

LEG. FINANCE - BILLS 1985 - 1986 2162  
SB 44 cont. - SB 51

1 (b) A zoning, subdivision, or other real estate use law, ordi-  
2 nance, or regulation may not prohibit the condominium or cooperative  
3 form of ownership or impose a requirement upon a condominium or co-  
4 operative that it would not impose upon a physically identical devel-  
5 opment under a different form of ownership.

6 (c) Except as provided in (a) and (b) of this section, the  
7 provisions of this chapter do not invalidate or modify a provision of  
8 a building code, zoning, subdivision, or other real estate use law,  
9 ordinance, or regulation governing the use of real estate.

10 Sec. 34.08.740. EMINENT DOMAIN. (a) If a unit is acquired by  
11 eminent domain or part of a unit is acquired by eminent domain leaving  
12 the unit owner with a remnant that may not practically or lawfully be  
13 used for any purpose permitted by the declaration, the award must  
14 include compensation to the unit owner for that unit and its allocated  
15 interests, whether or not any common elements are acquired. Upon  
16 acquisition, unless the decree otherwise provides, the allocated  
17 interests of the unit are, as a matter of law, reallocated to the  
18 remaining units in proportion to the respective allocated interests of  
19 those units before the taking, and the association shall promptly  
20 prepare, execute, and record an amendment to the declaration reflect-  
21 ing the reallocations. A remnant of a unit remaining after part of a  
22 unit is taken under this subsection is a common element from that  
23 time.

24 (b) Except as provided in (a) of this section, if part of a unit  
25 is acquired by eminent domain, the award must compensate the unit  
26 owner for the reduction in value of the unit and its interest in the  
27 common elements, whether or not any common elements are acquired.  
28 Upon acquisition, unless the decree provides otherwise,

29 (1) the allocated interests of the unit are reduced either

1 in proportion to the reduction in the size of the unit or on the basis  
2 specified in the declaration; and

3 (2) the portion of the allocated interests divested from  
4 the partially acquired unit are, as a matter of law, reallocated to  
5 the unit and to the remaining units in proportion to the respective  
6 allocated interests of the units before the taking, with the  
7 partially-acquired unit participating in the reallocation on the basis  
8 of its reduced allocated interests.

9 (c) If part of the common elements is acquired by eminent do-  
10 main, the portion of the award attributable to the common elements  
11 taken must be paid to the association. Unless the declaration pro-  
12 vides otherwise, any portion of the award attributable to the acquisi-  
13 tion of a limited common element must be equally divided among the  
14 owners of the units to which that limited common element was allocated  
15 at the time of acquisition.

16 (d) The court decree must be recorded in each recording district  
17 in which any portion of the common interest community is located.

18 (e) On a condemnation of a unit or common area, an award or  
19 decree must include a reasonable amount to cover the cost of reallo-  
20 cating the allocatable interests of the unit owners.

21 Sec. 34.08.750. SUPPLEMENTAL GENERAL PRINCIPLES OF LAW APPLICA-  
22 BLE. The principles of law and equity, including the law of corpora-  
23 tions and unincorporated associations, the law of real property, and  
24 the law relative to capacity to contract, principal and agent, eminent  
25 domain, estoppel, fraud, misrepresentation, duress, coercion, mistake,  
26 receivership, substantial performance, or other validating or invali-  
27 dating cause supplement the provisions of this chapter except to the  
28 extent inconsistent with this chapter.

29 Sec. 34.08.760. CONSTRUCTION AGAINST IMPLICIT REPEAL. This

1 chapter is a general act intended as a unified coverage of its subject  
2 matter and a part of the chapter may not be construed to be impliedly  
3 repealed by subsequent legislation if that construction can reasonably  
4 be avoided.

5 Sec. 34.08.770. UNIFORMITY OF APPLICATION AND CONSTRUCTION.  
6 This chapter shall be applied and construed so as to effectuate its  
7 general purpose to make uniform the law with respect to the subject of  
8 the chapter among states enacting it.

9 Sec. 34.08.780. SEVERABILITY. If a provision of this chapter or  
10 its application to any person or circumstance is held invalid, the  
11 invalidity does not affect other provisions or applications of this  
12 chapter that can be given effect without the invalid provision or  
13 application, and to this end the provisions of this chapter are sever-  
14 able.

15 Sec. 34.08.790. UNCONSCIONABLE AGREEMENT OR TERM OF CONTRACT.  
16 (a) Upon finding as a matter of law that a contract or contract  
17 clause was unconscionable at the time the contract was made, a court  
18 may refuse to enforce the contract, may enforce the remainder of the  
19 contract without the unconscionable clause, or may limit the applica-  
20 tion of the unconscionable clause in order to avoid an unconscionable  
21 result.

22 (b) Whenever it is claimed or appears to the court that a con-  
23 tract or a contract clause is or may be unconscionable, the parties,  
24 in order to aid the court in making the determination, must be afford-  
25 ed a reasonable opportunity to present evidence as to (1) the commer-  
26 cial setting of the negotiations; (2) whether a party has knowingly  
27 taken advantage of the inability of another party reasonably to pro-  
28 tect personal interests by reason of physical or mental infirmity,  
29 illiteracy, inability to understand the language of the agreement, or

1 similar factors; (3) the effect and purpose of the contract or clause;  
2 and (4) any gross disparity, if a sale, at the time of contracting,  
3 between the amount charged for the property and the value of the  
4 property measured by the price at which similar property was readily  
5 obtainable in similar transactions. A disparity between the contract  
6 price and the value of the property measured by the price at which  
7 similar property was readily obtainable in similar transactions does  
8 not, of itself, render the contract unconscionable.

9 Sec. 34.08.800. OBLIGATION OF GOOD FAITH. A contract or duty  
10 governed by this chapter imposes an obligation of good faith in its  
11 performance or enforcement.

12 Sec. 34.08.810. REMEDIES TO BE LIBERALLY ADMINISTERED. (a) The  
13 remedies provided by this chapter shall be liberally administered to  
14 the end that the aggrieved party is put in as good a position as if  
15 the other party had fully performed. Consequential, special, or  
16 punitive damages may not be awarded except as specifically provided in  
17 this chapter or by other rule of law.

18 (b) A right or obligation declared by this chapter is enforce-  
19 able by judicial proceeding.

20 Sec. 34.08.820. ADJUSTMENT OF DOLLAR AMOUNTS. (a) The dollar  
21 amounts specified in AS 34.08.030 and 34.08.510(b)(7) change under (b)  
22 and (c) of this section, according to and to the extent of changes in  
23 the Consumer Price Index for Urban Wage Earners and Clerical Workers:  
24 U.S. City Average, All Items 1967 equal 100, compiled by the Bureau of  
25 Labor Statistics, United States Department of Labor, (the "Index").  
26 The Index for December, 1979, which was 230, is the Reference Base  
27 Index.

28 (b) The dollar amounts specified in AS 34.08.030 and 34.08.-  
29 510(b)(7) and any amount stated in the declaration pursuant to those

1 sections change on July 1 of each year if the percentage of change,  
2 calculated to the nearest whole percentage point, between the Index at  
3 the end of the preceding year and the Reference Base Index is 10  
4 percent or more, except that

5 (1) the portion of the percentage change in the Index in  
6 excess of a multiple of 10 percent shall be disregarded and the dollar  
7 amounts shall change only in multiples of 10 percent of the amounts  
8 appearing in this chapter on the effective date of this Act;

9 (2) the dollar amounts may not change if the amounts re-  
10 quired by this section are those currently in effect under this chap-  
11 ter as a result of an earlier application of this section; and

12 (3) in no event may the dollar amounts be reduced below the  
13 amounts appearing in this chapter on the effective date of this Act.

14 (c) If the Index is revised after December 1979, the percentage  
15 of change under this section shall be calculated on the basis of the  
16 revised Index. If the revision of the Index changes the Reference  
17 Base Index, a revised Reference Base Index must be determined by  
18 multiplying the Reference Base Index then applicable by the rebasing  
19 factor furnished by the Bureau of Labor Statistics. If the Index is  
20 superseded, the index referred to in this section is the one repre-  
21 sented by the Bureau of Labor Statistics as reflecting most accurately  
22 changes in the purchasing power of the dollar for consumers.

23 Sec. 34.08.830. TRANSFER OF UNIT IN A COOPERATIVE. If a unit in  
24 a cooperative is owned by a unit owner or is sold, conveyed, volun-  
25 tarily or involuntarily encumbered, or otherwise transferred by the  
26 unit owner, the interest in the unit that is owned, sold, conveyed,  
27 encumbered, or otherwise transferred is the right to possession of the  
28 unit under a proprietary lease, coupled with the allocated interests  
29 of the unit, and the association's interest in the unit is not

1 affected by the transfer.

2 Sec. 34.08.990. DEFINITIONS. In this chapter,

3 (1) "affiliate of a declarant"

4 (A) means a person who controls, is controlled by, or  
5 is under common control with a declarant;

6 (B) as used in this paragraph, a person "controls" a  
7 declarant if the person

8 (i) is a general partner, officer, director, or  
9 employer of the declarant;

10 (ii) directly or indirectly or acting in concert  
11 with one or more other persons, or through one or more  
12 subsidiaries, owns, controls, holds with power to vote, or  
13 holds proxies representing more than 20 percent of the  
14 voting interest in the declarant;

15 (iii) controls in any manner the election of a  
16 majority of the directors of the declarant; or

17 (iv) has contributed more than 20 percent of the  
18 capital of the declarant;

19 (C) as used in this paragraph, a person "is controlled  
20 by" a declarant if the declarant

21 (i) is a general partner, officer, director, or  
22 employer of the person;

23 (ii) directly or indirectly or acting in concert  
24 with one or more other persons, or through one or more  
25 subsidiaries, owns, controls, holds with power to vote, or  
26 holds proxies representing, more than 20 percent of the  
27 voting interest in the person;

28 (iii) controls in any manner the election of a  
29 majority of the directors of the person; or

1 (iv) has contributed more than 20 percent of the  
2 capital of the person;

3 (D) as used in this paragraph, "control" does not  
4 exist if the powers described in this paragraph are held solely  
5 as security for an obligation and are not exercised;

6 (2) "allocated interests" means the following interests  
7 allocated to each unit:

8 (A) in a condominium, the undivided interest in the  
9 common elements, the common expense liability, and votes in the  
10 association;

11 (B) in a cooperative, the common expense liability and  
12 the ownership interest and votes in the association; and

13 (C) in a planned community, the common expense liabil-  
14 ity and votes in the association;

15 (3) "association" or "unit owners' association" means the  
16 unit owners' association organized under AS 34.08.310;

17 (4) "common elements" means

18 (A) in a condominium or cooperative, each portion of  
19 the common interest community other than a unit; and

20 (B) in a planned community, the real estate within a  
21 planned community owned or leased by the association, other than  
22 a unit;

23 (5) "common expenses" means expenditures made by, or finan-  
24 cial liabilities of, the association, together with any allocations to  
25 reserves;

26 (6) "common expense liability" means the liability for  
27 common expenses allocated to each unit under AS 34.08.150;

28 (7) "common interest community" means real estate with  
29 respect to which a person, by virtue of ownership of a unit, is

1 obligated to pay for real estate taxes, insurance premiums, mainte-  
2 nance, or improvement of other real estate described in a declaration;

3 (8) "condominium" means a common interest community in  
4 which

5 (A) portions of the real estate are designated for  
6 separate ownership;

7 (B) the remainder of the real estate is designated for  
8 common ownership solely by the owners of those portions; and

9 (C) the undivided interests in the common elements are  
10 vested in the unit owners;

11 (9) "conversion building" means a building that, before  
12 creation of the common interest community, was occupied wholly or  
13 partially by persons other than purchasers and persons who occupy with  
14 the consent of purchasers;

15 (10) "cooperative" means a common interest community in  
16 which the real estate is owned by an association, each of whose mem-  
17 bers is entitled by virtue of an ownership interest in the association  
18 to exclusive possession of a unit;

19 (11) "dealer" means a person engaged in the business of  
20 selling units who is not an owner of a common interest community or of  
21 a unit within a common interest community;

22 (12) "declarant" means a person or a group of persons acting  
23 in concert who

24 (A) as part of a common promotional plan, offers to  
25 dispose of its interest in a unit not previously disposed of; or

26 (B) reserves or succeeds to a special declarant right;

27 (13) "declaration"

28 (A) means an instrument, however described, that  
29 creates a common interest community; and

1 (B) includes amendments to a declaration;

2 (14) "development right" means a right or a combination of  
3 rights reserved by a declarant in the declaration to  
4 (A) add real estate to a common interest community;  
5 (B) create units, common elements, or limited common  
6 elements within a common interest community;  
7 (C) subdivide units or convert units into common  
8 elements; or  
9 (D) withdraw real estate from a common interest commu-  
10 nity;

11 (15) "dispose" or "disposition"  
12 (A) means a voluntary transfer to a purchaser of any  
13 legal or equitable interest in a unit;  
14 (B) does not include the transfer or release of a  
15 security interest;

16 (16) "executive board" means the body designated in the  
17 declaration to act on behalf of the association;

18 (17) "identifying number" means a symbol or address that  
19 identifies only one unit in a common interest community;

20 (18) "leasehold common interest community" means a common  
21 interest community in which all or a portion of the real estate is  
22 subject to a lease that, on its expiration or termination, will termi-  
23 nate the common interest community or reduce its size;

24 (19) "limited common element" means the portion of the  
25 common elements allocated for the exclusive use of one or more but  
26 fewer than all of the units by the declaration or by operation of  
27 AS 34.08.100(2) or (4);

28 (20) "master association" means an organization described in  
29 AS 34.08.280 whether or not it is also an association described in

1 AS 34.08.310;

2 (21) "offering"

3 (A) means an advertisement, inducement, solicitation,  
4 or attempt to encourage a person to acquire an interest in a  
5 unit, other than as security for an obligation;

6 (B) does not include an advertisement in a newspaper  
7 or other periodical of general circulation, or in any other  
8 broadcast medium to the general public describing a common inter-  
9 est community not located in the state if the advertisement  
10 states that an offering may be made only in compliance with the  
11 law of the jurisdiction in which the common interest community is  
12 located;

13 (22) "ownership of a unit" does not include a leasehold  
14 interest, including renewal options, of less than 20 years in a unit;

15 (23) "person" means

16 (A) an individual, corporation, business trust,  
17 estate, trust, partnership, association, joint venture, govern-  
18 ment, government subdivision or agency, or other legal or commer-  
19 cial entity;

20 (B) in the case of a land trust, the beneficiary of  
21 the land trust and not the land trust or its trustee;

22 (24) "planned community" means a common interest community  
23 that is not a condominium or a cooperative although a condominium or  
24 cooperative may be part of a planned community;

25 (25) "proprietary lease" means the agreement with the  
26 association under which a member is entitled to exclusive possession  
27 of a unit in a cooperative;

28 (26) "purchaser" means a person, other than a declarant or a  
29 dealer, who by means of a voluntary transfer acquires a legal or

1 equitable interest in a unit other than

2 (A) a leasehold interest, including renewal options,  
3 of less than 20 years; or

4 (B) as security for an obligation;

5 (27) "real estate"

6 (A) means a leasehold or other estate or interest in,  
7 over, or under land, including structures, fixtures, and other  
8 improvements and interests that by custom, usage, or law pass  
9 with a conveyance of land though not described in the contract of  
10 sale or instrument of conveyance;

11 (B) includes parcels with or without upper or lower  
12 boundaries, and spaces that may be filled with air or water;

13 (28) "residential purposes" means use for dwelling or recre-  
14 ational purposes, or both;

15 (29) "security interest"

16 (A) means an interest in real estate or personal  
17 property, created by contract or conveyance, that secures payment  
18 or performance of an obligation;

19 (B) includes a lien created by a mortgage, deed of  
20 trust, trust deed, security deed, contract for deed, land sales  
21 contract, lease intended as security, assignment of lease or  
22 rents intended as security, pledge of an ownership interest in an  
23 association, and any other consensual lien or title retention  
24 contract intended as security for an obligation;

25 (30) "special declarant rights" means the right reserved for  
26 the benefit of a declarant to

27 (A) complete improvements indicated on plats and plans  
28 filed with the declaration or, in a cooperative, to complete  
29 improvements described in the public offering statement pursuant

1 to AS 34.08.530(a)(2);

2 (B) exercise a development right;

3 (C) maintain sales offices, management offices, signs  
4 advertising the common interest community, and models;

5 (D) use easements through the common elements for the  
6 purpose of making improvements within the common interest commu-  
7 nity or within real estate that may be added to the common inter-  
8 est community;

9 (E) make the common interest community subject to a  
10 master association;

11 (F) merge or consolidate a common interest community  
12 with another common interest community of the same form of owner-  
13 ship; or

14 (G) appoint or remove an officer of the association or  
15 a master association or an executive board member during a period  
16 of declarant control;

17 (31) "time share" means a right to occupy a unit or any of  
18 several units during five or more separated time periods over a period  
19 of at least five years, including renewal options, whether or not  
20 coupled with an estate or interest in a common interest community or a  
21 specified portion of a common interest community;

22 (32) "unit" means a physical portion of the common interest  
23 community designated for separate ownership or occupancy, the bound-  
24 aries of which are described under AS 34.08.130(a)(5);

25 (33) "unit owner"

26 (A) means a declarant or other person who

27 (i) owns a unit; or

28 (ii) leases a unit in a leasehold common interest  
29 community whose lease expires simultaneously with any lease

1 that on its expiration or termination will remove the unit  
2 from the common interest community;

3 (B) does not include a person having an interest in a  
4 unit solely as security for an obligation;

5 (C) includes

6 (i) in a condominium or planned community, the  
7 declarant as the owner of any unit created by the declara-  
8 tion;

9 (ii) in a cooperative, the declarant as the owner  
10 of any unit to which allocated interests have been allocated  
11 until that unit has been conveyed to another person.

12 \* Sec. 2. AS 34.35.071(f) is amended to read:

13 (f) After recording a common interest community [CONDOMINIUM]  
14 declaration under AS 34.08 [AS PROVIDED IN AS 34.07.010 - 34.07.460  
15 (HORIZONTAL PROPERTY REGIMES ACT)], an owner may record a notice of  
16 completion under this section as to each unit [APARTMENT] after com-  
17 pletion of the original construction of each unit of the common inter-  
18 est community [CONDOMINIUM APARTMENT].

19 \* Sec. 3. AS 34.35.119 is amended to read:

20 Sec. 34.35.119. WAIVER OF LIENS ON UNSOLD COMMON INTEREST COMMU-  
21 NITY UNITS [CONDOMINIUM APARTMENTS]. (a) A lien [LIENS] created  
22 under AS 34.35.050 - 34.35.120 arising out of original construction  
23 that [WHICH] becomes subject to AS 34.08 [THE HORIZONTAL PROPERTY  
24 REGIMES ACT (AS 34.07.010 - 34.07.460)] before the first sale of a  
25 unit within a common interest community [ANY PORTION OF THE PROPERTY]  
26 after commencement of construction shall be subject to the provisions  
27 of this section.

28 (b) Subject to (c) of this section, a claimant who claims a lien  
29 against an entire common interest community [THE ENTIRE BUILDING]

1 shall release that portion of the [HIS] lien claim that [WHICH] re-  
2 lates to a particular unit within a common interest community [CONDO-  
3 MINIMUM APARTMENT] selected by the owner of the unsold common interest  
4 community units [CONDOMINIUM APARTMENTS] after the claimant receives a  
5 partial payment of the [HIS] lien claim that [WHICH] is equal to 115  
6 percent of the amount determined by:

7 (1) dividing the surface area of the common areas and  
8 facilities attendant to the common interest community unit [CONDOMINI-  
9 UM APARTMENT] by the surface area of all common areas and facilities  
10 of the common interest community building; and

11 (2) multiplying the result obtained in (1) of this sub-  
12 section by the total amount of the claimant's lien claim.

13 (c) A lien claimant is not required to waive a portion of the  
14 [HIS] lien claim under this section unless the amount of indebtedness  
15 secured by a prior encumbrance against the common interest community  
16 building held by a construction lender is also reduced by an amount  
17 calculated in the same manner as provided in (b) of this section.

18 \* Sec. 4. AS 34.07 is repealed.

19 \* Sec. 5. This Act takes effect January 1, 1986.

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

3/13/85

Date \_\_\_\_\_

Mr. President

The Committee on FINANCE considered SB 45  
hospital inspections and investigations by the Department of Health and  
Social Services.

and (a majority of the committee) (the committee) reports it back with  
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
*John H. ...*  
\_\_\_\_\_  
*...*  
\_\_\_\_\_  
*McClain*  
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*...*  
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*John ...*  
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\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

Offered: 3/13/85  
Referred: Finance

Original sponsor: Faiks

1 IN THE SENATE  
2 CS FOR SENATE BILL NO. 45 (HESS)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to hospital inspections and investi-  
7 gations by the Department of Health and Social Ser-  
8 vices."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. AS 18.20.080(a) is amended to read:  
11 (a) The department shall make annual inspections and investi-  
12 gations of hospital facilities. The department may accept  
13 accreditation by the Joint Commission on the Accreditation of  
14 Hospitals in lieu of its own inspections.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: SB45  
 Title: An Act relating to  
hospital inspections & investigations  
 Sponsor: Faiks  
 Requestor: \_\_\_\_\_  
 Date of Request: 1/29/85

FISCAL DETAIL

Agency Affected: DHSS  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected:  
Medical Assistance Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME None						
TEMPORARY required						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysts

Prepared By: Rod Betit, Director *R Betit* Phone: 465-3355  
 Division: Medical Assistance Date: 1/29/85

Approved by Commissioner: John R. Bj Date: 3/1/85 *JCC*  
 Agency: Health & Social Services

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

POSITION PAPER  
SENATE BILL NO. 45

"An Act relating to hospital inspections and investigations by the Department of Health and Social Services."

I. Background:

The purpose of SB45 is two fold; a) to reduce the annual hospital licensing demands on limited departmental staff, and b) to reduce the level of interruption to hospital operations as a result of duplicative licensing review activities.

The Joint Commission on the Accreditation of Hospitals (JCAH) reviews each hospital in Alaska once every three years. In addition, the Alaska Department of Health & Social Services conducts a review of each hospital annually. The Department recognizes that JCAH review standards are equal to those of the state, and that substitution of the JCAH review where possible would permit better utilization of limited State staff resources.

The administrative burden on the state licensing agency has expanded greatly in the last two years with no corresponding increase in State staff. Although the department has streamlined its review procedures to accommodate this larger workload, substituting the JCAH review would complement the other improvements already made. This would not create any undue risk to the public as significant differences have seldom been noted between the JCAH and State level review findings. In addition, the Department recommends discretionary language be added to SB45 which would permit the Department to conduct a State review if there is reason to believe the JCAH review findings may not be adequate.

II. Departmental Position:

The Department supports SB45, but recommends adoption of the changes proposed by the Alaska Hospital Association in a letter dated January 24, 1985. The changes proposed by the Hospital Association are not substantive, but rather further clarify the intent of SB45.

Recommend By: Randy Lup  
For: Rod Betik, Director  
Division of Medical Assistance

Date: 2/28/85

Approved By: J.R.P.  
John R. Pugh, Commissioner  
Department of Health & Social  
Services

Date: 2/11/85

5/10/85

ANALYSIS FOR SENATE BILL 45

An Act relating to hospital inspections and investigations by the Department of Health and Social Services

This bill amends current statute concerning annual hospital inspections by the Department of Health and Social Services. Facility inspections would occur annually, as they do now, on hospitals not accredited (20 in Alaska) by the Joint Commission on the Accreditation of Hospitals. For accredited hospitals, (7 in Alaska) the Department would be authorized to accept the JCAH inspection in lieu of its own inspection for those years in which the accreditation applies. JCAH accreditations apply for a period of 3 years. However, the Department would have the discretion to perform an inspection in any year, regardless of whether a JCAH accreditation had been performed.

There is no fiscal impact.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : CS SB45 (HSS) am  
 Title : An Act relating to hospital inspections & investigations  
 Sponsor : Faiks  
 Requestor : \_\_\_\_\_  
 Date of Request : 2/3/86

**FISCAL DETAIL**

Agency Affected : DHSS  
 BRU : Medical Assistance Administration  
 Components : Certification & Licensing

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>CAPITAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>REVENUE</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Prepared by : Rod Betit, Director *R. Betit*  
 Division : Medical Assistance *2/3/86*

Phone : 465-3355 *Jce*  
 Date : 2/3/86

Approved by Commissioner : [Signature]  
 Agency : Department of Health & Social Services

Date : 2/9/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

POSITION PAPER  
CS FOR SENATE BILL NO. 45 (HESS)

"An Act relating to hospital inspections and investigations by the Department of Health and Social Services."

I. Background:

The purpose of SB45 is two fold; a) to reduce the annual hospital licensing demands on limited departmental staff, and b) to reduce the level of interruption to hospital operations as a result of duplicative licensing review activities.

The Joint Commission on the Accreditation of Hospitals (JCAH) reviews each hospital in Alaska once every three years. In addition, the Alaska Department of Health & Social Services conducts a review of each hospital annually. The Department recognizes that JCAH review standards are often equal to those of the state, and that substitution of the JCAH review where possible would permit better utilization of limited State staff resources.

The administrative burden on the state licensing agency has expanded greatly in the last two years with no corresponding increase in State staff. Although the department has streamlined its review procedures to accommodate this larger workload, substituting the JCAH review would complement the other improvements already made. This would not create any undue risk to the public as significant differences have seldom been noted between the JCAH and State level review findings. In addition, the Department recommends discretionary language be added to SB45 which would permit the Department to conduct a State review if there is reason to believe the JCAH review findings may not be adequate.

II. Departmental Position:

The Department supports SB45, but recommends adoption of the changes proposed by the Alaska Hospital Association in a letter dated January 24, 1985. The changes proposed by the Hospital Association are not substantive, but rather further clarify the intent of SB45.

Recommend By:

Rod Betit  
Rod Betit, Director  
Division of Medical Assistance

Date:

Feb 3, 1986

Approved By:

J. R. Pugh  
John R. Pugh, Commissioner  
Department of Health & Social  
Services

Date:

2/3/86

alaska  
state  
hospital  
association

319 Seward St., Juneau, Alaska 99801 • (907) 586-1790

REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

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Edward Zeine  
Cordova Community Hospital  
Cordova

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Michael Herring  
South Peninsula Hospital  
Homer

Immediate Past Chairman  
Mark Hawkins  
Sitka Community Hospital  
Sitka

Secretary/Treasurer  
Emma Ivy  
Wrangell General Hospital  
Wrangell

Delegate to the American  
Hospital Association  
Al M. Camosso  
Providence Hospital  
Anchorage

Alternate Delegate to the  
American Hospital Assoc.  
Sister Barbara Haase  
Ketchikan General Hospital  
Ketchikan

Delegate to the American  
Health Care Association  
Jack Buck  
St. Ann's Nursing Home  
Juneau

Alternate Delegate to the  
American Health Care  
Association  
Craig Slater  
Petersburg General Hospital  
Petersburg

Delegate to the Association  
of Western Hospitals  
Keith Campbell  
Seward General Hospital  
Seward

Alternate Delegate to the  
Association of Western  
Hospitals  
Jane Sabes  
Norton Sound Regional  
Hospital  
Nome

Trustee Delegate to the  
American Hospital Assoc.  
Moe Kadish  
Trustee, Providence  
Hospital  
Anchorage

Alternate Trustee Delegate  
to the American Hospital  
Association  
Maxine Robertson  
Trustee, Ketchikan  
General Hospital

Physician Member of  
the Board  
Morris Horning, M.D.  
Anchorage

President  
Dennis L. DeWitt  
Juneau

April 10, 1985

The Honorable Jan Faiks  
Co-Chairman  
Senate Finance Committee  
Alaska State Senate  
Pouch V (MS 3100)  
Juneau, Alaska 99811

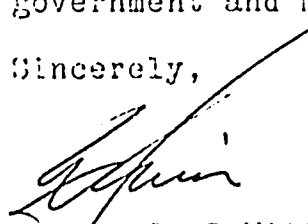
Dear Senator Faiks:

Senate Bill 45 is before the Senate Finance Committee for consideration. The Alaska State Hospital Association respectfully requests your support for this measure.

Senate Bill 45 would allow Alaska to join approximately 40 other states which accept the accreditation of the Joint Commission on the Accreditation of Hospitals in lieu of state agency survey for purposes of state licensure. We believe that this measure would be a cost savings for both the state and those facilities which choose to be surveyed by the Joint Commission on the Accreditation of Hospitals. The facility would save the costs of staff time to prepare for and participate in one survey. The state would save by not having to survey those facilities.

We believe that this bill moves toward efficiency in state government and merits your support.

Sincerely,

  
Dennis L. DeWitt  
President

2/24/85

# AMH/84

Accreditation  
Manual for  
Hospitals

JCAH Joint Commission  
on Accreditation  
of Hospitals

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# Foreword

In 1981, JCAH began revising the *Accreditation Manual for Hospitals* to develop less prescriptive, more goal-oriented standards that focus on essential elements of quality care. With the 1984 edition of this *Manual*, we are pleased to introduce the first of these revisions: new chapters on governing body and management and administrative services, and new standards for monitoring and evaluation in clinical support services.

The chapters on governing body and management and administrative services have been completely revised and updated. Placement in an outline format is intended to enhance readability, clarify the intent of the standards, eliminate ambiguity, and focus on those aspects of the standards that are basic to the provision of quality care; this format will be followed in all future revisions to the *AMH*. The changes to these chapters are further explicated in Appendix A.

Standards for monitoring and evaluation in clinical support services appear in the following chapters: Anesthesia Services, Dietetic Services, Emergency Services, Home Care Services, Hospital-Sponsored Ambulatory Care Services, Nursing Services, Pharmaceutical Services, Pathology and Medical Laboratory Services, Radiology Services, Rehabilitation Programs/Services, Respiratory Services, Social Work Services, and Special Care Units. In developing these standards, JCAH eliminated frequency requirements and other prescriptive language to allow hospitals greater flexibility in conducting quality assurance activities, which is in keeping with the intent of the original quality assurance standard published in 1979. These changes also are explained in Appendix A.

New standards for hospitals that provide psychiatric/substance abuse services also have been developed, appear in several chapters throughout the book, and are described in Appendix A. With the development of these standards, JCAH offers chief executive officers of hospitals that provide only psychiatric/substance abuse services the option of an accreditation survey using either the standards contained in this *Manual* or those standards contained in the *Consolidated Standards Manual for Child, Adolescent, and Adult Psychiatric, Alcoholism, and Drug Abuse Facilities*. The same option is applicable to a psychiatric/substance abuse department/service of a general hospital and will be honored for a three-year period beginning on the April 1, 1984, effective date of this *Manual*.

In fulfilling its mission to improve the quality of care and services provided in health care settings through the voluntary accreditation process, JCAH recognizes the importance of maintaining standards and survey procedures that reflect current practice and the dynamic environment of the health care industry. In conjunction with the standards revision process, JCAH has been modifying accreditation survey procedures: The implementation of a three-year accreditation cycle, the introduction of a tailored survey process, and the development of interim monitoring mechanisms are designed to enhance the consultative nature

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of JCAH surveys and recognize the individual needs and unique features of facilities.

As we continue to revise the standards and modify accreditation procedures, we will continue to look to the health care professions for advice and assistance. In the past two years, during numerous field reviews and a field trial of the proposed standards, and during feasibility studies of proposed modifications in the survey process, we have appreciated the support and cooperation that you have provided.

John E. Affeldt, MD  
President

#### Editor's Note

Throughout this *Accreditation Manual for Hospitals* reference is made to documents or standards published by other organizations. Each such reference is to a specific document at a given point in time. Subsequent editions of any materials used as a reference do not automatically become the authoritative reference of JCAH until approved as such by the Board of Commissioners.

Pronouns throughout this document have been chosen to provide ease in reading and are not meant to exclude reference to the opposite sex.

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# **Rights and Responsibilities of Patients**

The basic rights of human beings for independence of expression, decision, and action, and concern for personal dignity and human relationships are always of great importance. During sickness, however, their presence or absence becomes a vital, deciding factor in survival and recovery. Thus it becomes a prime responsibility for hospitals to endeavor to assure that these rights are preserved for their patients.

In providing care, hospitals have the right to expect behavior on the part of patients and their relatives and friends, which, considering the nature of their illness, is reasonable and responsible.

This statement does not presume to be all-inclusive. It is intended to convey JCAH's concern about the relationship between hospitals and patients, and to emphasize the need for the observance of the rights and responsibilities of patients.

The following basic rights and responsibilities of patients are considered reasonably applicable to all hospitals.

## **Patient Rights**

### **Access to Care**

Individuals shall be accorded impartial access to treatment or accommodations that are available or medically indicated, regardless of race, creed, sex, national origin, or sources of payment for care.

### **Respect and Dignity**

The patient has the right to considerate, respectful care at all times and under all circumstances, with recognition of his personal dignity.

### **Privacy and Confidentiality**

The patient has the right, within the law, to personal and informational privacy, as manifested by the following rights:

- To refuse to talk with or see anyone not officially connected with the

hospital, including visitors, or persons officially connected with the hospital but not directly involved in his care.

- To wear appropriate personal clothing and religious or other symbolic items, as long as they do not interfere with diagnostic procedures or treatment.
- To be interviewed and examined in surroundings designed to assure reasonable audiovisual privacy. This includes the right to have a person of one's own sex present during certain parts of a physical examination, treatment, or procedure performed by a health professional of the opposite sex; and the right not to remain disrobed any longer than is required for accomplishing the medical purpose for which the patient was asked to disrobe.
- To expect that any discussion or consultation involving his case will be conducted discreetly and that individuals not directly involved in his care will not be present without his permission.
- To have his medical record read only by individuals directly involved in his treatment or the monitoring of its quality, and by other individuals only on his written authorization or that of his legally authorized representative.
- To expect all communications and other records pertaining to his care, including the source of payment for treatment, to be treated as confidential.
- To request a transfer to another room if another patient or visitors in that room are unreasonably disturbing him by smoking or other actions.
- To be placed in protective privacy when considered necessary for personal safety.

#### **Personal Safety**

The patient has the right to expect reasonable safety insofar as the hospital practices and environment are concerned.

#### **Identity**

The patient has the right to know the identity and professional status of individuals providing service to him, and to know which physician or other practitioner is primarily responsible for his care. This includes the patient's right to know of the existence of any professional relationship among individuals who are treating him, as well as the relationship to any other health care or educational institutions involved in his care. Participation by patients in clinical training programs or in the gathering of data for research purposes should be voluntary.

#### **Information**

The patient has the right to obtain, from the practitioner responsible for coordinating his care, complete and current information concerning his diagnosis (to the degree known), treatment, and any known prognosis. This information should be communicated in terms the patient can reasonably be expected to understand. When it is not medically advisable to give such information to the patient, the information should be made available to a legally authorized individual.

### **Communication**

The patient has the right of access to people outside the hospital by means of visitors, and by verbal and written communication.

When the patient does not speak or understand the predominant language of the community, he should have access to an interpreter. This is particularly true where language barriers are a continuing problem.

### **Consent**

The patient has the right to reasonably informed participation in decisions involving his health care. To the degree possible, this should be based on a clear, concise explanation of his condition and of all proposed technical procedures, including the possibilities of any risk of mortality or serious side effects, problems related to recuperation, and probability of success. The patient should not be subjected to any procedure without his voluntary, competent, and understanding consent, or that of his legally authorized representative. Where medically significant alternatives for care or treatment exist, the patient shall be so informed.

The patient has the right to know who is responsible for authorizing and performing the procedures or treatment.

The patient shall be informed if the hospital proposes to engage in or perform human experimentation or other research/educational projects affecting his care or treatment, and the patient has the right to refuse to participate in any such activity.

### **Consultation**

The patient, at his own request and expense, has the right to consult with a specialist.

### **Refusal of Treatment**

The patient may refuse treatment to the extent permitted by law. When refusal of treatment by the patient or his legally authorized representative prevents the provision of appropriate care in accordance with professional standards, the relationship with the patient may be terminated upon reasonable notice.

### **Transfer and Continuity of Care**

A patient may not be transferred to another facility unless he has received a complete explanation of the need for the transfer and the alternatives to such a transfer, and unless the transfer is acceptable to the other facility. The patient has the right to be informed by the practitioner responsible for his care, or his delegate, of any continuing health care requirements following discharge from the hospital.

### **Hospital Charges**

Regardless of the source of payment for his care, the patient has the right to request and receive an itemized and detailed explanation of his total bill for services rendered in the hospital. The patient has the right to timely notice prior

to termination of his eligibility for reimbursement by any third-party payer for the cost of his care.

#### **Hospital Rules and Regulations**

The patient should be informed of the hospital rules and regulations applicable to his conduct as a patient. Patients are entitled to information about the hospital's mechanism for the initiation, review, and resolution of patient complaints.

#### **Patient Responsibilities**

##### **Provision of Information**

A patient has the responsibility to provide, to the best of his knowledge, accurate and complete information about present complaints, past illnesses, hospitalizations, medications, and other matters relating to his health. He has the responsibility to report unexpected changes in his condition to the responsible practitioner. A patient is responsible for making it known whether he clearly comprehends a contemplated course of action and what is expected of him.

##### **Compliance with Instructions**

A patient is responsible for following the treatment plan recommended by the practitioner primarily responsible for his care. This may include following the instructions of nurses and allied health personnel as they carry out the coordinated plan of care and implement the responsible practitioner's orders, and as they enforce the applicable hospital rules and regulations. The patient is responsible for keeping appointments and, when he is unable to do so for any reason, for notifying the responsible practitioner or the hospital.

##### **Refusal of Treatment**

The patient is responsible for his actions if he refuses treatment or does not follow the practitioner's instructions.

##### **Hospital Charges**

The patient is responsible for assuring that the financial obligations of his health care are fulfilled as promptly as possible.

##### **Hospital Rules and Regulations**

The patient is responsible for following hospital rules and regulations affecting patient care and conduct.

##### **Respect and Consideration**

The patient is responsible for being considerate of the rights of other patients and hospital personnel, and for assisting in the control of noise, smoking, and the number of visitors. The patient is responsible for being respectful of the property of other persons and of the hospital.

Introduced: 1/14/85  
Referred: Health, Education and  
Social Services and  
Finance

1 IN THE SENATE

BY FAIKS

2

SENATE BILL NO. 45

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to hospital inspections and investi-  
7 gations by the Department of Health and Social Ser-  
8 vices."

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

10 \* Section 1. AS 18.20.080(a) is amended to read:

11 (a) The department shall make [ANNUAL] inspections and investi-  
12 gations of hospital facilities.

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

1/14/85

Date 3-12-85

Mr. President

The Committee on HESS considered SB 45

relating to hospital inspections and investigations by the Department of Health and Social Services.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 45 (HESS)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING

DO PASS

Cecilia Stangulovska

Edna Weir

Paul Frick

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING

OTHER RECOMMENDATIONS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Betty Humberg  
Chairman

Do Pass  
Chairman recommendation

HOUSE  
COMMITTEE REPORT

(11)

Date referred: 2/19/86

FURTHER REFERRALS:

DATE: 4-7-86

The FINANCE Committee has considered CSSB 45 (HESS) am

"An Act relating to hospital inspections and investigations by the Department of Health and Social Services."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with HCS CS SB45 (JVD)  same title
- new title

and recommends do pass

further referral to the \_\_\_\_\_ Committee

- and attaches:  letter of intent
- first fiscal note
- new fiscal note
- zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Robert P. Bell

John V. Conner

Mike S. Gennaro

Ronald J. Ryan

Pat Foy

John Bell

John P. Ryan

John P. Ryan

John P. Ryan

John P. Ryan

John P. Ryan

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\_\_\_\_\_

Robert P. Bell  
Chairman

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date : 4/4/86

**REQUEST**

Bill/Resolution No. : HCS CSSB 45 (JUD)  
 Title : Re: hospital inspections & investigations by DH&SS.

Sponsor : Falks  
 Requestor : House Finance Committee  
 Date of Request : 4/4/86

**FISCAL DETAIL**

Agency Affected : Health & Social Services  
 BRU : \_\_\_\_\_

Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		0	0	0	0	0
TRAVEL		0	0	0	0	0
CONTRACTUAL		0	0	0	0	0
SUPPLIES		0	0	0	0	0
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
<b>TOTAL OPERATING</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>CAPITAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>REVENUE</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS		0	0	0	0	0
OTHER		0	0	0	0	0
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS :**

FULL-TIME		0	0	0	0	0
PART-TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

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

*No version of this bill has had any fiscal impact.*

*APA*

Prepared by : Al Adams, Chair Phone : 465-3706  
 Division : House Finance Committee Date : 4/4/86

Approved by Commissioner : \_\_\_\_\_ Date : \_\_\_\_\_  
 Agency : \_\_\_\_\_

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Offered: 2/19/86  
Referred: Finance

Original sponsor: Faiks

1 IN THE SENATE BY THE JUDICIARY COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 45 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to hospital inspections and investi-  
7 gations by the Department of Health and Social Ser-  
8 vices."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. AS 18.20.060(a) is amended to read:  
11 (a) The department shall make annual inspections and investi-  
12 gations of hospital facilities. The department may accept accredita-  
13 tion by the Joint Commission on the Accreditation of Hospitals in lieu  
14 of an annual inspection by the department for the year in which the  
15 accreditation was granted if the accreditation standards of the com-  
16 mission are substantially similar to the inspection standards of the  
17 department.

# health association of alaska

319 Seward St., Juneau, Alaska 99801 • (907) 586-1790  
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South Peninsula Hospital  
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Hospital  
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General Hospital  
Soldotna

Physician Member of  
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Anchorage

President  
Dennis DeWitt  
Juneau

April 5, 1986

The Honorable Al Adams  
Chairman, House Finance Committee  
Alaska State Legislature  
Pouch W (MS 3100)  
Juneau, Alaska 99811

Dear Representative Adams,

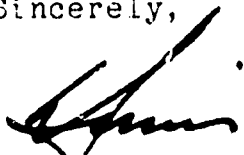
Subject Senate Bill 45

Senate Bill 45 is before the Finance Committee for consideration on Monday April 7. The Health Association of Alaska strongly supports passage of this bill. We know of no opposition to this bill.

We believe that the use of the Joint Commission on the Accreditation of Hospitals (JCAH) survey in lieu of the state licensing survey makes good economic sense for both the state and facilities. It simply reduces the number of surveys which must be done in a health facility in the year it is surveyed by JCHA. Over 35 states as well as the Medicare and Medicaid programs already allow this process. I have enclosed our position paper for your reference.

I am required to be in Anchorage on the date of the hearing. I apologize that there will be no personal representation of the Health Association but it is unavoidable. Our support for this bill remains strong and we would appreciate it being passed out of the Finance Committee.

Sincerely,

  
Dennis L. DeWitt  
Executive Director

FL 9- ERLY

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# health association of alaska

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Juneau

## POSITION PAPER

### FREQUENCY OF LICENSURE SURVEY

#### POSITION:

The Joint Commission on the Accreditation of Hospitals (JCAH) survey is accepted for purposes of Medicare and Medicaid certification and in 35 states is a part of or in lieu of state licensure. In Alaska, permitting the use of the JCAH survey in lieu of licensure would reduce licensure survey costs to the Department of Health and Social Services and would reduce duplicate surveys and the attendant added costs for facilities. Injecting flexibility into the law would permit the Department to focus its activities in depth in areas of need rather than across the board.

#### ACTION:

Pass Senate Bill 45 which is supported by this Association and the Department of Health and Social Services.

December 6, 1985

*HOUSE FINANCE HEARING  
Monday April 7, 1986*

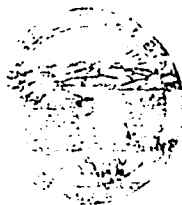
FORMERLY

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## Alaska State Legislature

CO-CHAIRMAN  
FINANCE COMMITTEE

907-465-3740



JAN FAIKS  
POUCH V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

## Senate

April 4, 1986

MEMORANDUM

TO: Representative Al Adams, Chairman  
House Finance Committee

FROM: Senator Jan Faiks

SUBJECT: Background on Senate Bill 45, an act relating to  
hospital inspections and investigations by the  
Department of Health and Social Services

Each year the Department of Health and Social Services inspects all hospitals in the state. Every three years, fourteen of our larger hospitals also receive an inspection by the Joint Commission on the Accreditation of Hospitals ("JCAH").

The JCAH is a private organization which inspects facilities throughout the country. The inspected hospitals pay for this service, and if they meet the JCAH standards, the Association's accreditation is valid for three years.

The JCAH inspection is thorough and covers the same areas as the Department's inspection - physical plant, safety and sanitation, record keeping, medical staff, medical facilities, management and administration. The Department has testified that the Association's inspections are comparable to their own.

The current version of this bill will allow the Department to accept JCAH accreditation in lieu of its own annual inspection for the year that the Association's accreditation is granted. This acceptance can occur only if the accreditation standards are substantially similar to the Department's inspection standards.

Passage of Senate Bill 45 will not jeopardize the safety of our hospitals. Forty states now accept JCAH accreditation

OUT OF SESSION

1024 WEST SIXTH AVENUE, SUITE 302 ANCHORAGE, ALASKA 99501 907-274-6611

in lieu of their own inspections. In case the Department determines that the JCAH inspections are not satisfactory, the state may still conduct its own. Smaller facilities who do not contract for an Association inspection will still be subject to a yearly inspection by the Department.

Passage of this bill, however, will save expenses on both sides. In the years that the Department accepts the JCAH accreditation, the state will not have to spend staff time inspecting the facility and the hospital staff will be spared the time and effort of preparing for a second inspection.

For this reason, I urge you to pass Senate Bill 45. Thank you.

SB 45  
FILE copy

# AMH/84

Accreditation  
Manual for  
Hospitals

JCAH Joint Commission  
on Accreditation  
of Hospitals

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## Foreword

In 1981, JCAH began revising the *Accreditation Manual for Hospitals* to develop less prescriptive, more goal-oriented standards that focus on essential elements of quality care. With the 1984 edition of this *Manual*, we are pleased to introduce the first of these revisions: new chapters on governing body and management and administrative services, and new standards for monitoring and evaluation in clinical support services.

The chapters on governing body and management and administrative services have been completely revised and updated. Placement in an outline format is intended to enhance readability, clarify the intent of the standards, eliminate ambiguity, and focus on those aspects of the standards that are basic to the provision of quality care; this format will be followed in all future revisions to the *AMH*. The changes to these chapters are further explicated in Appendix A.

Standards for monitoring and evaluation in clinical support services appear in the following chapters: Anesthesia Services, Dietetic Services, Emergency Services, Home Care Services, Hospital-Sponsored Ambulatory Care Services, Nursing Services, Pharmaceutical Services, Pathology and Medical Laboratory Services, Radiology Services, Rehabilitation Programs/Services, Respiratory Services, Social Work Services, and Special Care Units. In developing these standards, JCAH eliminated frequency requirements and other prescriptive language to allow hospitals greater flexibility in conducting quality assurance activities, which is in keeping with the intent of the original quality assurance standard published in 1979. These changes also are explained in Appendix A.

New standards for hospitals that provide psychiatric/substance abuse services also have been developed, appear in several chapters throughout the book, and are described in Appendix A. With the development of these standards, JCAH offers chief executive officers of hospitals that provide only psychiatric/substance abuse services the option of an accreditation survey using either the standards contained in this *Manual* or those standards contained in the *Consolidated Standards Manual for Child, Adolescent, and Adult Psychiatric, Alcoholism, and Drug Abuse Facilities*. The same option is applicable to a psychiatric/substance abuse department/service of a general hospital and will be honored for a three-year period beginning on the April 1, 1984, effective date of this *Manual*.

In fulfilling its mission to improve the quality of care and services provided in health care settings through the voluntary accreditation process, JCAH recognizes the importance of maintaining standards and survey procedures that reflect current practice and the dynamic environment of the health care industry. In conjunction with the standards revision process, JCAH has been modifying accreditation survey procedures: The implementation of a three-year accreditation cycle, the introduction of a tailored survey process, and the development of interim monitoring mechanisms are designed to enhance the consultative nature

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of JCAH surveys and recognize the individual needs and unique features of facilities.

As we continue to revise the standards and modify accreditation procedures, we will continue to look to the health care professions for advice and assistance. In the past two years, during numerous field reviews and a field trial of the proposed standards, and during feasibility studies of proposed modifications in the survey process, we have appreciated the support and cooperation that you have provided.

John E. Affeldt, MD  
President

#### Editor's Note

Throughout this *Accreditation Manual for Hospitals* reference is made to documents or standards published by other organizations. Each such reference is to a specific document at a given point in time. Subsequent editions of any materials used as a reference do not automatically become the authoritative reference of JCAH until approved as such by the Board of Commissioners.

Pronouns throughout this document have been chosen to provide ease in reading and are not meant to exclude reference to the opposite sex.

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# **Rights and Responsibilities of Patients**

The basic rights of human beings for independence of expression, decision, and action, and concern for personal dignity and human relationships are always of great importance. During sickness, however, their presence or absence becomes a vital, deciding factor in survival and recovery. Thus it becomes a prime responsibility for hospitals to endeavor to assure that these rights are preserved for their patients.

In providing care, hospitals have the right to expect behavior on the part of patients and their relatives and friends, which, considering the nature of their illness, is reasonable and responsible.

This statement does not presume to be all-inclusive. It is intended to convey JCAH's concern about the relationship between hospitals and patients, and to emphasize the need for the observance of the rights and responsibilities of patients.

The following basic rights and responsibilities of patients are considered reasonably applicable to all hospitals.

## **Patient Rights**

### **Access to Care**

Individuals shall be accorded impartial access to treatment or accommodations that are available or medically indicated, regardless of race, creed, sex, national origin, or sources of payment for care.

### **Respect and Dignity**

The patient has the right to considerate, respectful care at all times and under all circumstances, with recognition of his personal dignity.

### **Privacy and Confidentiality**

The patient has the right, within the law, to personal and informational privacy, as manifested by the following rights:

- To refuse to talk with or see anyone not officially connected with the

hospital, including visitors, or persons officially connected with the hospital but not directly involved in his care.

- To wear appropriate personal clothing and religious or other symbolic items, as long as they do not interfere with diagnostic procedures or treatment.
- To be interviewed and examined in surroundings designed to assure reasonable audiovisual privacy. This includes the right to have a person of one's own sex present during certain parts of a physical examination, treatment, or procedure performed by a health professional of the opposite sex; and the right not to remain disrobed any longer than is required for accomplishing the medical purpose for which the patient was asked to disrobe.
- To expect that any discussion or consultation involving his case will be conducted discreetly and that individuals not directly involved in his care will not be present without his permission.
- To have his medical record read only by individuals directly involved in his treatment or the monitoring of its quality, and by other individuals only on his written authorization or that of his legally authorized representative.
- To expect all communications and other records pertaining to his care, including the source of payment for treatment, to be treated as confidential.
- To request a transfer to another room if another patient or visitors in that room are unreasonably disturbing him by smoking or other actions.
- To be placed in protective privacy when considered necessary for personal safety.

#### **Personal Safety**

The patient has the right to expect reasonable safety insofar as the hospital practices and environment are concerned.

#### **Identity**

The patient has the right to know the identity and professional status of individuals providing service to him, and to know which physician or other practitioner is primarily responsible for his care. This includes the patient's right to know of the existence of any professional relationship among individuals who are treating him, as well as the relationship to any other health care or educational institutions involved in his care. Participation by patients in clinical training programs or in the gathering of data for research purposes should be voluntary.

#### **Information**

The patient has the right to obtain, from the practitioner responsible for coordinating his care, complete and current information concerning his diagnosis (to the degree known), treatment, and any known prognosis. This information should be communicated in terms the patient can reasonably be expected to understand. When it is not medically advisable to give such information to the patient, the information should be made available to a legally authorized individual.

### **Communication**

The patient has the right of access to people outside the hospital by means of visitors, and by verbal and written communication.

When the patient does not speak or understand the predominant language of the community, he should have access to an interpreter. This is particularly true where language barriers are a continuing problem.

### **Consent**

The patient has the right to reasonably informed participation in decisions involving his health care. To the degree possible, this should be based on a clear, concise explanation of his condition and of all proposed technical procedures, including the possibilities of any risk of mortality or serious side effects, problems related to recuperation, and probability of success. The patient should not be subjected to any procedure without his voluntary, competent, and understanding consent, or that of his legally authorized representative. Where medically significant alternatives for care or treatment exist, the patient shall be so informed.

The patient has the right to know who is responsible for authorizing and performing the procedures or treatment.

The patient shall be informed if the hospital proposes to engage in or perform human experimentation or other research/educational projects affecting his care or treatment, and the patient has the right to refuse to participate in any such activity.

### **Consultation**

The patient, at his own request and expense, has the right to consult with a specialist.

### **Refusal of Treatment**

The patient may refuse treatment to the extent permitted by law. When refusal of treatment by the patient or his legally authorized representative prevents the provision of appropriate care in accordance with professional standards, the relationship with the patient may be terminated upon reasonable notice.

### **Transfer and Continuity of Care**

A patient may not be transferred to another facility unless he has received a complete explanation of the need for the transfer and the alternatives to such a transfer, and unless the transfer is acceptable to the other facility. The patient has the right to be informed by the practitioner responsible for his care, or his delegate, of any continuing health care requirements following discharge from the hospital.

### **Hospital Charges**

Regardless of the source of payment for his care, the patient has the right to request and receive an itemized and detailed explanation of his total bill for services rendered in the hospital. The patient has the right to timely notice prior

to termination of his eligibility for reimbursement by any third-party payer for the cost of his care.

#### **Hospital Rules and Regulations**

The patient should be informed of the hospital rules and regulations applicable to his conduct as a patient. Patients are entitled to information about the hospital's mechanism for the initiation, review, and resolution of patient complaints.

### **Patient Responsibilities**

#### **Provision of Information**

A patient has the responsibility to provide, to the best of his knowledge, accurate and complete information about present complaints, past illnesses, hospitalizations, medications, and other matters relating to his health. He has the responsibility to report unexpected changes in his condition to the responsible practitioner. A patient is responsible for making it known whether he clearly comprehends a contemplated course of action and what is expected of him.

#### **Compliance with Instructions**

A patient is responsible for following the treatment plan recommended by the practitioner primarily responsible for his care. This may include following the instructions of nurses and allied health personnel as they carry out the coordinated plan of care and implement the responsible practitioner's orders, and as they enforce the applicable hospital rules and regulations. The patient is responsible for keeping appointments and, when he is unable to do so for any reason, for notifying the responsible practitioner or the hospital.

#### **Refusal of Treatment**

The patient is responsible for his actions if he refuses treatment or does not follow the practitioner's instructions.

#### **Hospital Charges**

The patient is responsible for assuring that the financial obligations of his health care are fulfilled as promptly as possible.

#### **Hospital Rules and Regulations**

The patient is responsible for following hospital rules and regulations affecting patient care and conduct.

#### **Respect and Consideration**

The patient is responsible for being considerate of the rights of other patients and hospital personnel, and for assisting in the control of noise, smoking, and the number of visitors. The patient is responsible for being respectful of the property of other persons and of the hospital.

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# General Administrative Policies and Procedures

## Who May Apply for Survey

To be eligible for a JCAH accreditation survey, a hospital\* must meet the following requirements:

- Be located within the United States or one of its territories or possessions or, unless an exception is made by the president of JCAH (or in the absence of the president, the chairman of the Board of Commissioners), be owned or controlled by the United States or by an entity organized under the laws of the United States or one of its states, territories, or possessions.
- Have a valid, current license to operate.
- Maintain facilities, beds, and services that are available over a continuous 24-hour period, seven days a week.
- Be a hospital where the median length of stay is 30 days or less (exceptions may be made by the president of JCAH) or where the treatment provided is of such a nature that patients would not ordinarily be transferred to another facility for more intensive care. Not included are convalescent or domiciliary homes, homes for the aged, or other like establishments where only custodial care is provided.† Also excluded are student health centers and offices or clinics that primarily provide ambulatory care patient services and do not regularly admit inpatients.
- Have been in operation and actively caring for patients for at least six months before the survey so there is a record of performance that can be evaluated.
- Have a governing body, an organized medical staff,‡ and a nursing service.
- Have the primary function of diagnosis, treatment, and/or rehabilitation.

\*The chief executive officer of a hospital that provides only psychiatric/substance abuse services has the option of an accreditation survey using either the standards contained in this *Manual* or the standards contained in the *Consolidated Standards Manual for Child, Adolescent, and Adult Psychiatric, Alcoholism, and Drug Abuse Facilities*. The same option is applicable to a psychiatric/substance abuse department/service of a general hospital. This option will be honored for a three-year period, beginning with the April 1, 1984, effective date of this *Manual*.

†JCAH conducts a special survey for rehabilitation hospitals and other specialty hospitals, such as chronic disease hospitals, burn centers, and orthopedic hospitals, in which the median length of stay is over or under 30 days. Such facilities are surveyed for compliance with selected standards from this *Manual* and the *Accreditation Manual for Long Term Care Facilities*.

‡See Glossary.

- Provide for the following:

Building and grounds safety	Pharmaceutical services
Dietetic services	Professional library services
Emergency services	Quality assurance program
Functional safety and sanitation	Radiology services
Infection control	Rehabilitation programs/services
Medical record services	Respiratory care services*
Nuclear medicine services*	Social work services
Pathology and medical laboratory services	Special care services*
- Have at least one of the following acute clinical services—medicine, obstetrics-gynecology,† pediatrics, or surgery;‡ child, adolescent, or adult psychiatric services; or alcoholism or drug abuse services.
- Must provide that only a member of the medical staff, either individually or in cooperation with a licensed practitioner with clinical privileges, has the authority to admit a patient to the hospital.
- Must provide that only a licensed practitioner with clinical privileges will be directly responsible for a patient's diagnosis and treatment within the area of his privileges, that each patient's general medical condition will be the responsibility of a physician member of the medical staff, and that other direct medical care to patients will be provided only by a member of the house staff‡ or by allied health personnel acting under the supervision of a licensed practitioner with clinical privileges.
- Provide registered nurse supervision at all times, as well as other nursing services necessary for continuous patient care.
- Complete and return an Application for Survey with the nonrefundable application-processing fee.
- Provide the information requested in the *Hospital Survey Profile*.
- Operate without restriction by reason of sex, race, creed, or national origin.

#### How To Apply for Survey

Hospitals that wish to be accredited by JCAH should begin by sending a request for an Application for Survey to the following address:

Joint Commission on Accreditation of Hospitals  
Scheduling Department—Application Requests  
875 North Michigan Avenue  
Chicago, Illinois 60611

JCAH sends the hospital one application for completion. The application should be returned to JCAH with the nonrefundable application-processing fee. The hospital should retain a copy for its records.

#### Survey Fees

Survey fees are related to the cost of maintaining JCAH operations and ordinarily are determined annually.

When a hospital is scheduled for survey, JCAH sends the hospital an invoice

\*Not required for hospitals that provide only psychiatric/substance abuse services.

†Must have anesthesia services as well.

‡See Glossary.

and asks the hospital to pay the fees in accordance with the terms specified in the invoice, except where prohibited by law.

Section 952, PL 96-499, the Omnibus Reconciliation Act of 1980, requires that Medicare providers include, in all their contracts for services costing \$10,000 or more in any 12-month period, a clause allowing the secretary of the US Department of Health and Human Services (DHHS), the US comptroller general, or their representatives to examine the contract and the contractor's books and records. To satisfy this statutory requirement with respect to any such hospital paying JCAH \$10,000 or more in any 12-month period and to avoid the necessity for executing a special contract with each such hospital, JCAH herein stipulates that if its charges to any such hospital amount to \$10,000 or more in any 12-month period, the contract or any agreement upon which such charges are based and any of JCAH's books, documents, and records that may be necessary to verify the extent and nature of JCAH costs will be available for four years after the survey to the secretary of DHHS, the comptroller general, or any of their duly authorized representatives. The same conditions will apply to any subcontracts JCAH has with related organizations if the payments under such contracts amount to \$10,000 or more in any 12-month period. This stipulation applies to all contracts and JCAH books and records pertinent to charges paid to JCAH on December 5, 1980, or later.

#### Survey Personnel, Duration of Survey, and Schedules

Accreditation surveys are conducted by JCAH surveyors. The number of days required for a survey and the composition of the survey team are based on information in the hospital's Application for Survey. The hospital is notified of the date of its survey approximately four weeks in advance. To keep survey fees to a minimum, JCAH attempts to schedule surveys systematically and efficiently.

#### Multiple-Category Facilities

JCAH has standards for the following four categories of service: (1) acute care general hospitals, including hospital-sponsored ambulatory health care services; (2) psychiatric and substance abuse facilities and programs;\* (3) long term care facilities; and (4) ambulatory health care organizations, excluding hospital-sponsored ambulatory health care services. JCAH refers to a facility offering two or more of these categories of service as a "multiple-category facility."

The Application for Survey contains provisions for a multiple-category facility to indicate all health care services provided by its corporate body. For accreditation purposes, a corporate body is an organization that has a single governing body that is legally, organizationally, and functionally responsible for managing one or more health care facilities, programs, or services within a reasonable geographic area, usually considered to be 100 miles or less. Corporations with facilities located over large geographic areas can be excluded from this definition. JCAH realizes that due to their nature and circumstances, certain government-owned or corporate-owned facilities may have to be considered on an individual basis and be given special consideration.

JCAH tailors the survey process to the nature and needs of a multiple-category facility. A single survey is conducted by a survey team specifically

\*Facilities that provide services only to child, adolescent, or adult psychiatric patients, to alcoholism or drug abuse patients, or to any combination of the aforementioned age and disability groups are not considered multiple-category facilities. Such facilities are surveyed for compliance with this *Manual* or with the *Consolidated Standards Manual for Child, Adolescent, and Adult Psychiatric, Alcoholism, and Drug Abuse Facilities*.

chosen for its expertise in the standards that will be used to survey the facility, and the facility receives a single accreditation decision and a single survey report based on JCAH's evaluation of all health care services provided by the facility's corporate body. Policies that are specific to the tailored survey process are published periodically in *JCAH Perspectives*.

JCAH also has standards for community mental health service programs, which are published in *Principles for Accreditation of Community Mental Health Service Programs*, and standards for hospice service programs, which are published in the *Hospice Standards Manual* (available December 1983). JCAH does not require multiple-category facilities that include community mental health and hospice service programs to be surveyed under these standards. However, if a multiple-category facility wishes to seek special recognition of these programs by requesting a survey under the standards for the programs, JCAH will handle the survey as part of the tailored survey process just described.

#### Accreditation Survey Procedures

The purpose of a JCAH accreditation survey is to assess the extent of a hospital's compliance with the applicable standards in this *Manual*. A hospital's compliance with the standards is assessed through at least one of the following means:

- Statements from authorized and responsible hospital personnel;
- Documentation of compliance provided by the hospital;
- Answers to questions concerning the implementation of a standard, or examples of its implementation, that will enable a judgment of compliance to be made; and
- On-site observations by JCAH surveyors.

Because each standard has some degree of importance, a hospital must be prepared to provide evidence of its compliance with each standard that is applicable to its operations. To be accredited, a hospital must demonstrate that it is in substantial compliance with the standards, although it need not be in full compliance with each applicable standard.

In the event that JCAH surveyors find that some aspect of hospital operations adversely affects patient health and safety, their findings may be considered for accreditation purposes even if the standards do not specifically address those operations. In considering any such findings, JCAH may obtain expert consultation.

#### Public Information Interviews

Although JCAH does not ask a hospital to announce its forthcoming survey through the mass media, it does ask the hospital to provide an opportunity during a full on-site survey for the presentation of information by consumers and the public as well as personnel and staff of the facility undergoing survey. Anyone who has information about a hospital's compliance with the accreditation standards may request a public information interview.

JCAH requires a hospital to post, in a public place on its premises, the official JCAH announcement of the date of survey and of the opportunity for a public information interview. Ordinarily, the public notice must be posted four weeks before the survey date; the notice must indicate that requests for a public information interview must be made in writing and that JCAH must receive them at least two working days before a hospital's accreditation survey begins. The notice must remain posted until the first day of the survey. Furthermore, if

someone asks about the survey, JCAH expects the hospital to inform the person of the survey dates and the fact that a public information interview may be requested or that such an interview is already scheduled.

The hospital should promptly send any request for a public information interview that it receives to JCAH's Hospital Accreditation Program and retain a copy for its files. JCAH acknowledges each request and sends a copy of this acknowledgment to the facility. The hospital is responsible for notifying the interviewees of the exact date, time, and place of the public information interview.

JCAH surveyors are required to report on whether JCAH policies concerning public information interviews have been carried out properly. This includes reporting the manner in which the notice was posted in the hospital.

Public information interviews usually are conducted during the morning of the first survey day and ordinarily do not exceed two hours in length. The hospital is expected to provide reasonable accommodation either within the hospital or at a location that is conveniently accessible to the hospital. Surveyors conduct the interview session and receive the information. Representatives of the hospital are expected to attend.

The interview consists only of the orderly receipt of information offered, verbally or in writing, within the prescribed time limit. All information received is fully considered for pertinence and verification; the findings are reported to JCAH central office staff with the results and recommendations of the survey. Any further participation in the survey by an outside source of information must be authorized by the hospital.

#### Accreditation Decision and Appeal

At the completion of the on-site survey, the surveyors hold a summation conference with one or more representatives of at least the hospital's governing body, administration, medical staff, and nursing staff. The form of the conference is of the hospital's choosing. During the conference, the surveyors present survey findings for discussion and clarification, and representatives of the hospital are given full opportunity to comment on any adverse findings noted by the surveyors.

JCAH staff evaluates the results of the survey, the recommendations of the surveyors, and any other relevant information, such as the extent of the hospital's compliance with recommendations, evidence of recent improvements, or documentation of plans to correct deficiencies. Based on its evaluation, JCAH staff recommends to the Accreditation Committee of the Board of Commissioners that the hospital either be accredited or be denied accreditation. (See Appendix B for a full discussion of accreditation and appeal procedures.)

When JCAH staff tentatively determines that it will recommend nonaccreditation to the Accreditation Committee, a representative of JCAH contacts the hospital, informs the chief executive officer of staff's intent, and discusses the areas of noncompliance upon which the recommendation would be based. When necessary, arrangements may be made for further discussions between representatives of the hospital and JCAH.

JCAH also sends the chief executive officer of the hospital a list of the areas of less than substantial compliance. If the chief executive officer maintains that sufficient documentation can be submitted to demonstrate either that the hospital was in compliance with the standards in question or that the hospital has corrected the major deficiencies identified during the on-site survey, the hospital is given 15 days to submit the documentation. JCAH staff reviews the documentation and will take one of the following actions: (1) change its recommendation and submit a recommendation to grant accreditation, along with the survey

findings and the hospital's documentation, to the Accreditation Committee for a decision; (2) conduct a resurvey of all or part of the hospital; or (3) submit its recommendation to deny accreditation, along with the survey findings and the hospital's documentation, to the Accreditation Committee for decision.

The Accreditation Committee considers the recommendation of JCAH staff and will either grant accreditation to the hospital or initially decide to deny accreditation. The hospital is notified of the decision and is provided with recommendations for improvements. Copies of these recommendations are sent to the chairman of the hospital's governing body, the chief executive officer, and the president of the medical staff.

Any decision of the Accreditation Committee to accredit a hospital is final, and the hospital's accreditation is effective as of the first day after completion of the survey.

If the Accreditation Committee initially decides that accreditation should be denied, and if the facility was not an accredited hospital at any time during the two years before the survey, the committee may direct JCAH staff to inform the hospital that instead of either accepting a nonaccreditation decision or requesting an interview, it may elect to consider the survey a consultation and education visit that does not result in a nonaccreditation decision.

Any initial decision of the Accreditation Committee that accreditation should be denied entitles the hospital to appeal the nonaccreditation decision in accordance with the procedures described in Appendix B of this *Manual*. These procedures are summarized in the following paragraphs.

Except in rare and unusual circumstances where patient life or safety may be in jeopardy, the hospital is given an opportunity to come to JCAH for an interview with representatives of JCAH after the Accreditation Committee has made an initial decision to deny accreditation. The results of the interview are reported to the Accreditation Committee for its consideration. If the Accreditation Committee decides to deny accreditation, the hospital has the right to a hearing before an Appeals Hearing Panel composed of impartial individuals selected by the president of JCAH. If the hospital fails to properly request an interview or a hearing, as described in Appendix B, any decision of the Accreditation Committee to deny accreditation becomes final.

If a hearing is held, the Appeals Hearing Panel considers the survey findings and all other available materials, including any oral and written presentations made by the hospital. The panel then makes a recommendation concerning accreditation to the Board of Commissioners.

The Board of Commissioners or a committee of the Board of Commissioners (excluding any members who may have participated in any earlier consideration by the Accreditation Committee) considers the recommendation of the Appeals Hearing Panel and decides either to grant or deny accreditation to the hospital. Any decision of the Board of Commissioners or its committee to accredit the hospital is final, and the hospital's accreditation is effective as of the first day after completion of the survey; any decision of the Board of Commissioners or its committee to deny accreditation is also final and is effective as of the date of the decision.

#### Duration of Accreditation

If it is found to be in substantial compliance with JCAH standards, a hospital is awarded accreditation for three years. Approximately 18 months from the date of its survey, each accredited hospital is asked to conduct an interim self-survey, using procedures and submitting reports as required by JCAH. At the request of an accredited hospital, JCAH will conduct a full accreditation survey more frequently than once every three years.

In the process of deciding to accredit a hospital, the Accreditation Committee determines whether survey findings warrant any contingencies. When a hospital is accredited subject to one or more contingencies, JCAH will monitor the hospital's efforts to improve an area of concern identified during an accreditation survey. The type of monitoring required and the time allotted for demonstrating improvement depends on the nature of the concern—particularly its effect on patient care—and the time required to satisfactorily address the concern. Hospitals that receive contingencies ordinarily are asked either to submit a written progress report or to undergo a focused on-site survey. During a focused survey, JCAH surveyors ordinarily address only those concerns identified in contingencies. Some contingencies, however, may require surveyors to address issues related to the areas of concern. The size of the survey team and the duration of the focused survey depend on the number and extent of concerns addressed in contingencies. Usually, focused surveys are not as extensive as full accreditation surveys.

Accreditation is not automatically renewable. A hospital must undergo another full accreditation survey and demonstrate substantial compliance with JCAH standards to renew accreditation. Several months before a hospital's accreditation is due to expire, JCAH will send the hospital an Application for Survey and, upon receipt of the completed application, JCAH will schedule the survey. JCAH ordinarily schedules the survey as near as possible to the hospital's survey anniversary date. However, to allow latitude in adjusting to a hospital's needs, surveys may be scheduled within a 90-day period surrounding the hospital's anniversary date. With a hospital's consent, JCAH may schedule the survey up to 90 days before accreditation is due to expire.

Following a survey, a hospital's previous accreditation status continues until a decision is made to accredit the hospital or a final decision is made to deny accreditation to the hospital.

An accredited hospital may be surveyed at any time at the discretion of JCAH. Ordinarily, no fee is charged for a survey initiated at JCAH's discretion.

A hospital that is not granted accreditation or that has its accreditation withdrawn may apply for a resurvey, but the resurvey will not be conducted until six months after the final nonaccreditation decision. This six-month waiting period may be waived by the president of JCAH if the hospital demonstrates sufficient progress in addressing recommendations to justify such a waiver.

Accreditation is not automatically transferable. If an accredited hospital changes ownership or control or undergoes a major change in its capacity or in the categories of services offered, it must notify JCAH not more than 30 days after such change. Accreditation is continued until JCAH can determine whether a resurvey is necessary. If JCAH decides to resurvey the hospital, the hospital will be asked to submit an Application for Survey and the required fee within 20 days of notification by JCAH. Failure to comply with these provisions results in loss of accreditation.

An accredited hospital also must notify JCAH not more than 30 days after a merger or consolidation or a major change in facilities or organization; for example, JCAH must be notified when a hospital relocates or undergoes a major renovation. As in the case of a change of ownership or control, JCAH may decide that the hospital has to be resurveyed.

### Confidentiality

In submitting its Application for Survey, the hospital must provide, or authorize JCAH to obtain, official records and reports of private organizations and of public or publicly recognized licensing, examining, reviewing, or planning bodies.

Except as required by law, all information obtained by JCAH in the accreditation survey process, including the public information interview, and the results and recommendations of the survey are treated as confidential matters between JCAH and the surveyed hospital. The results and recommendations of the survey will be provided only to the surveyed hospital, which may release them at its discretion.

However, when a serious condition jeopardizing public safety or the safety of a patient is found in a hospital, and when this condition has been pointed out to the chief executive officer, the proper local or state authority will be notified of the problem in writing.

Except as required by law and as noted in the preceding paragraph, JCAH does not release any information obtained through the survey process that identifies a particular hospital without the written authorization of the hospital. This restriction does not prevent JCAH from publishing aggregate data obtained from accreditation surveys.

JCAH does provide the following information upon request from anyone:

- Whether JCAH has received an Application for Survey from a particular hospital;
- A list of hospitals tentatively scheduled for survey, without indication of specific survey dates;
- Upcoming survey dates for a particular hospital after the hospital has been notified of the survey dates; and
- Whether a hospital is or is not accredited.

#### **Public Recognition**

JCAH provides each accredited hospital with a certificate of accreditation. A hospital is not charged for the initial certificate or any new certificate issued to reflect a change in the hospital's name. Additional certificates can be obtained from JCAH at cost.

The certificate and all copies remain the property of JCAH and must be returned to JCAH if the hospital is issued a new certificate reflecting a change in name or if its accreditation expires or is withdrawn or denied for any cause.

Offered: 2/19/86  
Referred: Finance

Original sponsor: Faiks

1 IN THE SENATE BY THE JUDICIARY COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 45 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to hospital inspections and investi-  
7 gations by the Department of Health and Social Ser-  
8 vices."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. AS 18.20.080(a) is amended to read:  
11 (a) The department shall make annual inspections and investi-  
12 gations of hospital facilities. The department may accept accredita-  
13 tion by the Joint Commission on the Accreditation of Hospitals in lieu  
14 of an annual inspection by the department for the year in which the  
15 accreditation was granted if the accreditation standards of the com-  
16 mission are substantially similar to the inspection standards of the  
17 department.

Offered: 3/13/85  
Referred: Finance

Original sponsor: Faiks

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 45 (HESS) am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to hospital inspections and investi-

7

gations by the Department of Health and Social Ser-

8

vices."

9

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

10

\* Section 1. AS 18.20.080(a) is amended to read:

11

(a) The department shall make annual inspections and investi-

12

gations of hospital facilities. The department may accept

13

accreditation by the Joint Commission on the Accreditation of

14

Hospitals in lieu of its own annual inspections.

Offered: 3/13/85  
Referred: Finance

Original sponsor: Faiks

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 45 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to hospital inspections and investi-  
7 gations by the Department of Health and Social Ser-  
8 vices."

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

10 \* Section 1. AS 18.20.080(a) is amended to read:

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12 gations of hospital facilities. The department may accept  
13 accreditation by the Joint Commission on the Accreditation of  
14 Hospitals in lieu of its own inspections.

Introduced: 1/14/85  
Referred: Health, Education and  
Social Services and  
Finance

1 IN THE SENATE

BY FAIKS

2

SENATE BILL NO. 45

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to hospital inspections and investi-  
7 gations by the Department of Health and Social Ser-  
8 vices."

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

10 \* Section 1. AS 18.20.080(a) is amended to read:

11 (a) The department shall make [ANNUAL] inspections and investi-  
12 gations of hospital facilities.

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

3/5/85

Date \_\_\_\_\_

Mr. President

The Committee on FINANCE considered SB 49

special appropriation to the Department of Transportation and Public Facilities to determine the feasibility of building Kantishna Road; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

**MEMBERS SIGNING**  
**DO PASS**

**MEMBERS HAVING**  
**OTHER RECOMMENDATIONS**

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Chairman

\_\_\_\_\_  
Chairman recommendation

COMMITTEE REPORT

SENATE

FURTHER:

FINANCE

1/14/85

Date MARCH 4, 1985

Mr. President

The Committee on TRANSPORTATION considered SB 49

special appropriation to the Department of Transportation and Public Facilities to determine the feasibility of building Kantishna Road; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title \_\_\_\_\_
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- ~~1~~ reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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3 *Pat A. Trish* No Rec  
 3 *Wm. Trish* No Rec  
 2 *Joe Josephson* - Do Not Pass

*[Signature]*  
 Chairman  
 Do Pass  
 Chairman recommendation

Introduced: 1/14/85  
Referred: Transportation and Finance

Funding Information

General Fund	\$500,000
Other Funds	-0-
	<u>\$500,000</u>

1 IN THE SENATE

BY COGHILL

2 SENATE BILL NO. 49

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities to  
8 determine the feasibility of building Kantishna Road;  
9 and providing for an effective date."

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

11 \* Section 1. The sum of \$500,000 is appropriated from the general fund  
12 to the Department of Transportation and Public Facilities to determine the  
13 feasibility of building Kantishna Road.

14 \* Sec. 2. The unexpended and unobligated portion of the appropriation  
15 made by this Act lapses into the general fund June 30, 1986.

16 \* Sec. 3. The appropriation made by this Act is subject to AS 35.15.080  
17 and 35.15.090.

18 \* Sec. 4. This Act takes effect July 1, 1985.

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

14th Legislature FIRST Session

SENATE BILL NO. 49

By COGHILL

"An Act making a special appropriation to the Department of Transportation and Public Facilities to determine the feasibility of building Kantishna Road; and providing for an effective date."

Introduced in the Senate 1/14, 1985

HISTORY IN THE SENATE

19 85

Read first time and referred to Committee on

1 14

Transportation and Finance

35

Reported back with recommendation that *it do pass & no rec, 1 do not pass, 2 do.*

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

# COMMITTEE REPORT

## SENATE

FURTHER:

FINANCE

1/14/85

Date MARCH 4, 1985

Mr. President

The Committee on TRANSPORTATION considered SB 49  
special appropriation to the Department of Transportation and Public  
Facilities to determine the feasibility of building Kantishna Road; efd.

and (a majority of the committee) (the committee) reports it back with  
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title \_\_\_\_\_
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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3 Gov A. Frick No Rec  
Wm Frick No Rec  
2 Joe Josephson - Do Not Pass  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Chairman  
Do Pass  
Chairman recommendation

Introduced: 1/14/85  
Referred: Transportation and Finance

Funding Information  
General Fund \$500,000  
Other Funds -0-  
\$500,000

1 IN THE SENATE

BY COGHILL

2

SENATE BILL NO. 49

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities to  
8 determine the feasibility of building Kantishna Road;  
9 and providing for an effective date."

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

11 \* Section 1. The sum of \$500,000 is appropriated from the general fund  
12 to the Department of Transportation and Public Facilities to determine the  
13 feasibility of building Kantishna Road.

14 \* Sec. 2. The unexpended and unobligated portion of the appropriation  
15 made by this Act lapses into the general fund June 30, 1986.

16 \* Sec. 3. The appropriation made by this Act is subject to AS 35.15.080  
17 and 35.15.090.

18 \* Sec. 4. This Act takes effect July 1, 1985.

19

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

4/24/85

Date \_\_\_\_\_

Mr. President

The Committee on FINANCE considered SB 51  
state aid for school construction; eff.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_  
 new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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Chairman

\_\_\_\_\_  
Chairman recommendation

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: CSSB-51 (FIN)  
Title: ...school construction...

FISCAL DETAIL

Agency Affected: Education  
Program Category Affected: \_\_\_\_\_

Sponsor: Kerttula  
Requestor: Sen Finance  
Date of Request: 5-1-85

BRU, Program or Subprogram(s) Affected: Debt Retirement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		970.6	1006.0	1056.0	1106.0	
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		970.6	1006.0	1056.0	1106.0	

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		970.6	1006.0	1056.0	1106.0	
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Impact shown is a result of increasing the reimbursement rate on existing debt presently reimbursed at 50%. Costs associated with future debt are indeterminate.

Prepared By: Steve Hols  
Division: Education

Phone: 2800  
Date: 5-1-85

Approved by Commissioner: Harold Reynolds, Jr.  
Agency: Education

Date: 5-1-85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

WILL BE HEARD IN SENATE FINANCE  
8:30 AM THURSDAY, MAY 2.

Levy  
5/1/85✓

Original sponsor: Kerttula

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IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 51 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to state aid for school construction; and providing for an effective date."

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

\* Section 1. AS 14.11.100(a)(5) is amended to read:

(5) subject to (h) and (i) of this section, 75 [50] percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes or other indebtedness authorized by the qualified voters of the municipality after June 30, 1983, but before July 1, 1985, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(11); and

(B) cash payments made after June 30, 1983, but before July 1, 1985, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(11).

\* Sec. 2. AS 14.11.100(a) is amended by adding a new paragraph to read:

(6) subject to (h), (i), and (j) of this section, 75 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after June 30, 1985, to pay costs of school construction,

1 additions to schools, and major rehabilitation projects that exceed  
2 \$25,000 and are approved under AS 14.07.020(11).

3 \* Sec. 3. AS 14.11.100(h) is amended to read:

4 (h) An allocation under (a)(4), (5), or (6) of this section for  
5 school construction begun after July 1, 1982, shall be reduced by the  
6 amount of money used for the construction of residential space, hockey  
7 rinks, planetariums, saunas, and other facilities for single purpose  
8 sporting or recreational uses that are not suitable for other activ-  
9 ities. An allocation under (a)(4), (5), or (6) of this section may  
10 not be reduced by the amount of money used for construction of a small  
11 swimming pool, tank, or water storage facility used for water sports.  
12 However, an allocation shall be reduced by the difference between the  
13 amount of money used to construct a swimming pool that exceeds the  
14 standards adopted by the department [IS COMPETITION SIZE OR LARGER]  
15 and the amount of money that would have been used to construct a small  
16 swimming pool, tank, or water storage facility, as determined by the  
17 commissioner.

18 \* Sec. 4. AS 14.11.100(i) is amended to read:

19 (i) For the purposes of (a)(4), (5) and (6) of this section

20 (1) an indebtedness for bonds is incurred after the bonds  
21 are sold;

22 (2) reimbursement for a cash payment may only be made after  
23 the payment is made to a vendor; and

24 (3) payments may not be made for costs that are incurred  
25 under a contract after the contract has been released.

26 \* Sec. 5. AS 14.11.100(j) is amended to read:

27 (j) The state may not allocate money to a municipality for a  
28 school construction project under (a)(5) or (6) of this section unless  
29 the municipality complies with the requirements of (1) - (5) of this

1 subsection and the project is approved by the commissioner before the  
2 local vote on the bond issue for the project. In approving a project  
3 under this subsection, the commissioner shall require

4 (1) the municipality to include on the ballot for the bond  
5 issue the estimated total cost of each project including estimated  
6 annual operation and maintenance costs and the estimated amounts that  
7 will be paid by the state and by the municipality;

8 (2) that the bonds may not be refunded unless the annual  
9 debt service on the refunding issue is not greater than the annual  
10 debt service on the original issue;

11 (3) that the bonds must be repaid in approximately equal  
12 annual principal payments or approximate equal debt service payments  
13 over a period of at least 10 years;

14 (4) the municipality to demonstrate need for the project by  
15 establishing that the school district has

16 (A) projected long-term student enrollment that indi-  
17 cates the district has inadequate facilities to meet present or  
18 projected enrollment or program needs; or

19 (B) facilities that require repair or replacement at a  
20 cost exceeding \$25,000;

21 (5) the municipality to agree to construction of a facility  
22 of appropriate size and configuration, as determined by the state  
23 board of education [FACTORS SUCH AS INCREASED ENROLLMENT IN THE SCHOOL  
24 DISTRICT, THE HEALTH AND SAFETY OF THE STUDENTS, AND THE FACTORS  
25 LISTED IN AS 14.11.010(c)].

26 \* Sec. 6. AS 14.11.100 is amended by adding a new subsection to read:

27 (k) Interest earned on the proceeds of bonds issued for a proj-  
28 ect may be used only to

29 (1) pay the costs of the project;

- (2) pay accrued interest on the bond issue;
- (3) redeem all or part of the bonds; or
- (4) pay the costs of issuing the bonds.

\* Sec. 7. AS 14.11 is amended by adding a new section to read:

Sec. 14.11.102. EVALUATION OF PROJECTS. (a) The department shall prioritize projects for which retirement of school construction debt is requested by school districts by evaluating the factors listed in AS 14.11.010(c) and giving priority to projects in the following order of decreasing importance:

- (1) projects required to meet health and safety standards;
- (2) projects required for unhoused students;
- (3) projects required for the protection of the structure of existing facilities;
- (4) projects that will result in operating cost savings;
- (5) projects required for building code upgrade;
- (6) projects required for functional upgrade.

(b) A request for retirement of school construction debt under AS 14.11.100 must be submitted to the department by the school district no later than October 15 of the fiscal year before the fiscal year for which the request is made.

\* Sec. 8. AS 14.11.135 is amended to read:

Sec. 14.11.135. DEFINITIONS. In this chapter [AS 14.11.100 - 14.11.135], unless the context requires otherwise,

(1) "approved school construction project" means the plan for a new school or an addition to or major rehabilitation of an existing school to the extent to which approved by the commissioner in accordance with AS 14.07.020(11);

(2) "commissioner" means the commissioner of education;

(3) "costs of school construction" means the cost of

1 acquiring, constructing, enlarging, repairing, remodeling, equipping  
 2 or furnishing of public elementary and secondary school buildings and  
 3 includes the sum total of all costs of financing and carrying out the  
 4 project; these include, but are not limited to, the costs of all  
 5 necessary studies, surveys, plans and specifications, architectural,  
 6 engineering or other special services, acquisition of real property,  
 7 site preparation and development, purchase, construction, reconstruc-  
 8 tion and improvement of real property and the acquisition of machinery  
 9 and equipment as may be necessary in connection with the project; an  
 10 allocable portion of the administrative and operating expenses of the  
 11 grantee; the cost of financing the project, including interest on  
 12 bonds issued to finance the project; and the cost of other items,  
 13 including any indemnity and surety bonds and premiums on insurance,  
 14 legal fees, fees and expenses of trustees, depositaries, financial  
 15 advisors, and paying agents for the bonds issued as the issuer con-  
 16 siders necessary;

17 (4) "department" means the Department of Education.

18 \* Sec. 9. AS 14.11 is amended by adding a new section to read:

19 Sec. 14.11.140. REGULATIONS. The department shall adopt regu-  
 20 lations to carry out the purposes of this chapter.

21 \* Sec. 10. LEGISLATIVE REVIEW. Proposed permanent regulations under  
 22 AS 14.11.140 as enacted in sec. 9 of this Act shall be submitted to the  
 23 legislature no later than the 10th day of the Fourteenth Alaska State  
 24 Legislature, second session. Notwithstanding AS 44.62, permanent regula-  
 25 tions adopted under AS 14.11.140 take effect the 90th day of the Fourteenth  
 26 Alaska State Legislature, second session, unless a law is enacted disap-  
 27 proving the regulations.

28 \* Sec. 11. The amendments to AS 14.11.100(j) provided for in sec. 5 of  
 29 this Act do not apply to school construction projects described in

1 AS 14.11.100(a)(5), as amended by sec. 1 of this Act.

2 \* Sec. 12. AS 14.11.105, 14.11.110, 14.11.115, 14.11.120, 14.11.125 and  
3 14.11.130 are repealed.

4 \* Sec. 13. This Act takes effect July 1, 1985.  
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AMENDMENT

OFFERED IN THE SENATE: FINANCE COMMITTEE BY: SENATOR  
KERTTULA

To: \_\_\_\_\_ SENATE BILL No. 51

HOUSE BILL No. \_\_\_\_\_

PAGE: + \_\_\_\_\_

LINE: 16 - 21

DELETE ALL

*Kerttula*  
*Proposed*

Levy  
5/1/85 ✓

Original sponsor: Kerttula

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 51 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for school construc  
7 tion; and providing for an effective date."

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

9 \* Section 1. AS 14.11.100(a)(5) is amended to read:

10 (5) subject to (h) and (i) of this section, 75 [50] percent  
11 of

12 (A) payments made by the municipality during the  
13 fiscal year for the retirement of principal and interest on  
14 outstanding bonds, notes or other indebtedness authorized by the  
15 qualified voters of the municipality after June 30, 1983, to pay  
16 costs of school construction, additions to schools, and major  
17 rehabilitation projects that exceed \$25,000 and are approved  
18 under AS 14.07.020(11); and

19 (B) cash payments made after June 30, 1983, by the  
20 municipality during the fiscal year two years earlier to pay  
21 costs of school construction, additions to schools, and major  
22 rehabilitation projects that exceed \$25,000 and are approved  
23 under AS 14.07.020(11).

24 \* Sec. 2. This Act takes effect July 1, 1985.

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ARLISS STURGULEWSKI, Vice Chairman  
JOE JOSEPHSON  
PAUL FISCHER  
EDNA ARMSTRONG-DE VRIES



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## Senate Committee on Health, Education and Social Services

April 17, 1985

### Sectional Analysis of CS SB 51 (HESS)

Section 1 establishes a school construction grant account. School districts must repay to the state 10 percent of the funds received from the account within 10 years or contribute a like amount in the form of real property, site preparation, or capital improvements.

Section 2 requires that school districts apply for school construction grants no later than October 15 of the fiscal year before the year for which the request is made.

Section 3 requires the Department to rank requested projects in the following order of priority: health and safety, unhoused students, protection of structure, operating cost savings, building code upgrade, and functional upgrade. Current statute requires that this list be provided to the Governor and the Legislature.

Section 4 lists other factors to be evaluated in the prioritization process: local priorities, emergency requirements, number of students without classroom space, new programs, existing facilities, and the economic stability of the municipality.

Section 5 sets out the eligibility requirements a district must meet to receive a school construction grant. The district must agree to an appropriately-sized facility, and demonstrate need for the project by a projected long-term enrollment or facilities requiring repair or replacement. Grant money may not be used for student residential space, hockey rinks, planetariums, saunas, and other single purpose sporting facilities except for a small swimming pool. A grant may not be awarded until voter approval of the grant money is received. Interest earned on grants must be used for project costs.

Section 6 amends the existing school construction debt retirement provisions by limiting the existing 50 percent retirement program to bonds approved and cash payments made before July 1, 1985.

Section 7 increases from 50% to 75% the reimbursement for debt incurred before July 1, 1985. (Section 20 provides an effective date of July 1, 1986 for this section.)

Section 8 establishes a new provision for retirement of 75 percent of a municipality's bonded indebtedness authorized after June 30, 1985 for school construction. There is no provision for the reimbursement of cash payments after June 30, 1985.

Section 9 provides that State funds used to retire debt at 75 percent may not be used for the kinds of facilities described in Section 5 above.

Section 10 makes a technical amendment to AS 14.11.100(i) to clarify the application of that provision to the 50 percent retirement provision under AS 14.11.100(a)(5).

Section 11 sets out the requirements a municipality must meet before debt may be retired under the provisions added by Section 8 of the bill. The Commissioner of Education must approve the project before the local vote on the bond issue, as under current law. In approving the project, the commissioner must require the municipality to include the estimated costs, including operating and maintenance costs of the project, in the ballot for the bond issue; provide for repayment of the bonds over a period of at least 10 years as under current law; demonstrate need for the project by a projected long term enrollment or facilities requiring repair or replacement; and agree to an appropriately sized facility.

Section 12 provides that interest earned on the proceeds of bonds issued for a project be used only to pay the costs of the project and costs associated with the bond issue.

Section 13 requires that reimbursement projects undergo prioritization by the commissioner as is done for grant projects (under Sections 3 and 4), and requires that application for reimbursement be made no later than October 15 of the fiscal year before the year for which the request is made.

Section 14 amends AS 14.11.135 to apply the definitions in that section to the new provisions added by the bill, and defines "school district" to include municipal districts and REAAs.

Section 15 requires the Department to adopt regulations to carry out the purposes of this chapter. Proposed permanent regulations must be submitted to the Legislature, and become effective unless a law is enacted disapproving the regulations.

Section 16 requires municipalities that accept grants for school construction to meet the eligibility criteria set out in Section 5 of this act.

Section 17 clarifies that the eligibility criteria established in Section 11 do not apply to projects that have received approval before the effective date of this act.

Section 18 repeals the existing provisions providing for a public school construction advance account. The Department has indicated that this section was intended for districts that are unable to

bond. The grant account established in Section 1 fulfills this need.

Section 19 establishes an effective date of July 1, 1985, except as provided in Section 20.

Section 20 delays the effective date of Section 7 (which increases the current 50% reimbursement level to 75%) until July 1, 1986.