

HB

193

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

May 6, 2005

SUBJECT: Amendments to HB 19² (CSHB 193 (JUD))

TO: Representative Lesil McGuire,
Chair of the House Judiciary Committee
Attn: Vanessa Tondini

FROM: Jean Mischel
Legislative Counsel

Enclosed is the Judiciary CS you requested that incorporates an amendment that was previously unreviewed by this office. The amendment raises some questions that should be addressed in the next committee of referral.

The amendment creates a new section at AS 47.05.350 and deletes part of an immunity provision that was at AS 47.32.160 in the bill. AS 47.32.090, as amended in the bill at page 25, line 15, contains a cross-reference to the "old" immunity provision at AS 47.32.160. Do you intend for the "new" immunity provision to be cross-referenced there as well?

The same question is raised for a cross-reference at AS 47.33.070 in the bill at page 38, line 11.

In addition, the wording of the amendment, as it pertains to the new immunity provision at AS 47.05.350, is ambiguous. I have interpreted the modifying language relating to regulations adopted by the department to apply to the information received and provided, not to the reasonable reliance. If this interpretation is not correct, let me know.

The amendment also removed a conforming change to AS 25.27.244(s)(2) without repealing that provision. Do you want to repeal it so that the outdated reference to AS 47.35 (repealed in the bill) is fixed or reinsert the conforming change?

Finally, sec. 53(b) provides a transition for interpretation of references to repealed provisions but inexplicably leaves out the same references in secs. 36, 38, 39, 41, and 42. Do you want to add those secs. to the list?

JMM:med
05-354.med

Enclosure

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: April 26, 2005

FURTHER REFERRALS: Finance

Date of Committee Action: May 5, 2005

The JUDICIARY Committee considered:

HB 193

HOUSE BILL NO. 193

LICENSING MEDICAL OR CARE FACILITIES

"An Act relating to the licensing, regulation, enforcement, and appeal rights of ambulatory surgical centers, assisted living homes, child care facilities, child placement agencies, foster homes, free-standing birth centers, home health agencies, hospices or agencies providing hospice services, hospitals, intermediate care facilities for the mentally retarded, maternity homes, nursing facilities, residential child care facilities, residential psychiatric treatment centers, and rural health clinics; relating to criminal history requirements, and a registry, regarding certain licenses, certifications, approvals, and authorizations by the Department of Health and Social Services; making conforming amendments; and providing for an effective date."

Recommends it be replaced with HCS or CS for HB 193 (JUD)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LEG
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LAW				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
HSS	1			✓

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>[Signature]</i>	Kott			✓	
<i>[Signature]</i>	Sweeney			-	
<i>[Signature]</i>	Anderson				X
<i>[Signature]</i>	Christman			X	
<i>[Signature]</i>	Coahill			✓	
<i>[Signature]</i>	Gara				✓
Chair: <i>[Signature]</i>	McGrave	✓			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB193-LAW-HS-02-28-0
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title: "An Act relating to the licensing, regulation, RDU CIVIL
enforcement, and appeal rights of certain ...facilities" Component: Human Services
 Sponsor: House Rules
 Requester: Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would centralize almost all DHSS licensing statutes under a new chapter to AS 47. Currently, there are 12 different statutory schemes for the licensure of different entities by the DHSS. By centralizing these disparate procedures into a streamlined licensing process under a uniform statutory framework, the DHSS hopes to be able to administer these functions in a much more efficient and cost effective manner. Significant revisions to the corresponding regulations will be required and will result in a fiscal impact to the Department of Law in the first year or two following passage of this legislation. The Department of Health and Social Services has received a federal grant, requested in the Division of Public Health's FY 2006 budget, that will allow centralization to occur. The grant includes the funds needed by Department of Law for regulation revision and review.

Prepared by: Kathryn Daughhete, Director Phone 465-3673
 Division: Administrative Services Date/Time 4/12/05 3:48 PM
 Approved by: Kathryn Daughhete for David Márquez, Attorney General Date 4/12/2005
 Agency: Department of Law

ALASKA STATE LEGISLATURE

Rep. Lesil McGuire, Chair
Rep. Tom Anderson, Vice-Chair
Rep. John Coghill
Rep. Nancy Dahlstrom
Rep. Pete Kott
Rep. Les Gara
Rep. Max Gruenberg



State Capitol, Room 120
Juneau, AK 99801-1182
(907) 465-4990
Fax (907) 465-6592

House Judiciary Committee

Memorandum

To: Leg. Legal
From: Vanessa Tondini, Committee Aide
House Judiciary Committee
Date: May 5, 2005
Re: CS Request

Please create a final draft House Judiciary Committee Substitute for work order # 24-GH1016Y, HB 193, incorporating the attached three amendments (A.# 1, 2 and 4 (which actually amends p. 3 of A#1). The bill was passed out of committee today.

If you have any questions, please call me at 4990.
Thank you!

The information attached to this memo is **CONFIDENTIAL** an/or privileged. It is intended to be reviewed initially by only the individual named above. If the reader of this Memorandum is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination, or copying of the information contained herein is prohibited. If you have received this in error, please immediately notify the sender by telephone and return this to the sender at the above address.

#1

Amendment to CSHB 193 (HES) in HJUD - PASSED

Page 1, line 7, following "clinics;":

Insert "relating to possession of a firearm at licensed entities and facilities;"

Page 4, line 3, following "children":

Insert "except that a person 21 years of age or older may possess an unloaded firearm in the trunk of a motor vehicle or encased in a container of a motor vehicle"

Page 6, line 31 through page 8, line 15:

Delete all material.

Renumber the following bill sections accordingly.

Page 12, line 16, following "jurisdiction":

Insert "or to have committed medical assistance fraud under AS 47.05.210 or a substantially similar provision in another jurisdiction"

Page 14, line 8, following "jurisdiction":

Insert "or to have committed medical assistance fraud under AS 47.05.210 or a substantially similar provision in another jurisdiction"

Page 16, following line 11:

Insert "Sec. 47.05.350. Immunity. An entity or individual service provider that obtains information about an employee under a criminal history check under AS 47.05.310 may use that information only as provided for in regulations adopted by the department under AS 47.05.320. However, if an entity or individual service provider reasonably relies on the information provided under the regulations adopted by the department to deny employment to an individual who was selected for hire as an

employee, including during a period of provisional employment, the entity or individual service provider is not liable in an action brought by the individual based on the employment determination resulting from the information.”

Page 21, line 29, following “AS 47.32.010(b)”:

Insert “, as defined by regulation”

Page 23, line 30, following “(c)”, through line 31:

Delete all material and insert “The issuance of a license by the department does not obligate the department to place or maintain an individual in an entity or through an entity, or to provide financial support to an entity.”

Page 32, line 4:

Delete “applies”

Insert “and AS 44.62.330 – 44.62.630 apply”

Page 32, lines 24 – 30:

Delete all material.

Page 34, line 21, following “ambulatory surgical center”:

Insert “means a facility that”

Page 34, line 22:

Delete all material.

Page 34, line 23:

Delete “(i)”

Insert “(A)”

Page 34, line 25:

Delete "(ii)"

Insert "(B)"

Delete "? 1"

Page 34, lines 27 – 28:

Delete all material.

Page 35, line 5:

Delete "or"

Page 35, following line 5:

Insert "(iii) offers personal assistance as defined in AS 47.33.990; or"

Page 35, line 6:

Delete "(iii)"

Insert "(iv)"

Page 37, line 13, following "care":

Insert "or rehabilitative services"

Page 37, line 31:

Delete "35"

Insert "34"

Page 38, line 7, following "to", through line 15:

Delete all material and insert "assisted living homes as defined in AS 47.32.900."

Page 41, following line 2:

Insert a new bill section to read:

**** Sec. 46. AS 25.27.244(s)(2) is repealed.**

A#4
delete
PASSED

Page 41, line 6:

Delete "47.33.420,"

Page 41, line 18:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 41, line 21:

Delete "35"

Insert "34"

Page 41, line 22:

Delete "35"

Insert "34"

Page 41, line 24:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 41, line 25:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 -"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 -"

Page 41, line 27:

Delete "35"

Insert "34"

Page 41, line 30:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 42, line 2:

Delete "SEC. 20"

Insert "SECS. 19 AND 35"

Page 42, line 3:

Delete "sec. 20"

Insert "secs. 19 and 35"

Page 42, line 5:

Delete "sec. 20"

Insert "secs. 19 and 35"

Page 42, line 8:

Delete "20"

Insert "19"

Page 42, line 9:

Delete "35"

Insert "34"

Page 42, line 12:

Delete "sec. 20"

Insert "secs. 19 and 35"

Page 42, line 14:

Delete "20"

Insert "19"

Page 42, line 17:

Delete "sec. 20"

Insert "secs. 19 and 35"

Page 42, line 20:

Delete "20"

Insert "19"

Delete "35"

Insert "34"

Page 42, line 21:

Delete "20"

Insert "19"

Page 42, line 23:

Delete "20"

Insert "19"

Page 43, line 27:

Delete "35"

Insert "34"

Page 43, line 28:

Delete "35"

Insert "34"

Page 43, line 29:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 44, line 5:

Delete all material.

Page 44, line 6:

Delete "(4)"

Insert "(3)"

Delete "18"

Insert "17"

Page 44, line 7:

Delete "(5)"

Insert "(4)"

Delete "19"

Insert "18"

Page 44, line 8:

Delete "(6)"

Insert "(5)"

Delete "21"

Insert "20"

Page 44, line 9:

Delete "(7)"

Insert "(6)"

Delete "22"

Insert "21"

Page 44, line 10:

Delete "(8)"

Insert "(7)"

Delete "23"

Insert "22"

Page 44, line 11:

Delete "(9)"

Insert "(8)"

Delete "24 and 25"

Insert "23 and 24"

Page 44, line 12:

Delete "(10)"

Insert "(9)"

Delete "27"

Insert "26"

Page 44, line 13:

Delete "(11)"

Insert "(10)"

Delete "28"

Insert "27"

Page 44, line 14:

Delete "(12)"

Insert "(11)"

Delete "29"

Insert "28"

Page 44, line 15:

Delete "(13)"

Insert "(12)"

Delete "30"

Insert "29"

Page 44, line 16:

Delete "(14)"

Insert "(13)"

Delete "31"

Insert "30"

Page 44, line 17:

Delete "(15)"

Insert "(14)"

Delete "32"

Insert "31"

Page 44, line 18:

Delete "(16)"

Insert "(15)"

05/04/05
10:15 a.m.

Delete "33"

Insert "32"

Page 44, line 19:

Delete "(17)"

Insert "(16)"

Delete "34"

Insert "33"

Page 44, line 20:

Delete "(18)"

Insert "(17)"

Delete "38"

Insert "37"

Page 44, line 21:

Delete "(19)"

Insert "(18)"

Delete "41"

Insert "40"

Page 44, line 26:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, line 1:

Delete "35"

Insert "34"

Page 45, line 4:

Delete "35"

Insert "34"

Page 45, line 14:

Delete "35"

Insert "34"

Page 45, line 15:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, line 17:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, lines 19 - 20:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, line 25:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, line 28:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, line 30:

Delete "35"

Insert "34"

Page 46, line 3:

Delete "35"

Insert "34"

Page 46, line 12:

Delete "20"

Insert "19"

Page 46, line 14:

Delete "20"

Insert "19"

Page 46, line 15:

Delete "20"

Insert "19"

Page 46, line 16:

Delete "20"

Insert "19"

Page 46, line 18:

Delete "20"

Insert "19"

Page 46, line 21:

05/04/05
10:15 a.m.

Delete "20"

Insert "19"

Page 46, line 23:

Delete "20"

Insert "19"

Page 46, lines 30 - 31:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 47, line 3:

Delete: "16, 20, and 36"

Insert "15, 19, and 35"

Page 47, line 11:

Delete all material.

Renumber the following bill sections accordingly.

Page 47, line 12:

Delete "16, 20, and 36"

Insert "15, 19, and 35"

Page 47, line 15:

Delete "62"

Insert "61"

04/29/05
2:30 PM.

AMENDMENT #2 TO CSHB 193 (HES) - PASSED

Page 1, lines 9 – 11:

Delete “**expanding reimbursable services under Medicaid waivers for older Alaskans and adults with disabilities to include adult companion services;**”

Page 42, line 24 through page 43, line 23:

Delete all material.

Renumber bill sections accordingly.

Page 47, line 9:

Delete “58”

Insert “57”

Page 47, line 10:

Delete “59”

Insert “58”

Page 47, line 13:

Delete “58(b)”

Insert “57(b)”

Page 47, line 15:

Delete “60 – 62”

Insert “59 – 61”

AMENDMENT #3 - ~~PASSED~~ RECORDED

OFFERED IN THE HOUSE

BY: REPRESENTATIVE GARA

TO: CSHB 193 (HES)

Page 1, line 9, following "Services;":

Insert "relating to public assistance for health facilities and assisted living homes, to rates charged by an assisted living home, and to the liability of recipients of home or community-based services to pay for those services;"

Page 18, following line 9

Insert new bill sections to read:

Sec. 22 AS 47.07.070(a) is amended to read:

(a) ~~Except as provided under (d) - (f) of this section, the~~ [THE] department shall, by regulation, set rates of payment for health facilities under this chapter and AS 47.25.120 - 47.25.300 in accordance with 42 U.S.C. 1396 (Title XIX, Social Security Act, Medical Assistance) and this section. A rate established under this section takes effect under AS 44.62 (Administrative Procedure Act) but not until approved in writing by the commissioner. The commissioner may delegate the performance of these functions.

Sec. 23 AS 47.07.070 is amended by adding new subsections to read:

(d) For residential support living services provided to an eligible recipient of medical assistance living in an assisted living home licensed under AS 47.33, the minimum daily reimbursement rate to the assisted living home for room and board expenses is \$28.

~~(e) The department may not establish a maximum daily rate for room and board expenses charged by an assisted living home.~~

(f) A calculation of the rate for administrative and general costs for a provider, including an assisted living home, shall be determined in the same way as a calculation of the administrative and general cost rate for a Pioneers' Home. In this subsection, "administrative and general costs" means those expenses that are common to the overall operation of a provider providing home and community-based waiver services and that are not directly assignable to or borne by a specific program or recipient of a home and community-based service.

Renumber the following bill sections accordingly.

Page 41, following line 5

Insert a new bill section to read:

Sec. 49 AS 47.07.070(c) is repealed."

Renumber the following bill sections accordingly.

Page 41, following line 14

Insert a new bill section to read:

Sec. 52: The uncodified law of the State of Alaska is amended by adding a new section to read:

REGULATIONS ANNULLED. 7 AAC 43.1058(j) and 7 AAC 43.1058(k)(1)(B) are annulled."

Renumber the following bill sections accordingly.

Note to Leg. Legal: Conform all internal bill section references as necessary.

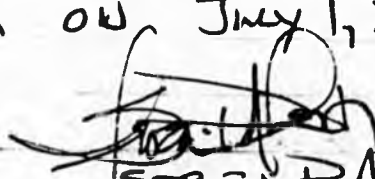
PREPARED BY	
DATE	

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5-5-05

TO: HOUSE JUDICIARY COMMITTEE

I have just spoken to
Commissioner GILBERTSON & HE
HAS INSTRUCTED ME TO INFORM
YOU THAT IF FUNDS ARE
APPROPRIATED RELATED TO
ASSISTED LIVING HOME REIMBURSEMENT
RATES, THE DEPARTMENT WILL
NOTICE EMERGENCY REGULATIONS
REPEALING TAC 43.1058(H)(1)(B)
WITH PAYMENTS TO BEGIN TO
PROMISE ON July 1, 2005.


STEVEN P. ASHMAN
DIRECTOR, DIVISION
OF SENIOR & DISABILITIES SE



PUBLIC HEALTH

**PROTECTING AND PROMOTING THE
HEALTH OF ALL ALASKANS**

**CSHB 193 (HES), a Bill to Consolidate
DHSS Licensing, Certification and
Background Check Functions**

Dr. Richard Mandsager, M.D.

Director, Division of Public Health

Alaska Department of Health and Social Services

5/04/2005

Amendment 1 to CSHB 193(HES)

24-GH1016\“Y”

05/04/05

CSHB 193 (HES)\“Y”

CSGB 125 (JUD)\“L”

- | | | |
|---|---|--|
| 1) Title change to incorporate Senate amendment re: possession of secured, unloaded firearms at licensed facilities | ➤ Page 1 line 7 | ➤ Page 1 line 7 |
| 2) Incorporate Senate amendment re: possession of secured, unloaded firearms at licensed facilities | ➤ Page 4 line 3 | ➤ Page 4 lines 2 - 4 |
| 3) Conforming technical amendment per Leg. Legal review | ➤ Page 6 line 31 -
Page 8 line 15 | ➤ Page 7 line 7 |
| 4) Conforming technical amendment making background check and registry section internally consistent regarding medical assistance fraud | ➤ Page 12 line 16,
following
“jurisdiction” | ➤ Page 13 lines 17 - 18 |
| 5) Conforming technical amendment making background check and registry section internally consistent regarding medical assistance fraud | ➤ Page 14 line 8,
following
“jurisdiction” | ➤ Page 12 lines 26 - 27 |
| 6) Conforming amendment to move background check immunity provision from AS 47.32 (licensing) to AS 47.05 (background check/registry) | ➤ Page 16,
following line 11 | ➤ Page 14 line 1 thru
page 15 lines 1 - 9 |

Amendment 1 to CSHB 193(HES)

24-GH1016\“Y”

05/04/05

	<u>CSHB 193 (HES)“Y”</u>	<u>CSSB 125 (JUD)“L”</u>
7) Amending language to Sec. 47.32.030(a)(2) to assure policies and procedures relating to licensure and operation are established and defined in regulation	➤ Page 21 line 29, following “AS 47.32.010(b)”	➤ Page 20 line 27
8) Rewrites provision to clarify the distinction between the department’s responsibilities re: issuing a license to an entity versus its obligation to provide financial support to an entity	➤ Page 23 line 30, following “(c)”, through line 31	➤ Page 22 lines 28 - 30
9) Clarifies that the administrative procedures act applies	➤ Page 32 line 4	➤ Page 31 line 3
10) Conforming amendment to move background check immunity provision from AS 47.32 (licensing) to AS 47.05 (background check/registry)	➤ Page 32 lines 24 - 30	➤ Page 31 line 23
11) Conforming technical amendment to rectify Leg. Legal drafting error	➤ Page 34 lines 21 - 28	➤ Page 33 line 18
12) Technical amendment for definition of assisted living home to conform with AS 47.33, “Assisted Living Homes”	➤ Page 35 lines 5 – 6	➤ Page 33 lines 25 – 26
13) Assures the definition of “nursing facility” specifically includes rehabilitative services for injured, disabled or sick persons	➤ Page 37 line 13, following “care”	➤ Page 36 line 5

Amendment 1 to CSHB 193(HES)

24-GH1016\ "Y"

05/04/05

CSHB 193 (HES)\ "Y"

CSSB 125 (JUD)\ "L"

14) Conforming technical amendment to section renumbering

➤ Page 37 line 31

➤ Page 36 line 5

15) Technical amendment for definition of assisted living home to conform with AS 47.33, "Assisted Living Homes"

➤ Page 38 line 7 following "to", through line 15

➤ Page 36 line 29 through Page 37 line 8

16) All other amendments are either conforming technical amendments per Leg. Legal or relate to section renumbering

➤ All the rest

➤ All the rest

Amendment 2 to CSHB 193(HES)

24-GH1015\Y"

05/04/05

- 1) Delete "expanding reimbursable services under Medicaid waivers for older Alaskans and adults with disabilities to include adult companion services;"
 - Page 1 lines 9 - 11

- 2) Delete new Sec. 54 allowing an expansion of existing waived services
 - Page 42 line 24 through
Page 43, line 23

**Keeping Seniors
in Their Own Homes**
Family Support Section
To CSHB 193
(Sec. 54, page 42, version Y)

Presented by
Representative Sharon Cissna

**Cost Savings through
Home Health Care**

- Federal policy stresses less expensive home care for seniors for as long as possible.
- Alaska's Personal Care Attendant (PCA) program and other waiver services implement this policy.
- Over time, the program grew and became more expensive.

Keeping Seniors in their own homes?

To contain costs, DHSS issued Waiver regulations in May 2004 placing very strict caps on several in-home care services.

Restrictions hit Older Alaskans and Adults with Physical Disabilities, who live at home with family caregiver(s), especially hard.

These caps and cuts jeopardize the ability of frail seniors to remain in their own homes.

Since May the results of these caps and cuts have jeopardized seniors staying in their own homes.

Let's look at Sally and her mother. Her mother is already a Medicaid Waiver client, who could be admitted tomorrow, to a nursing home, instead of staying with her daughter, Sally. She has medical problems plus Alzheimer's. She is not an appropriate candidate for a group adult day care center and she is not safe home alone (wandering, etc.).



Sally's story...

PREVIOUS

Plan of care for Sally's mom:

Chore services 10 hrs/wk

Respite
(worktime hours) 40 hrs+/wk

Total 50+ hrs/wk

New regulations prohibit ANY chore services because Mom lives with a physically non-disabled adult (Sally).

New regulations prohibit using respite care while a primary caregiver works at a paying job.

CURRENT

Plan of Care for Sally's mom:

PCA services

5.25 hrs. Weekdays = 26.25hrs/wk

2 hrs. a day Weekends = 4.00 hrs/wk

Respite services

(Sally can't work a Sat. job) = 10 hrs/wk

Care Coordination

Mandatory service, flat fee = \$200/mo

This was the care plan two months after Mom lost all the chore and respite hours she used to have. While Sally worked, her mom fell and was hospitalized. Now, more frail and dizzy, she is less able to care for herself, so gets slightly MORE PCA services.

With an additional 15 hours a week of family support services, Sally could go back to working full time...

Adding 60 hrs/mo	
Family Support Services	\$ 1260/mo.
Total Cost at home	\$ 4881/mo.
Alzheimer Care in Anchorage	\$ 6300/mo.
Nursing home care (Anchorage)	\$11,000/mo.
Savings to the State	\$1419/mo. to
	\$ 6119/mo.

Family caregivers = families together.

Remember, if we don't support Sally, when Sally gives up, her mom will either be dead or living in a specialty Alzheimer's Assisted Living home or a nursing home - and, she's already pre-approved!

Alaska Average rate per year:

Family Support Services = \$29,000./yr
(Mixture of PCA, Respite, Chores, and Assisted Living homes)

Nursing Home Care = \$153,000./yr

10



Dealing with problems...

Respite care reductions have forced numerous Alaskan families to "give up".

Seniors move into institutions costing two to six times as much for the State's Medicaid program.

11

Table 3: Cost for Nursing Home, Assisted Living, and Personal Care Assistant Services for Current 2004 Personal Care Program Services

Type of Care	Average Daily Cost (1)	Average Annual Cost (2)	Total Annual Cost for Current PCA Services (3)
Private Nursing Home	\$361	\$132,765	\$1,122,343,390
State P.C.A. and Nursing Home	\$425	\$155,175	\$1,044,108,290
Assisted Living Home	\$128	\$46,825	\$118,483,790
Personal Care Assistant	\$65	\$23,725	\$81,378,790

1) Personal Care Assistant costs were derived by dividing total expenditures for the program in the last fiscal year by the total number of hours. It is possible that future billing for services provided over the time period will be variable. As a result, this figure should be viewed as a rough estimate only. Funding levels and Medicaid long-term care are from the 2004-05 legislative session. 2) These figures represent the estimated costs for the roughly 2,300 current recipients on the PCA program for an average year. The total number of recipients includes one the number of staff. These calculations are therefore intended only for comparative costs during the 2004-05 fiscal year. 3) These figures represent the estimated costs for the roughly 2,300 current recipients on the PCA program for an average year. The total number of recipients includes one the number of staff. These calculations are therefore intended only for comparative costs during the 2004-05 fiscal year.

February 2004, Legislative Research reported on the "Impacts on Expenditures from Terminating the Personal Care Program".

12

**Family Support Cost Comparison
(2005)**

Personal Care Attendant \$ 65/day

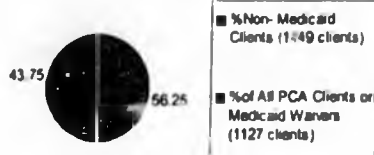
**Semi-Private
Nursing Home* \$ 435/day**

Savings to State \$ 370/day

*Private Nursing Homes (also available to Medicaid Waiver recipients should they choose: \$581/day)

13

**Personal Care Program Enrollees Qualifying for Home
and Community Based Waivers, July 2003 - October
2003**



Notes: In order to qualify for the Medicaid waivers referred to in this table, clients must require a level of care equal to that which would be provided in an institution.

Source: DHSS

14

Let's support family caregivers.

Stress, poor health and emotional strain are already a cost to family caregivers. Let's provide a sensible and cost saving program that provides needed services and lets family members retain their place in the workforce.



15

Family caregiving can have significant and severe physical and emotional repercussions for family caregivers...

"In addition, despite the declared importance of taking care of yourself, many respondents saw a decline in their own healthful behaviors. Exercise is the healthy behavior most likely to suffer; only half as many caregivers said they get regular exercise now that they are caregivers than before (30% vs. 61%). Fewer caregivers seek prompt attention from a doctor for their own health problems than did so before they were caregivers (47% vs. 70%)"

*From a study by the
National Family Caregivers Association
2005*

16

Family caregivers are the backbone of our health care system and a stand-in for the social safety net, neglected by both. It is critical that we develop policies that support and encourage family caregiving...

- 80% of Alaskan long-term care is provided by family caregivers
- US annual market value of care by family caregivers = \$257 billion, more than twice what is spent on nursing home and home health care combined.

17

What this amendment will do:

- allows a caregiver to go to work full-time
- allows a caregiver time to shop for groceries, go to doctor appointments and maintain their own health
- allows the State to save money by enabling seniors to be cared for at home

18

Family support services, in combination with PCA and respite care may not exceed 60 hours per week.

LEGISLATIVE RESEARCH REPORT

FEBRUARY 16, 2004



REPORT NUMBER 04.155

POTENTIAL IMPACTS ON EXPENDITURES FROM TERMINATING THE PERSONAL CARE PROGRAM

CHUCK BURNHAM, LEGISLATIVE ANALYST

You asked about the Personal Care Program within the Alaska Department of Health and Social Services. Specifically, you wanted to know how expenditures in other state programs would be impacted if the program is terminated.

As you know, the Personal Care Program, oversees home care services that enable functionally disabled and frail elderly Alaskans to live in their own home or community instead of being placed in more costly and restrictive long-term care institutions. Through local provider agencies, the program currently funds Personal Care Assistants (PCAs) to help 2,500 enrollees in tasks such as bathing, dressing and grooming, shopping and cleaning, and with other activities that require semi-skilled or skilled care.¹

The time constraints of this request did not allow for in-depth analysis of the effects of terminating the Personal Care Program on a wide breadth of other state programs. We concentrated our efforts, therefore, on examining two related issues that show the potential impact on spending for other programs if the Personal Care Program were terminated.

The first issue we analyze is the expected rapid growth in the population of Alaskans aged 65 and over and the increase in demand for nursing home and assisted living care that is expected as a result. As you will see, population growth in this age group alone is expected to force significant increases in the demand for long-term care services in the state. Our second analysis compares the cost of providing PCA services with the cost of nursing home and assisted living care for current enrollees and for the number of enrollees that can be expected in 2025 through population growth alone.²

¹ This information is available on the program's website at www.hss.state.ak.us/dsds/pca/home.htm.

² It is important to note that our analyses are based on several approximates and rough estimates. Further, estimates of the numbers of people requiring certain types of care in the future are based solely on projected population growth and include neither current nor future latent demand for services that may exist. There may be other variables, not addressed in this report, that will likely impact the number of people who may require these services in the future.

COSTS FOR DIFFERENT LEVELS OF CARE

Table 2 calculates the number of people receiving PCA services as a percentage of the overall Alaska population. In addition, Table 2 uses this percentage to calculate the total number of persons that could be expected enroll in the Personal Care Program in 2025 if no changes to the program are made. It is important to note that this projection accounts solely for population growth and includes neither latent demand for services that may exist nor any other variables that could influence demand for services.

Table 2: Personal Care Program Growth Due to Population Increase from 2004-2025

	Year	Overall Alaska Population (a)	Persons Served by PCA Program (b)	Percent of Population Served by PCA Program
Current Estimate	2004	683,237	2,500	0.38%
Projected	2025	833,000	3,140	0.38%

NOTES: The projected persons served by the PCA program in 2025 assumes that the percent of the total population served will remain constant. These projections do not take into account any latent demand for services that may currently exist or any other variables outside of population growth.

SOURCES: (a) Alaska Department of Labor and Workforce Development, Research and Analysis Section, available online at <http://alms.labor.state.ak.us>; (b) ... current estimate of persons served is published on the program's website at www.hss.state.ak.us/dsds/pca/home.htm.

In Table 3 we use the current and projected figures of the population served by PCA services outlined in Table 2 to estimate the costs for nursing home, assisted living, and personal care services for all Personal Care Program enrollees.⁸ The intent of Table 3 is not to suggest that all people receiving PCA services would be forced into assisted living or nursing home care. Rather, our intent is to provide a comparison of costs for equal population groups for each level of care. For further comparison, we calculate the cost for 100%, 50%, and 25% of our projected 2025 enrollees in each level of care. As you can see, the cost if the entire group were to receive nursing home care is over seven times the cost if the group received PCA services.⁹

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

⁸ Annual Personal Care Assistant costs were derived by dividing the total FY2004 program budget by the approximate number of enrollees. The total budget figure used do not include "state-only" funds that make up a very small portion of the total amount. Nursing Home and Assisted Living costs are from the Met-Life Insurance "2003 Market Survey on Nursing Home and Home Health Care Costs and Assisted Living Costs," available online at www.gilco.com/LTCcosts.html.

⁹ Again, these figures are for comparison purposes only and do not represent estimates of actual costs or numbers of people utilizing the different types of care. All costs are in 2004 dollars.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
FINANCE AND MANAGEMENT SERVICES


FRANK H. MURKOWSKI, GOVERNOR

P.O. Box 110650
Juneau, AK 99811-0650
Phone: (907) 465-3082
Fax: (907) 465-2499

MEMORANDUM

DATE: April 22, 2005

TO: Cheryl Frasca
Director
Office of Management and Budget

FROM: Janet Clarke 
Assistant Commissioner

SUBJECT: Additional FY05 Supplemental Request for SDS Medicaid

Attached is a FY05 supplemental request for the Department of Health and Social Services, Division of Senior and Disabilities Services Medicaid program. This request is for additional supplemental funding in the amount of \$17,966.7 (\$10,345.3 Fed / \$7,621.4 GF Match).

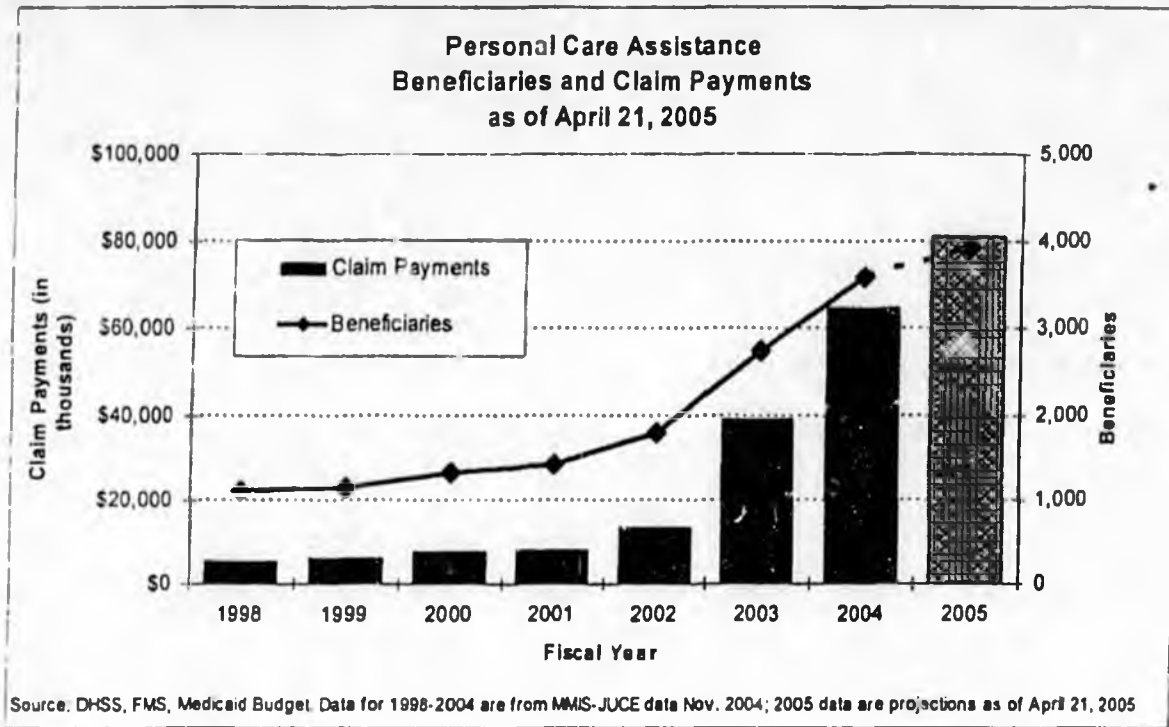
If you need additional information, please contact me at 465-1630.

Thank you for consideration of our request.

Attachments

cc: Joel Gilbertson, Commissioner
Karleen Jackson, Deputy Commissioner
Sherry Hill, Special Assistant
Steve Ashman, Director, SDS
Laura Baker, Budget Chief

The following chart demonstrates the historical growth of the PCA program:



As the Legislature has directed, the department is continuing to review means of controlling costs for these programs in FY06. However, at this time, without this revised supplemental funding time does not allow for cost containments without drastic impacts to the program beneficiaries. Without additional funding the program will be out of funds by the end of May, 2005.

Budgetary Issues:

All funds will be in the Grants/Benefits line.

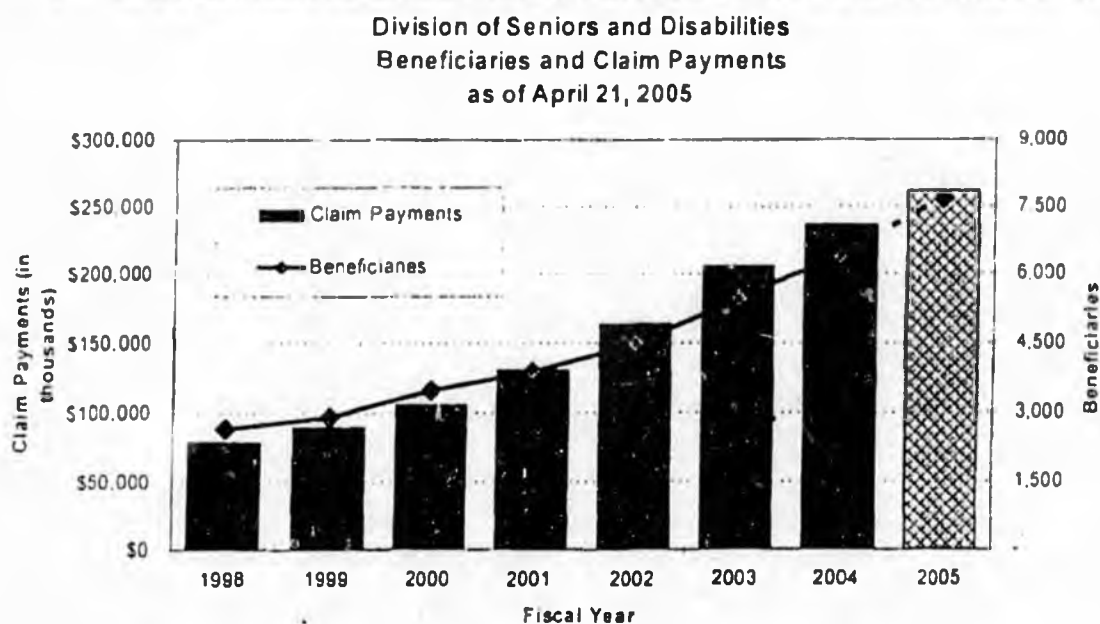
Costs for all categories of services in DSDS Medicaid have risen higher than originally projected. Though the % of growth year to year has been on a downward trend (26% in 2003, 15% in 2004), we were overly optimistic in our projection of only a 3% growth rate in FY05. The most current projection is for 11% growth over FY04.

	FY04 AKSAS AR 23551 Actuals Thru 3/31/04	FY05 AKSAS AR 23551 Actuals Thru 3/31/05	% Change
AD WAIVER	11,562.5	10,988.0	-5.0%
CCMC WAIVER	6,229.7	5,137.8	-17.5%
MRDD WAIVER	46,876.2	44,424.8	-5.2%
OA WAIVER	20,141.9	19,378.7	-3.8%
OTHER WAIVER SVCS	295.3	196.1	-33.6%
PERSONAL CARE SVCS	46,358.8	59,282.7	27.9%
NURSING HOMES	45,612.4	51,663.2	13.3%
	177,076.8	191,071.3	

Waivers down ← Did right
} a problem

P. Care Attend 27.9% = 1500 people
Nursing Home 13.3% = 40 people

The chart below provides a summary of the historical trends of beneficiaries and claims payments for the DSDS Medicaid program.



Source: DHSS, FMS, Medicaid Budget. Data for 1998-2004 are from MMS/JUCE data Nov. 2004. 2005 data are projections as of April 21, 2005.

The Personal Care Attendant program, which was identified as a major portion of the Fast Track supplemental growth projection, is expected to continue to grow by a minimum of 20% over FY04.



PUBLIC HEALTH

**PROTECTING AND PROMOTING THE
HEALTH OF ALL ALASKANS**

**CSHB 193(HES), a Bill to Consolidate
DHSS Licensing, Certification and
Background Check Functions**

Dr. Richard Mandsager, M.D.
Director, Division of Public Health
Alaska Department of Health and Social Services

5/04/2005

Why are we doing this? What's wrong with things the way they are?



- The existing statutory and regulatory environment is a complex patchwork, with holes, duplication and unnecessary variants.
 - Agencies which offer more than one type of care services must meet different requirements for licensing created by evolving program standards and historical licensing criteria.
 - These differences limit the flexibility of licensing staff to operate across different program types.
 - There is no compelling rationale to maintain these differences, and much benefit to be derived from eliminating them.
- Some provider types are not covered today, for either requirements of licensing or background check requirements, or both.
- Some individuals can currently pass a background screen, who shouldn't.
- Tracking of required care provider information has not been consistent.
- Existing requirements can also raise the costs to care provider applicants.

"Recruiting and hiring ... is an area we cannot afford even a single failure of the system." Matthew Jones, Executive Director, Assets Inc.

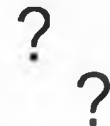
The existing regulation of long term care has not prevented instances of abuse and neglect.

- A supported living home provider was misappropriating funds from a resident. There is no requirement for the home to be licensed, and no background review had been conducted on the provider.
- An assisted living home attendant was fired for mistreatment, and the facts presented to law enforcement. No charges were filed and the case was dropped. This person remains eligible to work as a care provider.
- Three Alaska Nurse Aides were found by investigative agencies to be mistreating residents in a nine month period. Well after the mandatory reporting time period, two of these findings had not been entered into the registry.
 - One of the two involved physical violence.
- In another state, a person was involved in a stabbing in a convenience store. Months later, this person, recognized by someone who had been in the store, was found working as a long term care provider.
- Personal Care Attendants, who are typically listed by multiple employment agencies, must submit separate fingerprint-based background checks for each agency, at significant cost and duplication of effort.

Besides the gaps in the oversight process and risks to Alaskans in care, there is significant cost and effort to provide the required management of care programs.

- Currently, 19 programs are administered under at least 12 different statutory schemes for licensure by DHSS.
 - The complexity of the different standards and program compliance requirements have resulted in a cumbersome administrative structure.
 - Care providers are faced with a patchwork of regulations and sometimes conflicting requirements for service delivery, particularly the agencies that operate multiple types of care services.
 - For example, under current practices a Care Coordinator might be employable at one agency, but not acceptable to another agency. And an individual acceptable for Care Coordination would not be acceptable to an Assisted Living Home, or an Assisted Living Home employee might not be employable in Child Care.
 - Yet many of the care agencies operate in all these programs
 - Licensing and Certification surveyors/licensing staff must learn and deal with the variants of each service program.
 - A consolidated program promotes greater depth in staff expertise and cross training.

- Three licensing program units have been consolidated within Public Health, but the programs they manage still must be uniquely administered.

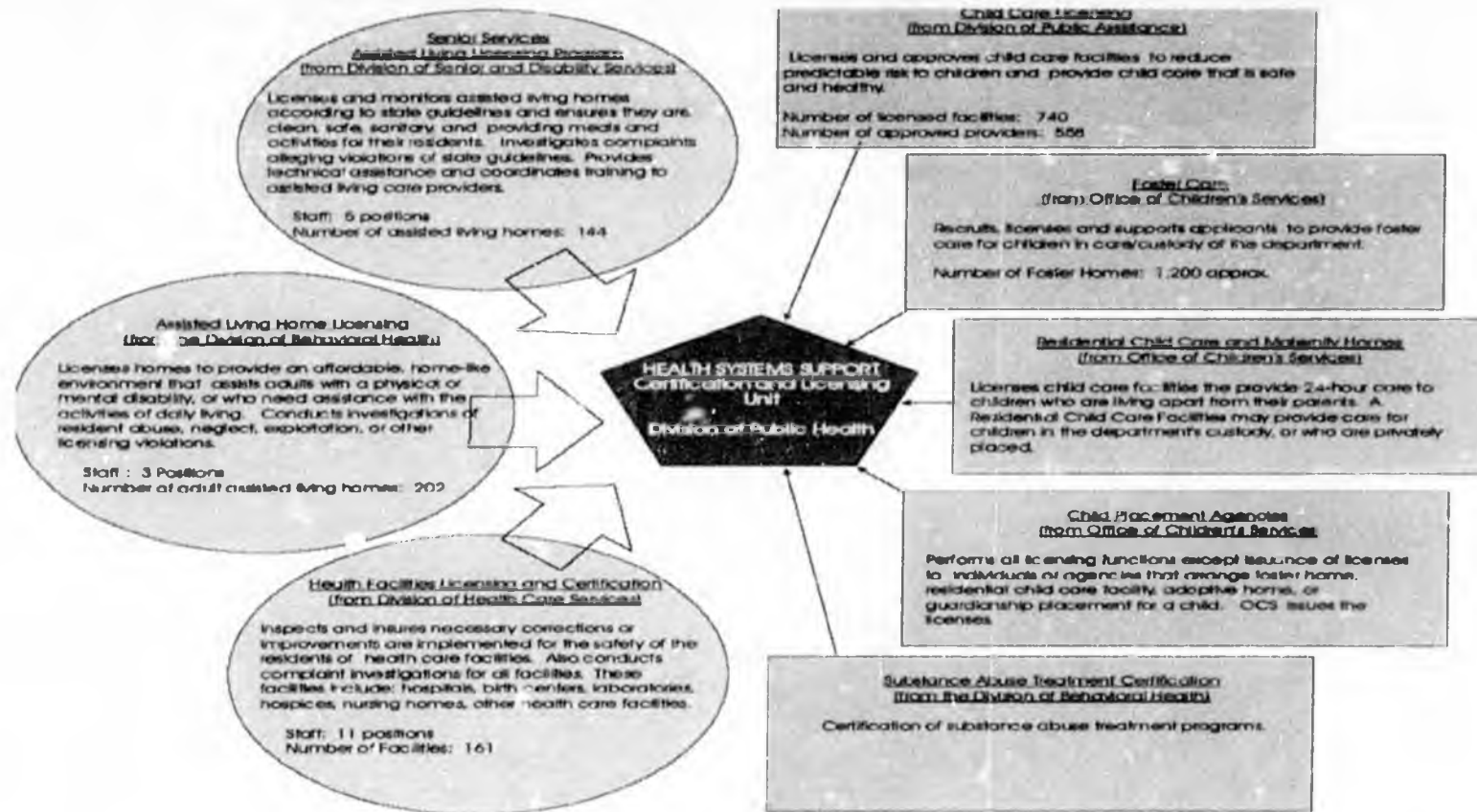


The three units that have been consolidated represent Phase I of the consolidation process.

Department of Health and Social Services Certification and Licensing Integration Project

Phase I – FY 2005

Potential Phase II - FY 2006 – 2009



Our aim is to reduce predictable risk, improve quality of care, foster patient rights, and advance public health, safety and welfare.

- **Centralized Licensing and Related Administrative Procedures, for:**

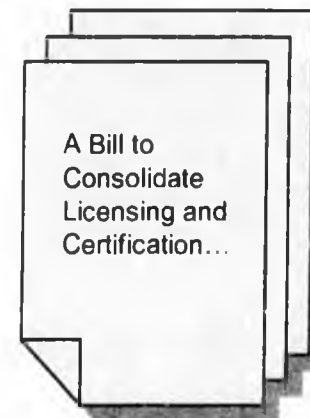
Ambulatory Surgical Centers	Home Health Agencies	Residential Child Care Facilities
Assisted Living Homes	Hospices	Residential Psychiatric Treatment Ctrs
Child Care Facilities	Hospitals	Rural Health Clinics
Child Placement Agencies	ICF/MRs	*Supported Living Homes
Foster Homes	Maternity Homes	*Personal Care Attendants
Freestanding Birth Centers	Nursing Facilities	*Case Mgmt/Care Coordination
		*Adult Day Care/Respite

- **Defines and Consolidates:**

- Definitions
- Requirements to get a license
- License renewal process
- Requirements for a background check
- Conditions for denial of license
- Complaints process and appeals
- Enforcement actions and penalties
- Confidentiality requirements

* Subject to background check provisions only

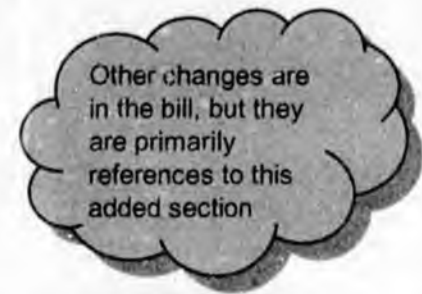
[Licensed Certified Both]



How CSHB 193(HES) impacts the existing statutory definition of current DHSS licensed programs...

18.20.075-085	Hospital reg, risk mgmt, inspection
18.20.300	Nursing Facilities - state policy
18.20.305-390	Nursing regs, penalties, appeals, fines, ...
47.33.005-090	ALH Purpose, applicability, payments, rules, ...
47.33.200-360	ALH rights, grievances, contracts
18.18.100	Hospice licensing requirements
18.18.200	Volunteer Hospice licensing requirements
18.18.300-340	General Hospice requirements
18.18.390	Hospice definitions
18.18.490	HHA definitions
18.20.230-250	Hospital charges
14.43.148	Defines nonrenewal of licenses in general Amended to include children and A/DA licensing
18.20.130	Defines nonrenewal of licenses in general
47.33.990	ALH Definitions, removed references to controlled subs.
47.37.270	Removed selected definitions related to treatment facilities
18.05.040(a)(10)	Direct Entry Midwifery free standing birth centers
18.18.005-040	Hospice regulation
18.20.090-120	Disclosure of information, penalties
18.18.350	Hospice disclosure requirements
18.18.410-470	Home Health Agencies
18.20-18.20.070	Hospitals and intermediate care facility licensing
18.20.302	Criminal background check, nursing employees
47.33.100	ALH criminal background checks
47.33.400-920	ALH Licensing process & procedures
47.35.005-260	Maternity, RPTCs, childrens services process and procedures

Retained
Retained
Retained
Retained
Retained



moved to regulation
moved to regulation
moved to regulation
moved to regulation
moved to regulation



Revised Regulations

Amended

Amended
Amended
Amended



Proposed C&L Consolidation
Bill 47.32.nnn

Repealed
Repealed
Repealed
Repealed
Repealed
Repealed
Repealed
Repealed
Repealed
Repealed



Note: "move to regulation" removes a regulatory level of detail from statute, but retains the spirit and intent of the statute in the forthcoming regulatory rewrite.

Repealed means being deleted as a separate statutory entity. The subject area will be included in the proposed new statute, and usually relates to specifics of licensing, licensing oversight and background check requirements.

Retained indicates those statutory sections remain unchanged. These are typically definitional or program operational in nature.

What's in CSHB 193(HES)?

- **Addition of a new chapter to centralize licensing and administration of covered entities:**
 - Defines what entities must be licensed
 - Defines license conditions, appeals, complaint process
 - Defines DHSS rights and responsibilities
 - Provides confidentiality protections
 - Provides criminal penalties for violations
- **Addition of a new article to centralize background checks and registry functions:**
 - Defines who is required to have background checks
 - Provides for regulatory definition of barrier conditions
 - Requires a centralized registry be created and maintained
- **Updates to existing statutes (see previous page)**
- **Establishes the timeline for implementation**

The key provisions of CSHB 193(HES):

- Barrier conditions to employment in the care provider field will be defined in a consolidated *regulation* definition, with an objective of defining one, or as close to one as possible, common, consistent set of conditions to apply to all provider types.
 - There may be a need to distinguish between barriers to adult care vs. children's care.
- All service providers with direct patient contact must be background checked including volunteers who have regular contact with individuals who receive services
- Charges of a barrier crime may be sufficient to bar employment.
- A confidential employee misconduct registry will be implemented for maintaining employment barrier conditions that may not be reflected elsewhere.
- A standard waivers process will be defined.
- A standard appeals process will be implemented.



Excerpt from just one of the current regulatory crosswalks

1.1.1 SUMMARY OF EXISTING AND PROPOSED NEW SAFETY AND SANITATION STANDARDS TO CERTAIN FACILITIES PROVIDING CARE TO CHILDREN AND TO ADULT RESIDENTS

February 16, 2005

NOTES TO READER: REQUIREMENTS, INCLUDING APPLICABILITY, ARE SUBJECT TO CHANGE AFTER REVIEW OF PUBLIC COMMENTS AND BEFORE ADOPTION.

Bracketed numbers = number of persons licensed for care, if requirements differ by size of facility

"E" = existing requirement (but may differ in proposal) "N" = new requirement "--" = not applicable (unless licensed for more than one category of care)
* = a more stringent requirement applies

ALH = assisted living home; FH = foster home; FGH = foster group home; RGH = residential child care group home; RCCC = residential child care center;
CCH = child care home; CCGH = child care group home; CCC = child care center; RPTC = residential psychiatric treatment center for children;
MH = maternity home; AP = approved provider (child care assistance)

REQUIREMENT	ALH	FH	FGH	RGH	RCCC	CCH	CCGH	CCC	RPTC	MH	AP
7 AAC 10.610. Life and fire safety											
<i>Based on existing child care licensing, 4 AAC 62.510; existing residential child care, 7 AAC 50.510; existing ALH, 7 AAC 75.270</i>											
(b)(1) -- Meet state code for fire safety in 13 AAC 50 and 13 AAC 55 or more stringent if required by local authorities	-- [1-5] E [6+]	E	E	E	E	E	E	E	N	N	
(b)(2) -- municipal building code approvals	-- [1-5] E [6+]	N	N	N	N	N	N	N	N	N	
(b)(3) and (c) -- fire safety inspection	E	E	E	E	E	E	E	E	E	E	
(d) -- disaster preparedness emergency evacuation plan	E	E	E	E	E	E	E	E	E	E	
(e) -- emergency evacuation drills	E	E	E	E	E	E	E	E	E	E	
(f) -- keep records of emergency drills	E [1-5] N [6+]	E	E	E	E	E	E	E	E	E	
(g) notification of fire or other emergency	N	N	N	N	N	N	N	N	N	N	
(h) carbon monoxide detector	N	N	N	N	N	N	N	N	N	N	
(i)(1) -- at least two means of emergency escape, at least one of which is exterior door	E [1-5] -- [6+]	E	E	E	*	E	*	*	E [1-10] * [10+]	E [1-10] * [10+]	
(i)(2) -- one means of escape from basement	N [1-5]	E	E	E [1-10] * [10+]	*	E [1-5] * [6+]	E [1-5] * [6+]	*	E [1-10] * [10+]	E [1-10] * [10+]	
(i)(3) -- fully-opening window in each bedroom	E	E	E	E [1-10] * [10+]	*	E [1-5] * [6+]	E [1-5] * [6+]	E	E [1-10] * [10+]	E [1-10] * [10+]	
(i)(4) -- screens do not prevent emergency escape	E	N	N	N	N	N	N	N	N	N	

5/4/2005

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STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030
FAX: (907) 465-3068

April 26, 2005

Honorable Lesil McGuire, Chair
House Health, Education and
Social Services Committee
Alaska State Capitol; Rm. 108
Juneau, AK 99801

Dear Representative McGuire,

The Department of Health and Social Services respectfully requests a hearing in the House Judiciary Committee on House Bill 193 "An Act relating to the licensing, regulation, enforcement, and appeal rights of ambulatory surgical centers, assisted living homes, child care facilities, child placement agencies, foster homes, free-standing birth centers, home health agencies, hospices or agencies providing hospice services, hospitals, intermediate care facilities for the mentally retarded, maternity homes, nursing facilities, residential child care facilities, residential psychiatric treatment centers, and rural health clinics; relating to criminal history requirements, and a registry, regarding certain licenses, certifications, approvals, and authorizations by the Department of Health and Social Services; making conforming amendments; and providing for an effective date."

The proposed bill will streamline the department's licensing processes by consolidating virtually all of the licensing functions related to standards, enforcement, and appeal rights into a single chapter of the Alaska Statutes.

The House Health, Education, and Social Services Committee heard the bill and recommends it be replaced with a House (HES) Committee Substitute with a new title. The department appreciates the work of the House (HES) Committee and supports a number of substantive improvements made in the underlying licensing-related provisions of the bill.

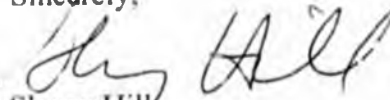
However the department cannot support the provisions of the House (HES) Committee Substitute establishing companion services as a new Medicaid-funded service for persons

on Medicaid waivers. These provisions have no bearing on the underlying purpose of HB 193 and would result in a significant increase in Medicaid costs that cannot be justified in light of budgetary constraints generally and competing Medicaid funding priorities in particular. Therefore the department urges the House Judiciary Committee to delete the companion services language from the bill.

The Governor's transmittal letter providing additional information about the bill and a zero fiscal note from the Division of Public Health addressing the licensing provisions of the bill should be on file with the committee. A new fiscal note addressing the companion services provisions of the House (HES) Committee Substitute has just been submitted to the House (HES) Committee.

Your favorable consideration of this request will be appreciated.

Sincerely,



Sherry Hill
Special Assistant

cc: Honorable Peggy Wilson, Chair
House Health, Education,
and Social Services Committee
Alaska House of Representatives

Kevin Jardell, Legislative Director
Office of the Governor

Dr. Richard Mandsager, Director
Division of Public Health

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB193-LAW-HS-02-28-0
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title "An Act relating to the licensing, regulation, enforcement, and appeal rights of certain ...facilities" RDU CIVIL
 Component Human Services
 Sponsor House Rules
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This bill would centralize almost all DHSS licensing statutes under a new chapter to AS 47. Currently, there are 12 different statutory schemes for the licensure of different entities by the DHSS. By centralizing these disparate procedures into a streamlined licensing process under a uniform statutory framework, the DHSS hopes to be able to administer these functions in a much more efficient and cost effective manner. Significant revisions to the corresponding regulations will be required and will result in a fiscal impact to the Department of Law in the first year or two following passage of this legislation. The Department of Health and Social Services has received a federal grant, requested in the Division of Public Health's FY 2006 budget, that will allow centralization to occur. The grant includes the funds needed by Department of Law for regulation revision and review.

Prepared by: Kathryn Daughhete, Director Phone 465-3673
 Division Administrative Services Date/Time 4/12/05 3:48 PM
 Approved by: Kathryn Daughhete for David Marquez, Attorney General Date 4/12/2005
 Agency Department of Law

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 193
 (H) Publish Date: 3/2/05
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

Title RELATING TO LICENSING BY THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES

RDU Public Health

Component Certification and Licensing

Sponsor (RLS) BY REQUEST OF THE GOVERNOR

Requester GOVERNOR

Component No. 245

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Because the purpose of this legislation is to streamline the licensing process to achieve those goals of efficiency and cost effectiveness by consolidating virtually all of the licensing functions related to standards, enforcement, and appeal rights in DHSS, no additional costs or staff resources within the department are anticipated.

Prepared by: Richard Mandsager, MD
 Division Public Health
 Approved by: Joel S. Gilbertson, Commissioner
 Agency Department of Health and Social Services

Phone 465-3139
 Date/Time 02/17/2005
 Date 02/28/2005

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 193
 (H) Publish Date: 3/2/05

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title: "An Act relating to the licensing, regulation, RDU: CIVIL
enforcement, and appeal rights of certain...facilities...." Component: Human Services
 Sponsor: _____
 Requester: Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	9.3					
Travel	0.0					
Contractual	1.1					
Supplies	0.2					
Equipment	0.2					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	10.8	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	10.8					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	10.8	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would centralize almost all DHSS licensing statutes under a new chapter to AS 47. Currently, there are 12 different statutory schemes for the licensure of different entities by the DHSS. By centralizing these disparate procedures into a streamlined licensing process under a uniform statutory framework, the DHSS hopes to be able to administer these functions in a much more efficient and cost effective manner. The Department of Law does not anticipate a significant long-term fiscal impact from passage of this legislation; however, it is clear that significant revisions to the corresponding regulations will be required. It is estimated that approximately 100 attorney hours might be required in such an effort.

Prepared by: Kathryn Daughhete, Director Phone: 465-5427
 Division: Administrative Services Date/Time: 2/28/05 2:15 PM
 Approved by: K. Daughhete for Scott Nordstrand, Acting Attorney General Date: 2/28/2005
 Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 193(HES)
 (H) Publish Date: 4/26/05
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

Title: RELATING TO LICENSING FUNCTIONS OF THE DEPT. OF HEALTH AND SOCIAL SERVICES
 RDU: Senior and Disabilities Svcs
 Component: Senior/Disabilities Medicaid Svc

Sponsor: (RLS) BY REQUEST OF THE GOVERNOR

Requester: HOUSE (HES) Component No. 2662

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	10,759.6	23,671.2	26,038.3	28,642.1	31,506.3	34,657.0
Miscellaneous						
TOTAL OPERATING	10,759.6	23,671.2	26,038.3	28,642.1	31,506.3	34,657.0

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

1002 Federal Receipts	6,195.4	13,629.9	14,992.9	16,492.1	18,141.3	19,955.5
1003 GF Match	4,564.2	10,041.3	11,045.4	12,150.0	13,365.0	14,701.5
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	10,759.6	23,671.2	26,038.3	28,642.1	31,506.3	34,657.0

Estimate of any current year (FY2005) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Revisions to CS HB 193 provide for expansion of reimbursable waiver services for Older Alaskans (OA) and Adults with Physical Disabilities (AD) to include Adult Companion Services.

The addition of Adult Companion Services is intended to restore non-medical care, supervision and socialization services formerly provided as a part of Respite Services.

Con't on page 2 of 3

Prepared by: Janet Clarke, Assistant Commissioner Phone 465-1630
 Division: Finance and Management Services Date/Time 04/25/2005
 Approved by: Joel S. Gilbertson, Commissioner Date 04/26/2005
 Agency: Department of Health and Social Services

FISCAL NOTE

FN # 3

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO CSHB 193(HES)

ANALYSIS CONTINUATION

The revisions provide for Companion Services as part of a recipient's approved plan of care to allow a primary caregiver to work and to allow a primary caregiver to sleep during normal nighttime hours when the care recipient may not be safely left alone.

Companion Services will not replace other services but would be in addition to existing services including Chore, Respite, and Personal Care Services. Companion Services providers are unskilled and would not be qualified to provide medical based Personal Care Services.

Currently there are 1,915 recipients of OA and AD waiver services. Of those approximately 570 reside in Assisted Living Homes and would not be eligible for Companion Services.

The department estimates that of the 1,345 eligible recipients, approximately 10% have caregivers who would utilize companion services for 10 hours per day to allow them to work full time. At \$19.72 per hour (the current median cost for unskilled Respite Care workers), daytime supervision is estimated at \$49.3 per recipient, per year or \$6,655.5 for 135 recipients each year. This assumes that care would be provided for 10 hrs per day, 5 days a week, 50 weeks per year.

Estimated costs for overnight supervision are based on the assumption that 10% of the 1,340 eligible recipients would be in need of overnight companion services. If these services were limited to 9 hrs per night and 3 nights per week, the cost would be \$27.7 per recipient or \$3,737.7 for 135 recipients each year.

Of the approximately 1,200 recipients who do not qualify for work related or overnight Companion Services, the department estimates that 90% (1,085) would utilize basic Companion Services. If limited to 10 hours per week, the cost would be \$10.3 per recipient per year or \$11,126.0 total.

The fiscal note assumes the program would be operational for one half year in FY06 and growth of 10% a year in succeeding years.

CS HB 193 - Companion Services Fiscal Note Calculation - Revised 4/25/05

	Work Related Supervision	Overnight Supervision	Basic Services	Total
# Recipients	135	135	1085	
Cost Per Hour	\$19.72	\$19.72	\$19.72	
# Hrs Per Week	n/a	n/a	10	
# Hrs Per Day	10	9	n/a	
# Days Per Week	5	3	n/a	
# Weeks Per Yr	50	52	52	
Total	6,655,500	3,737,729	11,126,024	21,519,253

	1/2 Year FY06	Full Yr Plus 10% - FY07	Plus 10% - FY08	Plus 10% - FY09	Plus 10% - FY10	Plus 10% - FY11
Cost	10,759,626	23,671,178	26,038,296	28,642,125	31,506,338	34,656,972
Fed	6,195,393	13,629,864	14,992,851	16,492,136	18,141,349	19,955,484
GF	4,564,234	10,041,314	11,045,445	12,149,990	13,364,989	14,701,487