of Health and Social Services to maintain the Alaska Pioneers' Home and Alaska Veterans' Home. Subsection (a) provides that the state "shall" maintain Pioneer Home in Sitka and other places and that the state "may" maintain one or more Veterans' Homes. However, the section designates the Palmer Pioneer Home as the only Pioneer Home that may be maintained as a Veterans' Home without a subsequent change in the statute. The reenacted section provides for department receipt of money from various sources, including the federal government, for general conduct of business and for the department to perform all executive or administrative duties necessary and advisable to conduct business and carry out the purposes of the chapter. The section also authorizes the department to engage in activities directed to increase revenue from a home, including lease of excess bed or floor space, or lease of space or buildings that are not in use or are underutilized. The leased space is limited to 50% of the total floor space in a facility.

Section 16: Repeals and reenacts AS 47.55.020 to establish the requirements for persons who wish to enter a home. The section continues the current Alaska Pioneers' Home eligibility requirement for a person to be 65 years of age or older and to have been a resident of the state continuously for more than one year prior to application for admission. The section extends those same requirements to a person who wants to enter an Alaska Veterans' Home. The section also sets out requirements for payment and provision for payment assistance from the state for those who are not able to pay the charges in full. The reenacted section continues the present prohibition of eviction of a person due to their inability to pay the monthly rate if the person is otherwise in compliance with other requirements of the chapter. Payment assistance provided to a resident under the section continues to be a debt to the state as in current law. Qualifications for payment assistance are set out in the section, including provisions for exclusion of specified real and personal property, income, and assets in determining eligibility for payment assistance. Under the bill, veterans benefits paid under Title 38, Section 1110 of federal law are made available to pay for the cost of care. Authorization is added for the department to require a person to apply for other state or federally sponsored programs as a condition for receipt of payment assistance.

Section 17: Amends AS 47.55.030(a) to reference both the Alaska Pioneers' Home and the Alaska Veterans' Home with regard to admission and payment.

Section 18: AS 47.55.030(c) is amended to reference both the Alaska Pioneers' Home and the Alaska Veterans' Home with regard to current notice requirements for a change in the rates charged.

Section 19: AS 47.55.040, regarding transfer of an insane person from a home, is amended to reference both the Alaska Pioneers' Home and the Alaska Veterans' Home.

Section 20: AS 47.55.050 regarding appropriation of funds by the legislature for maintenance and receipt of funds from various sources for support of a home is amended to reference both the Alaska Pioneers' Home and the Alaska Veterans' Home.

Section 21: AS 47.55.060 is amended to clarify that trust fund provisions for a home apply to both the Alaska Pioneers' Home and the Alaska Veterans' Home.

Section 22: AS 47.55.070 dealing with indebtedness to the state is repealed and reenacted to reference both the Alaska Pioneers' Home and the Alaska Veterans' Home and to remove numbering for several subsections that were repealed in 1990.

Section 23: AS 47.55.095 is amended to add "Alaska Veterans' Home" to the section that limits enforcement of claims against an estate.

Section 24: Amends AS 47.55 to add a definition section.

The section defines "department" to be the Department of Health and Social Services, in line with the recent transfer of organizational relationship of the Pioneer Homes system to that department.

The term "home" is defined to include both the Alaska Pioneers' Home and Alaska Veterans' Home.

The definition of "physical disability or other reason" is relocated to the definition section from the body of the current law in section AS 47.55.020.

The term "resident of the state" is defined, by reference to existing law AS 47.25.430(a), to mean a person who is living in the state voluntarily with the intention of making the state the person's home and who is not living in the state for a temporary purpose.

The term "veteran" is defined to mean a person who has not been dishonorably discharged from the armed forces of the United States. The term includes the Alaska National Guard or the Alaska Territorial Guard.

Section 25: This section of the bill repeals:

AS 44.20.020(a)(17), which is a separate listing of veterans' home facilities as a duty of the Department of Health and Social Services. The reference is incorporated in AS 44.20.020(a)(16) under section 11 of the bill.

Sections 1-15, ch.4, SSSLA 2002 provided amendments to many of the same sections that are changed in this bill, and those amendments are contingent upon implementation

of a pilot project. The pilot project cannot be implemented as envisioned, and so, the contingent language is removed to avoid conflict with the provisions of this bill.

Section 26: Adds a new section to uncodified law that permits a resident of an Alaska Pioneers' Home or Alaska Veterans' Home to remain living in the same facility they are living in when the federal Veterans Administration certifies a home for veterans. This addition to the statute assures residents that they will not be required to move from the facility in which they live unless they wish to do so. Section (b) of the new uncodified language requires the commissioner to promptly post the date of certification on the Alaska Online Public Notice System.

Section 27: Adds a new section authorizing adoption of regulations necessary to implement the changes made by the bill, in accordance with the effective date of the respective statutory changes.

Section 28: Provides instruction to the revisor of statutes for changing the heading of AS 47.55 in line with the changes to the body of the chapter: "Alaska Pioneers' Home and Alaska Veterans' Home."

Section 29: Provides for an immediate effective date for section 27 that authorizes regulations for implementation of the bill.

Section 30: Provides for an effective date for the bill of July 1, 2004 except for section-29.

Frequently Asked Questions: Alaska Veterans Home & Alaska Pioneer Homes

Q: How will the Alaska Veterans Home fit into the Alaska Pioneer Homes system?

The Palmer Pioneers' Home will be converted into the Alaska Veterans Home, but will remain as one of the six Homes within the Alaska Pioneer Home system. "Certifying" the Alaska Veterans Home means that the facility will be renovated to address deferred maintenance, and to meet requirements of the federal Veterans Administration. After renovation, the federal Veterans Administration will pay \$26.95 per day to the State for each veteran served in the Alaska Veterans Home. Using a nationwide formula, the federal Veterans Administration calculated that Alaska requires a facility providing 79 beds. The federal Veterans Administration is firm in its intent to certify one facility in Alaska, however they may increase the capacity to 82 beds, the capacity of the Palmer Pioneers' Home.

Q: If I am a veteran living in an Alaska Pioneer Home, will I have to move to the Alaska Veterans Home?

The choice of whether to move to the Alaska Veterans Home is up to the veteran. Residents who are living in a Pioneer Home will not be required to move to or from the Alaska Veterans Home. When the Alaska Veterans Home is open, veterans on the Pioneer Home waiting list will be given an opportunity to choose to enter the Alaska Veterans Home or another Pioneer Home. Admission to a Pioneer Home will continue to be based on availability of a bed and services appropriate to the need of the applicant.

Q: Will people living in the Palmer Pioneers' Home be required to move to another Pioneers' Home?

No. Current residents of the Palmer Pioneer Home will not be asked to move to another Home. The agreement between the Alaska Department of Health & Social Services and the federal Veterans Administration provides for a transition period of several years, during which time current residents of the Palmer Pioneers' Home will not have to move. Beyond the transition period, the federal Veterans Administration will permit 20 beds in the facility to continue to be used by non-veterans.

Q: Will people who are not veterans be allowed to move to the Palmer Pioneers' Home after it's converted to the Alaska Veterans Home?

Yes. After a transition period, the federal Veterans Administration requires that 62 of the 82 beds in the facility be reserved for veterans. The remaining 20 beds in the facility are available to veterans or non-veterans.

Q: Will a veteran be charged a different rate?

No. The rates are based on the level of care the resident requires and will not differ because the resident is a veteran.

Q: If I am a veteran and intend to move into the Alaska Veterans Home, will I be able to keep my federal veterans disability benefits for my spouse?

Yes. The decision to make veterans disability payments is a federal Veterans Administration decision. If a resident (including a resident who is a veteran) is not able to

pay the level of care rate, payment assistance is available. Certain income and assets are excluded from the qualification for payment assistance, including veterans benefits paid under federal law, as cited in the bill to designate an Alaska Pioneer Home as the Alaska Veterans Home, currently before the Alaska Legislature.

Q: How much will the federal Veterans Administration pay?

The federal Veterans Administration is willing to pay the state \$26.95 per day for domiciliary care provided to veterans in the Alaska Veterans Home. That amount will pay part of the daily rate billed to the resident.

Q: I already have payment assistance from the State. Do I also need to apply for "federally sponsored programs" like Medicaid?

If you require payment assistance and are eligible for Medicaid, you probably won't notice a difference – Pioneer Homes services and rates won't change. However, part of your payment assistance will be federally funded. The federal funding will help sustain Alaska Pioneer Homes into the future, because State General Funds will not be paying the entire cost of payment assistance for residents.

Virginia Smiley, Administrative Services Manager
Division of Alaska Pioneer Homes
465-4422

Fact Sheet: Alaska Pioneer Homes

The facilities

There are six Alaska Pioneer Homes with a total of 602 beds. The homes are located in:

Anchorage -- <http://hss.state.ak.us/dalp/alp/anchorage/home.htm>

Fairbanks -- <http://hss.state.ak.us/dalp/alp/fairbanks/home.htm>

Juneau -- <http://hss.state.ak.us/dalp/alp/juneau/home.htm>

Ketchikan -- <http://hss.state.ak.us/dalp/alp/ketchikan/home.htm>

Palmer -- <http://hss.state.ak.us/dalp/alp/palmer/home.htm>

Sitka -- <http://hss.state.ak.us/dalp/alp/sitka/home.htm>

The services we provide to clients

For the last decade the Alaska Pioneer Homes have been licensed as assisted living facilities, offering a high degree of professional services to meet residents' needs. Typically, residents of the Homes are not able to live without some form of daily assistance, and may require nursing and other physical and emotional support services offered in a licensed assisted living facility. Professional services range from assurance of a safe environment and occasional help with daily life skills, to skilled nursing, personal care, and other support services including end of life care. Many residents receive a level of service that would otherwise be delivered in a nursing home or under the Older Alaskan Home and Community-Based Medicaid waiver.

The residents

Occupancy of Pioneer Homes fluctuates, but system-wide as of January 2004 there are 427 residents. All residents require a safe home environment, room and board, and opportunities for social interaction and recreation. Of the 427 residents, 253 require the high levels of professional care available 24-hours a day. Another 117 residents need assistance with basic living skills at some time during the day, and 57 residents are fairly self-sustaining, occasionally requiring emergency assistance.

Veterans in Pioneer Homes

During FY 2003, the Alaska Pioneer Homes served 553 seniors, of whom about 20 percent are veterans and about 26 percent had qualified for Medicaid before going into the Home. There were over 2,600 qualified Alaskan residents on the waiting list, which means they are over age 65 and intend to enter the Alaska Pioneer Homes in the future.

Rates and how residents pay them

The rates for the Alaska Pioneer Homes range from \$2,135 per month for housing with some assistance in making appointments and other social services, to \$6,450 for the highest level of care including 24-hour supervision, extensive assistance with activities of daily living, and intermittent health care. About 60 percent of Pioneer Home residents depend on the state-funded payment assistance program to pay for at least part of the monthly rate.

For more information:

Dave Williams, Project Coordinator

Division of Alaska Pioneer Homes

465-5737

Chronology, Alaska Veterans Home

1970s – Alaska begins 20-year search for a way to address veteran's benefits within the State.

1999 – Feasibility Study for a State Veterans Home requested by Department of Military & Veterans' Affairs, Division of Veterans' Affairs, State of Alaska, and partners including the American Legion, Disabled American Veterans, and the Veterans of Foreign Wars. Health Dimensions Consulting Group feasibility study recommends a comprehensive survey of Alaskan veterans to assess their preferences for long-term care services.

May 2002 – HCS SB 2001(FIN) SLA 2002 authorizes a pilot project to give veterans a preference for 125 beds in the Pioneer Homes system, contingent on an agreement between the federal Department of Veterans Affairs and the State of Alaska. The agreement is not negotiated; the bill's provisions do not take effect.

July 2003 – Alaska Legislature's "Alaska State Veterans Home Feasibility Study", completed by the McDowell Group, supports the need for 70 to 80 veterans beds in the Pioneer Homes system. The McDowell report provides three options: 1) convert Palmer Pioneers' Home to a State Veterans Home, 2) Convert 60 beds in the Anchorage Pioneers' Home and 19 Beds in Fairbanks Pioneers' Home, or 3) build a new, freestanding, 60-bed State Veterans Home in or near Anchorage.

July 30, 2003 – Governor Murkowski identifies creation of a State Veterans Home in Palmer as an Administration priority, following face-to-face meetings in Washington DC with Secretary of Veteran's Affairs Anthony J. Principi.

July 2003 – State submits initial federal Veterans Administration application.

August 2003 – federal Veterans Administration representatives visit Palmer and Anchorage facilities. Veterans Administration facilities, geriatrics and care coordination representatives find Palmer appropriate for conversion with identified maintenance improvements and upgrades to facility systems.

Sept 2003 – Veterans Administration conditionally approves 79 beds for Palmer facility. Federal Veteran Administration participation is calculated at 65 percent of the total allowable cost of improvements. All 82 beds at Palmer are ultimately approved – *minimum* of 62 beds are designated for veterans.

Sept 2003 – Health & Social Services Commissioner Joel Gilbertson presents the Palmer option to Pioneers of Alaska Convention.

Dec 2003 – federal Veterans Administration approves "General Renovations, 79-bed Veterans Home, Palmer, AK." Federal Veterans Administration lists Alaska in its top rank for federal renovation funds, pending appropriation of state matching funds. Construction cost, facility size, and proximity to military health center justify Palmer's high priority for funding.

January 2004 – Construction schedule says Palmer Pioneers' Home can be renovated in 453 days, after completion of federal Department of Veterans Affairs construction/acquisition grant and legislative approval of state funding match.

Feb 2004 – Congressional Bill (HR 2673) provides for federal Veterans Administration payment to Pioneer Homes. No information as yet on how the Veterans Administration will employ the language.

Calendar

- **April 2004 – A study of the feasibility of converting the Palmer Pioneers' Home into a Veteran's Home, requested by the legislature and awarded to ASCG Incorporated (engineers/architects) will identify costs for renovation and the amount of state matching funds required for federal Veterans Administration participation. A subcontractor (McDowell Group) will conduct a community impact analysis and collaborate on development of a transition plan for the federal construction/acquisition grant application.**
- **May 2004 – Alaska Veterans Home bill passes; State certifies 35% matching funds.**
- **Sept 2004 – Begin transition plan, making admissions to the Alaska Veterans Home in Palmer.**
- **April 2006 – Earliest possible beginning date for federal Veterans Administration per diem payments to Alaska -- \$26.95/day for residents of the Alaska Veterans Home.**

For more information:

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