

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

SB 326 cont. - SB 334 656 247

1           (10) participate and coordinate information gathered with appro-  
2 priate federal and state committees or agencies;

3           (11) recommend to the community or regional health care board,  
4 the Department of Health and Social Services, appropriate committees of the  
5 Alaska State Legislature, and appropriate federal agencies ways to coordi-  
6 nate and maximize the delivery and health care services.

7           (b) The department, in consultation with the Health Association of  
8 Alaska, the Alaska State Medical Association, the Alaska Native Health  
9 Board, the Department of Community and Regional Affairs, and the University  
10 of Alaska, shall develop guidelines for implementing the grant program,  
11 including application procedures and the terms and conditions under which  
12 grants will be awarded. The department may not award a grant to a munici-  
13 pality or rural governmental entity that does not have a

14           (1) method of ensuring broad community participation in the  
15 development and implementation of the health service plan; and

16           (2) demonstrated commitment to the development and implemen-  
17 tation of the health services plan through an agreement to provide cash and  
18 in-kind contributions to the planning process during the term of the grant  
19 totaling in value an amount that equals or exceeds 33 percent of total  
20 grant funds received during the term of the grant.

21           (c) The department shall, upon submission of appropriate applica-  
22 tions, award grants under this section in state fiscal year 1991 and in  
23 state fiscal year 1992. One-half of the grants in each year shall be  
24 awarded to grantees who serve rural areas with special needs, as defined by  
25 the department.

26           (d) The department may contract for technical services necessary for  
27 implementing this grant program.

28           (e) The department shall make available to grantees a list of re-  
29 sources available to provide consultation services on health planning.

1 (f) In this section

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

4 (2) "nonprofit entity serving a Native service area" means a  
5 nonprofit entity established by a Native regional corporation organized  
6 under 43 U.S.C. 1601 - 1628 to conduct health care programs under contracts  
7 with the federal government under P.L. 93-638 (Indian Self-determination  
8 and Education Assistance Act). ○

9 \* Sec. 3. This Act is repealed July 1, 1992.

10 \* Sec. 4. This Act takes effect July 1, 1990.

## **SB 326 - Grants for Community Health Planning**

### **Introduction**

Through the work of the Governor's Interim Commission on Health Care, certain principles were developed and commended to the Governor and legislature to guide the development of health policy. One principal focused on ensuring access to basic health care services for all Alaskans. Another principal emphasized community responsibility for health care and health promotion. This bill allows for several communities, regions, or combination of municipalities, non-profit agencies, etc., to apply for a grant.

Senate bill 326 focuses directly on local responsibility to ensure health care access for Alaskans. The bill makes it possible for local health leaders to identify health care priorities and to coordinate future efforts in reaching those goals.

### **Background**

Changes in the cost of health services, in reimbursement policies for public and private purchasers, in the economic and demographic conditions in rural areas, in the availability of health care providers, and other trends, threaten the availability of health care services in many Alaskan communities.

In addition, many factors inhibit necessary changes in the delivery of health services to Alaska, including:

- inappropriate and outdated regulatory laws
- aging and inefficient health care facilities
- the absence of local planning and coordination of rural health services
- the lack of community understanding of the costs and benefits of supporting hospitals and other health service providers
- the lack of state or regional assistance to assure access to care that cannot be provided in every community, and
- the lack of clarity of state health policy objectives.

### **The Program**

This program is designed to utilize a method for strengthening health services in Alaska by working directly with communities. The model program, developed by the University of Washington School of Medicine Rural Health Office, includes four phases:

- **Community selection:** Any community desiring to participate in this program may initiate a request to the administrator of the program, designated by the State.

- **Community analysis:** A thorough and intensive study will be made of the health services system in each participating community. This will include a management and financial study of the community hospital and/or nursing home; a market survey; a needs assessment; and other community analysis that may be deemed important.
- **Strategic planning:** A strategic plan will be developed for the community, involving all elements of the health services delivery system.
- **Implementation of the plan:** Problems identified in the planning process and changes in service configuration will be implemented.

Each grantee will develop a long-range plan covering the local spectrum of health services. It will be the grantees' responsibility to involve all major health care providers, business leaders, public officials and other community leaders, to develop the project design and to oversee and implement the program. Grantees will also participate in the financial support of the program with a one-third match in cash or in-kind contributions.

### **Appropriation**

In this act, the state of Alaska will appropriate \$187.1 in FY91 to support the program, \$176.0 in FY92. Grantees will receive up to \$50,000 each. The bill allows for one-half of the grants awarded by the Department of Health and Social Services to go to rural areas with special needs, as defined by the department.

Other costs include funding a half-time grant administrator, advertising of the RFP, printing and technical assistance work sessions. Communities will be expected to contribute 33-percent of the total grant appropriation in cash or in-kind contributions (see attached fiscal note analysis).

### **Administration**

The Department of Health and Social Services shall establish the Alaska Rural Health Systems Project. The Department may contract with a third party to carry out the implementation of the legislation where this makes most effective use of available expertise, avoids duplication of efforts and promotes economy of resources. The Department will develop a list of appropriate resources and consultants to assist the grantees.

2/0496

TONASKET, WASHINGTON  
A CASE STUDY

Demographic Profile

Population - Community	1,000
Population - Service Area	9,000
Hospital Size	22 Beds
Providers	4 M.D.s 2 Mid-Levels
Distance to Nearest Hospital	23 Miles
Economic Base	Agriculture Timber

## **CASE STUDY OF A RURAL WAMI COMMUNITY**

### **HEALTH CARE PROBLEMS**

Persistent primary care physician shortage.

Fragile hospital financial status (including \$650,000 in warrants).

Weak hospital board.

Substantial outmigration for most health services

Substantial weaknesses in hospital management & financial systems (i.e., massive AR, no management information system).

Lack of community awareness of fragility of hospital and health system.

Lack of teamwork among major providers.

Highest percentages of uncompensated care of any state hospital.

Timber-dependent, economically depressed environment.

### **INTERVENTIONS AND RESULTS**

Successful recruitment of two additional family physicians.

Dramatic change in hospital financial status.

Establishment of hospital district and tax levy.

Construction of new 70-bed nursing home.

Restructured, educated, effective board.

Increased utilization data (i.e., hospital occupancy).

Additional medical specialty consultants coming to community.

Addition of new technology (US and shared CT).

Marketing program targeted at weakest utilizers.

New computer-based MIS.

Contract for financial expertise.

Revamped billing and collection policies.

Creation of a community health care foundation.

Weekly series of article on health issues in local newspaper.

Explicit help with conflict resolution and development of consensual goals.

NORTH VALLEY HOSPITAL  
 Financial Status Before and After  
 Rural Hospital Project

	<u>1983</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Income From Operations <sup>1</sup>	(210,004)	6,711	414,165	35,743
Net Gain/Loss <sup>2</sup>	(169,774) (plus 650,000 in short-term debt)	238,538	555,253	113,995

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<sup>1</sup> Income (loss) from operations

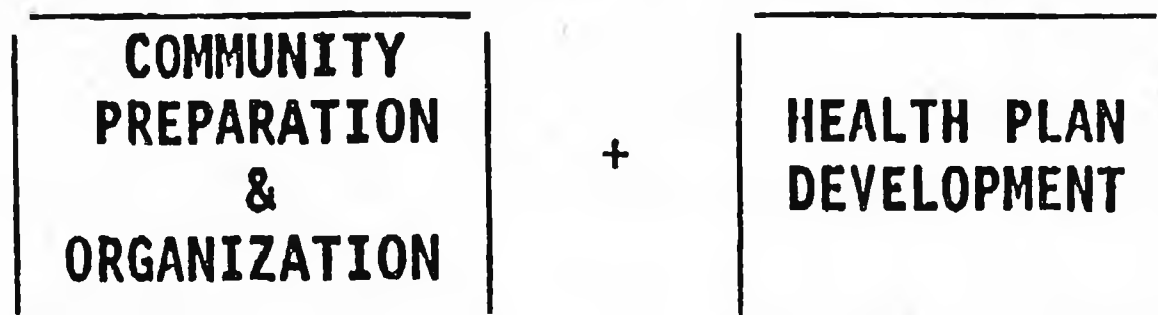
<sup>2</sup> Operating Margin plus non-operating revenue

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**THE TWO COMPONENTS TO DEVELOP A DURABLE  
COMMUNITY-BASED HEALTH PLAN:**



**STAGE I: COMMUNITY PREPARATION**

**FACILITATOR: COMMUNITY CONSULTANT  
(UNIV. OF WA/ALASKA)**

- o IDENTIFY AND CONVENE HEALTH AND  
COMMUNITY STAKEHOLDERS**
- o DISCUSS CONCEPT, BENEFITS TO  
COMMUNITY AND ORGANIZATION**
- o PERFORM SURVEY OF EMPLOYERS  
(# EMPLOYEES, INSURANCE COVERAGE,  
LEVEL OF INTEREST)**
- o CONDUCT ANALYSIS OF HEALTH  
SERVICES IF DATA NEEDED  
(I.E., MARKET SURVEY;  
NEEDS ASSESSMENT)**

**STAGE II: COMMUNITY BODY -  
COMMUNITY CONSULTANT/  
LEGAL COUNSEL**

- o **ESTABLISH A COMMUNITY CORPORATION AND BOARD (EMPLOYERS, HOSPITAL, PHYSICIANS, OTHER PROVIDER GROUPS, ETC.)**

**STAGE III: HEALTH PLAN DEVELOPMENT**

**FACILITATOR: COMMUNITY CONSULTANT/  
BOARD/HEALTH CARRIER**

- o **ESTABLISH AND CLARIFY CONTRACTING AUTHORITY OF CORPORATION TO:**
  - **MANAGE PLAN**
  - **CONTRACT WITH PRIVATE AND PUBLIC EMPLOYERS**
  - **BEAR RISK**
- o **OBTAIN LEGAL AND REGULATORY APPROVAL**
- o **DEVELOP BENEFIT PLAN(S)**

**STAGE IV: MANAGE THE HEALTH PLAN  
OVER TIME**

**FACILITATOR: BOARD/CONSULTANT/  
HEALTH CARRIER**

- o MARKET THE PLAN**
- o CLAIMS TRANSACTIONS**
- o MANAGEMENT INFORMATION TO  
BOARD FOR UR AND QA**
- o MANAGEMENT DECISION**
  - BENEFITS**
  - UTILIZATION**

The Department of Health and Social Services is authorized to contract with an appropriate agency, educational institution or organization to carry out the purpose<sup>s</sup> of this legislation. An appropriate contracting entity would be one with experience and demonstrated success in community health services development, in rural Alaska. [This entity would have responsibility for community selection and allocating monies to carry out the work program.]

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University of Washington Correspondence

# INTERDEPARTMENTAL

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SCHOOL OF MEDICINE  
OFFICE OF THE DEAN  
REGIONAL AFFAIRS, XF-01

April 18, 1989

**TO:** Attendees, House Health, Education and Social  
Services Committee Conference on Financing Health  
Care for Alaska's Uninsured and Underinsured

**FROM:** Bruce Amundson, M.D.  
AHEC Associate Director for Community Health Systems

**SUBJECT:** A PROGRAM TO MAINTAIN RURAL HEALTH CARE DOLLARS  
IN COMMUNITIES THROUGH THE DEVELOPMENT OF  
COMMUNITY-BASED HEALTH PLANS

A large proportion of rural communities in the United States are experiencing threatened or actual deterioration of their health services. The rural hospital, traditionally the core of the rural health care system, is currently the weakest link in the elements that comprise that system in many communities. However, a broad and vexing array of other problems are simultaneously confronting communities. These issues have been carefully documented by recent studies and community-based intervention efforts at the School of Medicine at the University of Washington.

The belief is widely held among state and national policy makers and some rural leaders that many or most rural communities cannot afford to sustain any but the most rudimentary health services. Our research, however, does not support this pessimistic assumption. Through studying a sample of communities we have demonstrated for the first time that more money is already being spent for health services in each community than is required to support the entire existing health care system. The following 1985 data illustrates this finding:

	Community A	Community B	Community C
Money expended for health care by or on behalf of all service area residents (i.e. private insurance, Medicare, Medicaid, etc.)	\$18,715,268	\$8,906,050	\$8,130,605
Revenue needed to support basic health services (i.e. hospital, home health, mental health budgets, gross M.D. revenue)	\$ 9,791,327	\$4,635,539	\$5,268,737
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Available "surplus"	\$ 8,923,941	\$4,270,511	\$2,861,868

The conclusion is obvious: rural communities appear to have more than enough money to sustain their services if that money can be kept in the communities. Community insurance plans (i.e., PPOs) can provide incentives and organizational frameworks to keep care local and manage patients that leave to obtain services not provided in the community.

The Situation in Alaska

Current developments in Alaska regarding health care costs have created special concern. While health care costs are spiraling across the country, the increase in insurance rates in Alaska has been particularly high, forcing insurers to increase premiums as much as 40% or decrease benefits. It appears that unless we are able to control health care costs, health insurance and health care will become unaffordable for many more people in the state.

Experience with Community PPOs in our Region

Substantial interest has developed in the northwest region in the idea of community-based insurance plans. First, they are a way to keep insurance premium expenditures and out-of-pocket payments in the community, supporting the very important primary care system. Second, the development of community boards with broad representation including hospitals, physicians, community leaders, and major employers, provides a structure wherein the predominant goal of maintaining and strengthening community health services can be supported by all interested parties. Third, this community non-profit corporate structure provides an unprecedented vehicle for communities to regain control and ownership of their health system, including the dollars. Fourth, there is preliminary, but fascinating, evidence that utilization

Page Three

may be more effectively controlled from within the community (because people know each other and this network can be effectively utilized for utilization, monitoring and review), than any other utilization process to date.

At least four community-based health plans are operational in the WAMI region. With the assistance of the Rural Hospital Project at the University of Washington and Blue Cross of Washington and Alaska, the Seward community is currently developing such a plan.

BA:dm  
0110BADR



SCHOOL OF MEDICINE

February 16, 1990

TO: Alaska State Senate Finance Committee

FROM: Peter J. House *PJH*  
Associate Director (Acting)  
Office of Rural Health  
University of Washington

RE: Senate Bill 326

I am writing this memo to you as follow-up to my testimony before the Senate Finance Committee on February 1, 1990. As you know from my remarks of a few weeks ago, the purpose of the Office of Rural Health at the University of Washington is to help rural communities stabilize their health care systems. We believe that Senate Bill 326 is consistent with our purpose, and for that reason we would like to reiterate our support for this legislation.

First let me answer the question concerning the need for community-based planning. One of the central findings of our work (starting in 1984 with the Rural Hospital Project and continuing today with the Community Health Services Development Program), is that the fundamental factor destabilizing rural health care systems is the fact that significant portions of local populations seek health care services outside their community when those services are available in the local community. This out-migration damages the financial viability (and ultimately the availability) of local health care services. A corollary finding is that the communities themselves hold the key to stemming this outflow of patients.

Senate Bill 326, we believe, adopts (and sets aside funds for) a process that will empower communities to develop strategies to stabilize their rural health care systems. Our experience, working with communities utilizing an approach like that supported by Senate Bill 326, shows a history of communities progressing from desperate circumstances to well ordered strategies leading to amazing improvements of the health care resources in their communities.

Letter of Support

February 16, 1990

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Another aspect of the need for planning concerns the necessity of state financing of the work. Most rural communities lack the resources to get a project like this started. In communities with hospitals, nursing homes, or other health and social services organizations, chances are that the administrators or the boards simply don't have the time to undertake the comprehensive approach as outlined in Senate Bill 326. In communities without such organizations, there is a near certainty that there is no one in town with the skills and the time to lead such an effort. We have found well organized projects (led by the state and utilizing consultants), as envisioned in Senate Bill 326, to be an effective and efficient approach to the problem.

Assigning resources to community-based planning can avoid the expenditure of funds on more expensive strategies. Hasty, underfunded planning projects are the kind that produce simplistic yet, all too often, expensive solutions to health care problems. In our experience with applying this approach to over 20 communities since 1984, only rarely have community groups come up with initiatives that bore large capital price tags. The more elegant and effective strategies have often been inexpensive. So, for that reason, spending money on some solid planning now can save wasted capital dollars later.

I understand that certain portions of my testimony on February 1 were difficult to hear and I accept that as a hazard of testifying by telephone. My hope is that by placing my comments in this written format I will be able to strengthen the testimony I have already made to you. We at the University of Washington, are "true believers" in the community-based approach to stabilizing local health care systems and we urge you to move forward with the enactment of this important legislation.

Thank you, and please call me or my associates if we can be of further assistance in providing testimony or documentation to support Senate Bill 326.

PJH:sb  
2-16ala.mem



# Yukon-Kuskokwim Health Corporation

"Fostering Native Self-Determination in Primary Care, Prevention and Health Promotion"

May 1, 1990

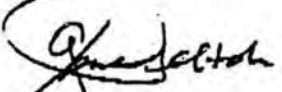
Honorable Lyman Hoffman  
Pouch V  
Juneau, AK 99811

Dear Honorable Hoffman:

We feel it is imperative that SB 326, an Act relating to grants for community health planning be scheduled for a hearing in the House Finance Committee before the legislative recess this year.

As you know, this bill is important to YK Delta region, and could use it to improve the health delivery to our clients.

Very Sincerely yours,  
YUKON-KUSKOKWIM HEALTH CORPORATION

  
Gene Peitola  
Executive Director

GP/np

Files

HEALTH ASSOCIATION OF ALASKA

STATEMENT OF SUPPORT

April 28, 1990

CSSB 326 -- Grants for Community Health Planning

Community hospitals and nursing homes across the state support CSSB 326 as it provides an opportunity for communities and/or regions within the state to measure the cost and the effectiveness of their local health system.

CSSB 326 provides:

1. That the Department of Health & Social Services establish a grant program under which up to 12 municipalities, Native service areas or rural government entities may receive a grant of up to \$50,000.00 to:
  - A. Conduct a comprehensive analysis of the local health care delivery system;
  - B. Review coordination and cooperation of community, regional, state and federal health care services and programs;
  - C. Review adequacy of health care facilities;
  - D. Identify the uninsured and the under insured;
  - E. Recommend to local, state, regional and federal agencies ways to coordinate and maximize the delivery of health care services.
2. Communities or regional areas applying for grants must:
  - A. Have broad community or regional participation;
  - B. Provide cash and in-kind contributions totaling in value of up to 1/3 of the grant applied for.
3. The fiscal note is:

1991 -- \$150,000 grants; \$37,100 administration = \$187,100.00.  
1992 -- \$150,000 grants; \$26,000 administration = \$176,000.00.

The program is repealed July 1, 1992.

FOR MORE INFORMATION CONTACT:

Harlan Knudson - 586-1700  
Health Association of Alaska  
319 Seward Street, #11  
Juneau, AK 99801

# # #

December 1989  
Bruce Amundson, M.D.  
Associate Director  
Community Health Systems

The Community Health Services Development (CHSD) strategy for assisting rural communities is a product of the University of Washington Rural Hospital Project (RHP). This four-year demonstration project was designed to develop approaches to stabilize and improve health services in a sample of six rural communities in the states of Washington, Alaska, Montana and Idaho (WAMI). The RHP emerged out of a recognition that the stability of rural health systems in the WAMI states was being threatened and one symptom was the increasingly tenuous status of rural hospitals that exist in the majority of rural communities in the four-state region. The basic premise of the RHP was that the hospital could be used as a point of entry into the community, a way to engage community leadership in a fundamental attack on the issues threatening health services in that rural community.

Although the community hospital is often the focal point for community agreement ("contract") to work with University of Washington/AHEC staff, the CHSD strategy includes strengthening all elements of the community health care system. The Community Health Services Development cycle has been completed in all six initial communities, and a formal evaluation of outcomes is currently underway. The CHSD

approach has been used in an additional 14 communities in the WAMI region.

Seward, Alaska was one of the original six RHP communities. A discussion of why Seward applied to participate, the issues the community was facing and a review of its accomplishments can serve to demonstrate the potential for this community-oriented approach.

Why Seward applied as a Rural Hospital Project Demonstration Community:

All participating communities were rural with hospitals under 50 beds. The hospital had to be experiencing financial distress in order to be selected.

In 1984, at the time communities were polled for their interest in partnering with the University of Washington School of Medicine, Seward faced the following problems:

- The small population base in Seward created severe limits on the range of health services and financial resources available to support those services; in addition, there was substantial out-migration by the service area population for hospital, physician, dental and other health services.

- The hospitals long-term financial viability was a major concern. The loss from operations for FY's 1982 and 1983 totalled \$650,000.
- The hospital facility had significant structural deficiencies in building, equipment and safety, with no capital reserve to modernize.
- Physician recruitment and retention had been a problem for many years. The number of physicians the small population could support was so small that physician stress and burnout was a recurring problem.
- The hospital board of trustees had not conducted a strategic planning process and was generally feeling overwhelmed by the responsibilities for stabilizing hospital and health services for the community.
- Public satisfaction surveys of health care in the community revealed major problems with confidence and quality. This clearly contributed to patient out-flow to other communities for services.
- A lack of cooperation and coordination among the

major health care providers in the community was noted.

- Various hospital financial practices and policies and practices are inadequate, including a very high accounts receivable.
- There was a high level of dissatisfaction with pharmacy services in the community.
- There was substantial dissatisfaction with alcoholism and mental health services, with massive out-migration to Anchorage for these services.
- The scope of medical services provided at the hospital was smaller than many hospitals of similar size. No surgery was being performed at that time, and a large portion of obstetrical patients were leaving the community for care.

In summary, approximately 40 significant problems, including those listed above, were documented by the Rural Hospital Project team when health services in Seward were analyzed carefully. Not surprisingly, the small cadre of health care leaders in the community was experiencing immense

frustration and was feeling overwhelmed by the problems they faced as they attempted to sustain health services for community residents.

The University of Washington team recognized that the number and range of problems facing a typical community such as Seward, in today's threatening environment, could only be addressed successfully if a more comprehensive strategy was developed. The underlying tenet of the Community Health Services Development strategy is that substantial change in failing rural health services can only be accomplished by mobilizing broad community health leadership and public support for these changes.

Four objectives of the Community Health Services Development strategy are:

1. To design a community health system to meet the individual community's needs.

A major proposition of the CHSD strategy is that the community rural health system should be constructed to meet the needs of the population it serves, including the large segments of rural communities that lack access to basic health care services because of financial, cultural and geographic barriers. In order

to accomplish this objective, we work with the community to determine the health needs of the local population and to develop a mix of services to meet those needs. This often means expanding the range of services available, since they have often atrophied for unnecessary and idiosyncratic reasons.

2. To improve the financial stability of local health institutions.

A major intervention is to provide thorough financial and managerial review of rural hospitals, nursing homes and clinics, and make specific recommendations on how to improve financial management and general administrative leadership.

3. To increase community utilization of and satisfaction with local health services.

A common problem in many rural communities is that the population is ambivalent about the quality of services provided locally. Local services are often perceived as unavailable or inferior, and a substantial portion of the population seeks health care outside the local area. This has the perverse effect of becoming a self-fulfilling prophecy when a shrinking market share and

falling utilization undermine the ability of health care personnel and institutions to sustain services that are in place.

4. To enhance local community leadership and effectiveness.

A common denominator in many rural communities is inadequate or dysfunctional community leadership. Too often communities have no mechanism for identifying, energizing and engaging local health and community leaders an effort to improve local health care capacity and quality. Rural hospital boards are often weak, and unaware of their need to serve as a conduit for community participation in shaping local health care systems. Many important components of rural communities are uninvolved or disaffected, and communication and teamwork among community leaders, hospital leadership, local physicians and other health providers is often more fractious than functional.

The Community Health Services Development Process:

Once a community agrees to participate in the CHSD process, there are three major phases:

1. Community Analysis:

The issues discussed above regarding Seward were identified through an extensive and careful analysis of the community health services. This analysis includes: a community market survey, mailed to each household in the service area to document satisfaction and utilization by local citizens; an exhaustive analysis of the financial, management, and organizational systems of institutions (hospital, nursing home, etc.); a needs assessment documenting health care strengths and weaknesses from interviewing 30 to 40 leaders in each community; and a demographic profile of each community.

From this thorough and objective study, the primary strengths and problems in the community health care system are clearly identified. This includes not only financial, personnel, and market share problems but also quality, performance, teamwork and leadership issues. In most communities, this is the first time these issues have been both comprehensively and honestly documented and described.

2. Hospital and community-wide health services planning:

The above information becomes the raw material for a strategic planning process which usually involves both the

hospital (first) and the entire spectrum of community health services. This planning process necessitates broad community participation. The plan should reflect the optimal menu of health services that the community needs, and the steps to address the problems that have been identified.

It is instructive here to illustrate some of the major goals that were part of Seward's initial strategic plan.

They included:

- To achieve a financial position for the community hospital that will insure long-term stability and enable the hospital to meet the challenges of a dynamic health care environment.
- To maintain and improve the market position of Seward General Hospital throughout the east Kenai peninsula.
- To demonstrate leadership, through the hospital trustees and administration, to provide, integrate, and coordinate human services in the east Kenai peninsula.
- To maintain an environment in which individual

employees and others associated with Seward General Hospital can achieve maximum equality.

- To develop maximum integration and collaboration among the major health care providers in the community including the physicians, hospital, nursing home and mental health services.
- To develop a community health insurance plan to retain maximum health care dollars and patient services within the community.
- To improve the quality of pharmacy and mental health services.

These goals included many sub-tasks to effectively address the problems outlined earlier in this document.

### 3. Implementation:

Every effort is made by health care and community leaders, in collaboration with University of Washington/AHEC staff, to aggressively implement the changes reflected in the strategic plan. This requires clear delineation of responsibilities, diffusion of responsibility to a wider range of community participants and leaders, clearly

delineated timelines, and commitment to an ongoing planning cycle each year for both the hospital and other community health services.

Major outcomes of the CHSD strategy:

A rigorous two-year evaluation of the six initial communities, including Seward, is currently underway. This evaluation involves repeating most parts of the community analysis. Quantitative information regarding changes in market share, public satisfaction levels, etc. is not yet available.

However, in hospital financial status, a number of changes have already been documented as a result of the CHSD model.

The more important outcomes include:

1. A commitment by hospital board and administration, as well as all community providers, to a rigorous, goal-oriented, problem-solving strategic planning process, to be re-examined annually. This is a major accomplishment for hospitals and communities that have never before accepted the need to plan in order to insure efficient use of scarce resources and to direct aggressive attention to threats and problems.

2. An improvement in the financial "bottom line" for Seward General Hospital.
  
3. The development of a community problem-solving organization, the "expanded core group", which includes representation from every element of health and human services in Seward. This group has developed more effective problem-solving approaches by providers in the community, improved teamwork, and is insuring better cooperation among the health care providers.
  
4. Hospital governance (by board and administration) is markedly improved. Changes have included a commitment by the board to a planning process, dramatically increased board confidence and competence, a board recruitment and development program, streamlined decision making and meetings, annual planning retreats, and the enlistment of new community members for specific expertise. As in other communities, this has been one of the most dramatic outcomes of enhanced community health leadership.
  
5. A hospital marketing plan has been developed to aggressively address the reasons many residents were leaving the community for health services. Prenatal and obstetrical services have been expanded, anesthesia

coverage has been improved and limited surgical services are now provided at the hospital. The image of the community hospital has improved through attention to the buildings, equipment, and their appearance. Programs to improve the interpersonal skills, personal appearance, sensitivity, and nurturing attitudes of personnel have been carried out. The importance of these efforts cannot be overemphasized when the reasons for citizen out-migration are understood.

6. New community technology including ultrasound and fetal monitoring equipment has been purchased.
7. A new hospital management information system has been instituted, and numerous management and financial systems changes have been implemented.
8. A more coordinated and functional physician recruitment strategy has been developed by the community, with excellent cooperation between the medical staff and the hospital.
9. An expanded range of physician specialists is now coming to the community to provide services locally.

10. Improved cooperation between the hospital and nursing home has been achieved, and an effective nursing home administrator recruited.
  
11. The community is exploring the development of a community health insurance plan to maximize the use of local dollars and develop incentives for local utilization of health services.

The above accomplishments are impressive. They represent constructive changes across the entire spectrum of community health services, and they also reflect a rate of change that certainly exceeds that which existed before the CHSD strategy was implemented.

In summary, general outcomes from the CHSD strategy in all participating communities include the following:

- a. A systematic, comprehensive approach to strengthening health care which includes system-wide planning, change on multiple fronts, more openness to outside facilitation and assistance, and greater peer group accountability.
  
- b. Improved system performance including enhanced community and health care leadership, improved teamwork, improved morale and optimism, and an

expansion of the scope of health services available locally.

- c. A structure for the future which insures continuing planning and problem-solving, a future-oriented attitude, and a willingness to continue to use outside resources to augment community skills and leadership.

In summary, Seward's experience has mirrored our experience in approximately 20 communities to date. Although some health care problems in rural communities will continue to be vexing due to the small population size and limited resources, the overall perspective of the CHSD strategy is that only with a community-driven approach involving broad health care and community leadership can many communities hope to sustain, let alone expand, the health services available to their residents. We believe at this time, even without the data from the Rural Hospital Project evaluation, that this process is far more effective than the crisis oriented, fragmented responses that many rural communities have historically utilized.

The partnering of community leaders with outside facilitators and consultants has proved to be a powerful team to address the complex issues facing rural communities. At a very modest cost per community (considering the overall

expenditure of health care dollars annually in a community), we believe that our experience with the CHSD strategy has shown that rural communities themselves are the most effective resources to stabilize their health services, rather than rely primarily on external saviors and solutions.

1219ch.doc

# ALASKA STATE LEGISLATURE

*While in Ketchikan*  
352 Front Street  
Ketchikan, AK 99901  
907-225-9675




*While in Juneau*  
P.O. Box V  
Juneau, AK 99811  
907-465-3743

**Senator Lloyd Jones**

April 30, 1990

## MEMORANDUM

To: Representative Lymon Hoffman, Co-Chairman  
Representative Ron Larson, Co-Chairman  
House Finance Committee

From: Senator Lloyd Jones 

Subj: SB 326 - Health Planning Grants

---

Senate Bill 326 passed the House HESS Committee this morning (April 30) and is on its way to your committee. I respectfully ask you hold a hearing on the bill as soon as your committee calendar permits.

SB 326 establishes a health planning grant program in the Department of Health and Social Services for community health care planning. The bill is based on a model grant program established by the University of Washington which has been successful in the Pacific Northwest and Seward, Alaska.

I am forwarding background material regarding this bill, including:

- Revised Senate Finance fiscal note and analysis
- Summary of the bill
- Written testimony and letter of support
- Case study

During my work with the Governor's Interim Commission on Health Care, we had serious concerns with the state's inability to put together either a long or short term health care policy. As state revenues dwindle, so will state support for much needed health care facilities and programs. This bill allows local decision-making regarding the future of health care programs and facilities at the community level.

The cost of this grant program is only a minimal amount, compared to the savings that could be achieved with long-range planning. I hope you will support this bill and join me in cross-sponsorship. If you have any questions regarding this bill, please feel free to call me or Glenda Carino of my staff.

LJ:gmc  
Enclosures

S

B

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# SENATE FINANCE COMMITTEE REPORT

DATE: 3/14/90

FURTHER:

DATE TURNED INTO OFFICE: 3/16/90

The Finance Committee considered

SB 332

"An Act relating to records of missing children; and to records of certain children enrolled or transferred as students."

and recommended:

replace with \_\_\_\_\_ CS \_\_\_\_\_  
 or adopt \_\_\_\_\_ CS SB 332 (SP)  
 attached amendment(s)  
 \_\_\_\_\_ letter of intent adopted

same title  
 new title  
 technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):  
Dept/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) DHSS 2/27/90  
DPS 3/11/90

SIGNING DO PASS:

Paul Frank  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

J. Duncan - No Rec  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Paul Frank (DO PASS)  
\_\_\_\_\_  
\_\_\_\_\_

1.

2.

Co-Chairs: Signatures and Recommendations

*W/O SFC 3-16-90*

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

BILL VERSION: CSSB 332 (SA) (b)  
PUBLISH DATE: 3/14/90

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Flagging Records of Missing Children  
Sponsor: Senator Uehling, etc.  
Requestor: Senate HESS

Agency Affected: Public Safety  
BRU: Alaska State Troopers  
Component: Detachment & C.I.B.

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No significant fiscal impact upon the Department of Public Safety is anticipated.

*JAR  
3/1/90*

Prepared by: Francis C. Allan  
Division: Alaska State Troopers

Phone: 269-5691  
Date: 03/01/90

Approved by Commissioner: SA H. English  
Agency: Department of Public Safety

Date: 3-1-90  
Page 1 of 1

# FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Health & Social Services  
 Title: Relating to records of missing children BRU: \_\_\_\_\_  
 Sponsor: Senator Uehling Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

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

OPERATING	FY 91	FY92	FY93	FY94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

FY90 Fiscal Impact is "0".

Prepared by: Katherine Kelley, Director *[Signature]*  
 Division: Public Health

Phone: 465-3090

Date: 2/27/90

Approved by Commissioner: Myra M. Munson *[Signature]*  
 Agency: Department of Health and Social Services

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

**Distribution (by preparer):**

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

Original sponsor(s): SEN. UEHLING, Kelly, Halford, Duncan, Jones, Coghill,  
Faiks, Sturgulewski, Rodey

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SENATE BILL NO. 332 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to records of missing children; and  
7 to records of certain children transferred as stu-  
8 dents."

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

10 \* Section 1. AS 14.30 is amended by adding new sections to read:

11 ARTICLE 9. RECORDS OF CERTAIN MISSING OR TRANSFERRED CHILDREN.

12 Sec. 14.30.700. RECORDS OF MISSING CHILDREN. Upon notification  
13 by the Department of Public Safety of a child's disappearance, a  
14 school or school district in which the child is currently or was  
15 previously enrolled shall flag the school record of that child in a  
16 manner that, when a copy or information regarding the record is re-  
17 quested, the school or school district shall be alerted to the fact  
18 that the record is that of a missing child. The school or school  
19 district shall immediately report to the Department of Public Safety a  
20 request regarding flagged records, including any knowledge as to the  
21 whereabouts of the child. Upon notification by the Department of  
22 Public Safety that the person who was listed as a missing child has  
23 been found, the school or school district shall remove the flag from  
24 the person's record.

25 Sec. 14.30.710. REQUIRED RECORDS UPON TRANSFER. Within 14 days  
26 after enrolling a child as a transfer student from this or another  
27 state in an elementary or secondary school, the school or school  
28 district shall request directly from the child's previous school a  
29 certified copy of the child's record. An elementary or secondary

1 school or a school district in this state requested to forward a copy  
2 of a transferring child's record to another school shall comply with  
3 the request within 10 days after receiving the request unless the  
4 record has been flagged under AS 14.30.700. Upon receipt of a request  
5 for a record that has been flagged, the school or school district  
6 shall immediately notify the Department of Public Safety. Unless  
7 directed to do so by the Department of Public Safety, a school or a  
8 school district may not forward a copy of a flagged record.

9 Sec. 14.30.720. DEFINITIONS. In AS 14.30.700 - 14.30.720,

10 (1) "child" means a person under 18 years of age;

11 (2) "school district" means a municipal school district or  
12 a regional educational attendance area.

13 \* Sec. 2. AS 18.50 is amended by adding a new section to read:

14 Sec. 18.50.315. RECORDS OF MISSING CHILDREN. (a) Upon receiv-  
15 ing notification by the Department of Public Safety or another law  
16 enforcement agency that a child born in this state is missing, the  
17 Bureau of Vital Statistics shall flag the birth certificate record of  
18 the missing child in a manner that alerts the bureau to the fact that  
19 the record is that of a missing child when a copy of that birth certi-  
20 ficate or information regarding that birth certificate is requested.  
21 Upon notification by the department that the person who was listed as  
22 a missing child has been found, the bureau shall remove the flag from  
23 the person's birth certificate record.

24 (b) The bureau may not provide a copy of a birth certificate or  
25 information concerning the birth record of a person whose record is  
26 flagged under (a) of this section, except as provided in this section.

27 (c) When a copy of a flagged birth certificate is requested, the  
28 bureau shall immediately notify the Department of Public Safety. If a  
29 flagged record is requested in person, the bureau shall record the

1 name, address, and telephone number of the person making the request.  
2 The bureau may only provide a copy of the requested birth certificate  
3 by mail.

4 (d) In this section,

5 (1) "child" means a person under 18 years of age;

6 (2) "law enforcement agency" has the meaning given in  
7 AS 12.36.090.

8 \* Sec. 3. AS 47.10.141 is amended by adding new subsections to read:

9 (d) If, after investigation of a report of a missing minor, a  
10 law enforcement agency has reason to believe that the minor is invol-  
11 untarily absent from the custody of a custodial parent or guardian,  
12 the department shall notify the Bureau of Vital Statistics of the  
13 disappearance and shall provide the bureau with a description of the  
14 minor. The description of the minor must include, if known, the  
15 minor's full name, date and place of birth, parent's names, and  
16 mother's maiden name. If the Department of Public Safety has reason  
17 to believe that the minor, whether born in this state or not, has been  
18 enrolled in a specific school or school district in the state, the  
19 department shall also notify the last known school or school district  
20 attended in the state by the missing minor of the disappearance. When  
21 a person who was listed as a missing minor is found, the Department of  
22 Public Safety shall notify the Bureau of Vital Statistics and any  
23 school or school district previously informed of the person's disap-  
24 pearance.

25 (e) In this section, "law enforcement agency" has the meaning  
26 given in AS 12.36.090.

## **SB 332 Testimony for Senate Finance**

SB 332 IS A SIMPLE PIECE OF LEGISLATION DESIGNED TO AID LAW ENFORCEMENT AGENCIES ATTEMPTING TO LOCATE MISSING CHILDREN.

IT IS HARD TO IMAGINE ANYTHING THAT IS MORE DEVASTATING TO A FAMILY THAN TO KNOW THAT THEIR CHILD IS MISSING. I AM COMMITTED TO ANY REASONABLE ACTION THAT WILL ASSIST THOSE FAMILIES FIND THEIR CHILDREN AND END THE PAIN THEY ENDURE.

SB 332 REQUIRES THE DEPARTMENT OF PUBLIC SAFETY TO HAVE RECORDS OF MISSING CHILDREN FLAGGED AT ALASKA SCHOOLS AND THE BUREAU OF VITAL STATISTICS SO THAT SUBSEQUENT ATTEMPTS TO CLAIM RECORDS OF THAT CHILD WILL ALERT THE AUTHORITIES. THIS LEGISLATION WILL NOT GUARANTEE THE RECOVERY OF MISSING CHILDREN, BUT IT WILL MAKE IT MUCH HARDER FOR CHILD ABDUCTORS TO PUT MISSING CHILDREN INTO ALASKA SCHOOLS.

I WORKED WITH THE STATE AFFAIRS COMMITTEE TO DRAFT A COMMITTEE SUBSTITUTE THAT RESPONDS TO THE LEGITIMATE SUGGESTIONS MADE BY THE DEPARTMENTS OF PUBLIC SAFETY AND HEALTH AND SOCIAL SERVICES. I SUPPORT THE BILL BEFORE THE COMMITTEE TODAY, AS DO THE DEPARTMENTS. THE BILL HAS TWO ZERO FISCAL NOTES.

# Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage



## Memorandum

February 28, 1990

Co-Chairman, Senate Finance Committee  
International Trade & Tourism Committee  
State Affairs Committee

To: Senator Pat Pourchot  
Chairman, Senate State Affairs Committee

From: Senator Rick Uehling *RUE*  
Co-Chairman, Senate Finance Committee

re: Explanation of Changes in Proposed CS for SB 332

In response to recommendations from the Departments of Public Safety and Health and Social Services I drafted a proposed Committee Substitute for SB 332, an act relating to records of missing children and to records of certain children transferred as students.

I believe the changes made in the proposed CS are positive and add to the effectiveness of this legislation. The changes are :

Section 1. 14.30.710. I have asked that subsection (a) be deleted. I think this tightens up the bill and will prevent unproductive paper shuffling between the Dept of Public Safety, the Bureau of Vital Statistics and Alaska schools. It also eliminates the provision that would lead to DPS investigations of parents who, for whatever reason, do not submit the appropriate records for their child when the child enters a new school.

The last of sentence of the original bill was deleted in lieu of the sentences added in the proposed CS. This addition will make it possible for schools to send flagged records if this will assist a law enforcement agency's investigation.

Section 2. 18.50.315. I have added language to the second line of this section making it possible for law enforcement agencies other than the DPS to request that records at the Bureau of Vital Statistics be flagged.

In subsection (c) of this section I have modified the list of information to be requested of people attempting to gain copies of birth certificates of children with flagged records. The modified list includes the information normally requested by the Bureau of Vital Statistics.

Section 3. 47.10.141. In the first sentence of this section I have added language that allows the Department to determine that record flagging at schools and the Bureau of Vital Statistics will be in the best interests of the investigation of a missing child. If the Department determines that the procedures set out in Sections 1 and 2 would not be of use to their investigation then the Department would not be obliged to carry them out.

Further in 47.10.141 the description of the child required to be sent to the Bureau of Vital Statistics has been modified to include the specific information necessary for the Bureau to accurately flag the correct records.

Thank you for your consideration of these changes to SB 332. Please contact Mike Abbott of my staff if you have any questions regarding this proposal.

RU/ma

## Backup materials for SB 332, Missing Kids

- 1) Sectional Analysis of SB 332
- 2) December 1, 1989 letter from Child Find of America, Inc endorsing SB 332
- 3) January 23, 1990 letter from National Center for Missing and Exploited Children endorsing SB 332

# Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage



Co-Chairman, Senate Finance Committee  
International Trade & Tourism Committee  
State Affairs Committee

## AN ACT RELATING TO RECORDS OF MISSING CHILDREN; AND TO RECORDS OF CERTAIN CHILDREN ENROLLED OR TRANSFERRED AS STUDENTS

### Sectional Analysis

#### Section 14.30.700. RECORDS OF MISSING CHILDREN.

When a child is declared missing, the Department of Public Safety will notify the school in which the child is currently or was previously enrolled to alert them of the child's disappearance. The school will then flag the child's record. If anyone requests a copy or information concerning the flagged record, the school will immediately report it to the Department of Public Safety. When a missing child has been found, the Department of Public Safety will notify the school(s) and the flag will be removed from the child's record.

#### Section 14.30.710. REQUIRED RECORDS UPON ENROLLMENT OR TRANSFER.

(a) When a child is enrolled for the first time in an elementary or secondary school in the state, the school will require a certified copy of the child's birth certificate as proof of identity which must be submitted to the school within 30 days after the child is enrolled. If the person enrolling a child fails to submit this documentation within the 30-day period, the school will notify the Department of Public Safety.

(b) When a child transfers to an elementary or secondary school the school will request directly from the child's previous school a certified copy of the child's record. The school shall request this documentation within 14 days after enrolling the child as a transfer student. An elementary or secondary school in this state requested to forward a copy of a transferring child's record to another school shall comply with the request within 10 days unless the child's record has been flagged under AS 14.30.700. A school may not forward a copy of a flagged record and shall notify the Dept. of Public Safety of the request.

Section 14.30.720. DEFINITION.

A child is defined as a person under 18 years of age.

Section 18.50.315. RECORDS OF MISSING CHILDREN.

(a) When a child born in the state is declared missing, the Department of Public Safety will notify the Bureau of Vital Statistics. Vital Statistics will then flag the birth certificate record of the missing child. When a missing child has been found, the Department of Public Safety will notify Vital Statistics and the flag will be removed from the birth certificate record.

(b) Vital Statistics may not provide a copy of a flagged birth certificate or information regarding a flagged birth certificate, except as provided in this section.

(c) When a copy of a flagged birth certificate is requested, the Bureau of Vital Statistics shall immediately notify Public Safety. If the request for information is made in person, the bureau will record the person's names, address, telephone number, and social security number, and will photocopy that person's driver's license.

(d) For purposes of this section, a child is defined as a person under 18 years of age.

Sec. 3. Adds a new subsection (d) to AS 47.10.141.

(d) Requires the Department of Public Safety to notify the Bureau of Vital Statistics of the disappearance and provide a description of a missing child born in Alaska. If the Department of Public Safety has reason to believe that a missing child (whether born in Alaska or not) has been enrolled in a specific Alaskan school, the department will also notify the last known school attended by the missing child of the disappearance. When a missing child is found the Department of Public Safety will notify Vital Statistics and any school which was previously informed of the child's disappearance.



NATIONAL  
CENTER FOR  
MISSING  
& EXPLOITED  
CHILDREN

2101 Wilson Boulevard • Suite 550 • Arlington, VA 22201  
703/235-3900

The Honorable Rick Uehling  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

January 23, 1990

Dear Senator Uehling:

The National Center has recently received a copy of S.B. 332, entitled "An Act relating to records of missing children; and to records of certain children enrolled or transferred as students." This office was pleased to assist you in the development of this legislation. The National Center for Missing and Exploited Children strongly supports this type of legislation.

If we can be of any further assistance, please do not hesitate to call on us.

Sincerely,

*Paulette L. Stevens*

Paulette L. Stevens  
Legislative Specialist

President and Chief Executive Officer  
ERNEST E. ALLEN

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The Mayo Clinic (MN)

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National Network of Runaway and  
Youth Services (DC)

HON. HOWARD CANNON  
U. S. Senator (DC)

JOHN CLINKSCALES  
Find-Me, Inc. (GA)

HOWARD DAVIDSON  
National Legal Resource Center for  
Child Advocacy and Protection (DC)

ROBERT DeLELLIS  
CBS Fox Video (NY)

FRANIS A. FITSCH  
Attorney General's Office (KY)

VINCENT P. GIULIANO  
ADVO-System, Inc. (CT)

JOHN T. GREENING  
Darcy Mitsus Benton & Bowles (MI)

GEORGE W. HALEY  
Attorney (DC)

ANDY HEYWARD  
DIC Enterprises, Inc. (CA)

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American Gas Association (VA)

BOHNY LoVINE  
Be and Dorothy LeVine Foundation (CA)

GREGORY A. LOKEN  
Covenant House (NY)

JEREMY D. MARGOLIS  
State Police (IL)

ELLIS E. McREDDITH  
Food Executives Int'l Foundation (VA)

WAYNE NEWTON  
Entertainer (NV)

J. KENNETH RICE  
University of Louisville (KY)

KATHY ROSENTHAL  
Children's Rights of America, Inc. (FL)

RICHARD T. RUFFINO  
Commission on Missing Persons (NJ)

DAN SEWTON  
Child Help, USA (CA)

NELL W. STEWART  
Dowbrants (SC)

KENNETH J. STROTTMAN  
Strottmann Marketing, Inc. (CA)

JOHN S. WALSH  
Adam Walsh Child  
Resource Center, Inc. (IL)

LESTER A. WILSON  
Wilson Printing and Promotions (GA)



**CHILD FIND  
OF AMERICA INC.®**

7 INNIS AVENUE / PO BOX 277 / NEWPALTZ, NY 12561-9277  
914-255-1848 FAX 914-255-5706

DEC 13 1989

December 1, 1989

Senator Rick Uehling  
PO Box V  
Juneau, AK 99811

Dear Senator Uehling:

I am pleased to offer my support for your senate bill to provide for the flagging of school records of missing children.

Because most abducted children eventually are put in school, tracking the movement of school records is a proven tool in the search for missing children. Your bill requiring notification of the Department of Public Safety when the transfer of school records is requested would be an expeditious way to make even better use of this tool.

Thanks for your efforts on behalf of this important issue. If we can be of further assistance in support of your bill please do not hesitate to call on us.

Sincerely,

Carolyn Zogg  
Executive Director

CZ/jrm

cc: State Senator Charles D. Cook, R-40  
Assemblyman Maurice D. Hinchey, Jr., D-101

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# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 25, 1990

FURTHER REFERRALS:

Date of Committee Action: 5/3/90

The FINANCE Committee considered:

CSSB 332(SA)am

CS SB NO. 332 (SA) am

FLAGGING RECORDS OF MISSING CHILDREN

"An Act relating to records of missing children; and to records of certain children transferred as students."

RECOMMENDATIONS:

- be replaced with \_\_\_\_\_  the same title
- have attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

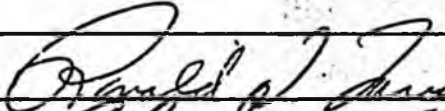
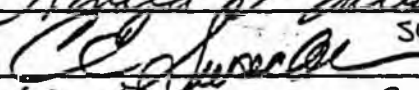
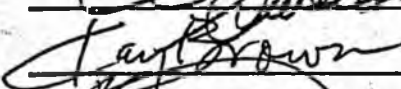
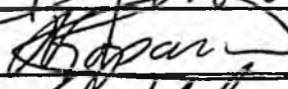
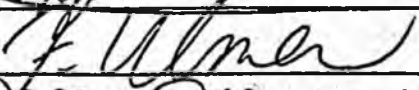
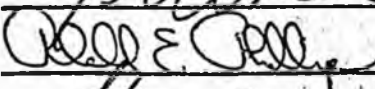
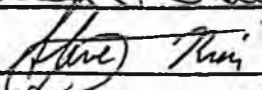
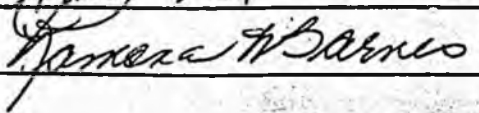
APPROVES PREVIOUS:  
(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_
- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) Public Sfty 3/14/90 DHS 3/14/90
- zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING:  
(Check approp. column)

Do Not Pass  
No Rec  
Amend

	LARSON			
	Swackhammer			
	Brown			
	Koponen			
	Ulmer			
	Phillips			
	Rieger			
	BARNES			

Chairman's Signature  LARSON

# FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Health & Social Services  
 Title: Relating to records of missing children BRU: \_\_\_\_\_  
 Sponsor: Senator Uehling Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

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

OPERATING	FY 91	FY92	FY93	FY94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

FY90 Fiscal Impact is "0".

Prepared by: Katherine Kelley, Director  
 Division: Public Health  
 Approved by Commissioner: Myra M. Munson  
 Agency: Department of Health and Social Services

Phone: 465-3090  
 Date: 2/27/90  
 Date: \_\_\_\_\_

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Public Safety  
 Title: Flagging Records of Missing Children BRU: Alaska State Troopers  
 Sponsor: Senator Uehling, etc. Component: Detachment & C.I.B.  
 Requestor: Senate HESS

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL..	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No significant fiscal impact upon the Department of Public Safety is anticipated.

JAR  
3/11/90

Prepared by: Francis C. Allan  
 Division: Alaska State Troopers

Phone: 269-5691  
 Date: 03/01/90

Approved by Commissioner: DAH. Arthur English  
 Agency: Department of Public Safety

Date: 3-1-90  
 Page 1 of 1

Amended: 3/21/90  
Offered: 3/14/90  
Referred: Finance

6-1511H

Original sponsor(s): SEN. UEHLING, Kelly, Halford, Duncan, Jones, Coghill,  
Faiks, Sturgulewski, Rodey, Pourchot, Szymanski

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SENATE BILL NO. 332 (State Affairs) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to records of missing children; and  
7 to records of certain children transferred as stu-  
8 dents."  
O

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

10 \* Section 1. AS 14.30 is amended by adding new sections to read:

11 ARTICLE 9. RECORDS OF CERTAIN MISSING OR TRANSFERRED CHILDREN.

12 Sec. 14.30.700. RECORDS OF MISSING CHILDREN. Upon notification  
13 by the Department of Public Safety of a child's disappearance, a  
14 school or school district in which the child is currently or was  
15 previously enrolled shall flag the school record of that child in a  
16 manner that, when a copy or information regarding the record is re-  
17 quested, the school or school district shall be alerted to the fact  
18 that the record is that of a missing child. The school or school  
19 district shall immediately report to the Department of Public Safety a  
20 request regarding flagged records, including any knowledge as to the  
21 whereabouts of the child. Upon notification by the Department of  
22 Public Safety that the person who was listed as a missing child has  
23 been found, the school or school district shall remove the flag from  
24 the person's record.

25 Sec. 14.30.710. REQUIRED RECORDS UPON TRANSFER. Within 14 days  
26 after enrolling a child as a transfer student from this or another  
27 state in an elementary or secondary school, the school or school  
28 district shall request directly from the child's previous school a  
29 certified copy of the child's record. An elementary or secondary

1 school or a school district in this state requested to forward a copy  
2 of a transferring child's record to another school shall comply with  
3 the request within 10 days after receiving the request unless the  
4 record has been flagged under AS 14.30.700. Upon receipt of a request  
5 for a record that has been flagged, the school or school district  
6 shall immediately notify the Department of Public Safety. Unless  
7 directed to do so by the Department of Public Safety, a school or a  
8 school district may not forward a copy of a flagged record.

9 Sec. 14.30.720. DEFINITIONS. In AS 14.30.700 - 14.30.720,

10 (1) "child" means a person under 18 years of age;

11 (2) "school district" means a municipal school district or  
12 a regional educational attendance area.

13 \* Sec. 2. AS 14.45.110(b) is amended to read:

14 (b) A religious or other private school that elects to comply  
15 with AS 14.45.100 - 14.45.130 shall maintain monthly attendance  
16 records for each student enrolled in the school, shall operate on a  
17 regular schedule, excluding reasonable holidays and vacations, during  
18 at least 180 days of the year, [AND] shall make an annual report to  
19 the commissioner of the number of students in each grade and the  
20 school calendar, and shall comply with the provisions concerning  
21 missing children under AS 14.30.700 - 14.30.720.

22 \* Sec. 3. AS 18.50 is amended by adding a new section to read:

23 Sec. 18.50.315. RECORDS OF MISSING CHILDREN. (a) Upon receiv-  
24 ing notification by the Department of Public Safety or another law  
25 enforcement agency that a child born in this state is missing, the  
26 Bureau of Vital Statistics shall flag the birth certificate record of  
27 the missing child in a manner that alerts the bureau to the fact that  
28 the record is that of a missing child when a copy of that birth certi-  
29 ficate or information regarding that birth certificate is requested.

1 Upon notification by the department that the person who was listed as  
2 a missing child has been found, the bureau shall remove the flag from  
3 the person's birth certificate record.

4 (b) The bureau may not provide a copy of a birth certificate or  
5 information concerning the birth record of a person whose record is  
6 flagged under (a) of this section, except as provided in this section.

7 (c) When a copy of a flagged birth certificate is requested, the  
8 bureau shall immediately notify the Department of Public Safety. If a  
9 flagged record is requested in person, the bureau shall record the  
10 name, address, and telephone number of the person making the request.  
11 The bureau may only provide a copy of the requested birth certificate  
12 by mail.

13 (d) In this section,

14 (1) "child" means a person under 18 years of age;

15 (2) "law enforcement agency" has the meaning given in  
16 AS 12.36.090.

17 \* Sec. 4. AS 47.10.141 is amended by adding new subsections to read:

18 (d) If, after investigation of a report of a missing minor, a  
19 law enforcement agency has reason to believe that the minor is invol-  
20 untarily absent from the custody of a custodial parent or guardian,  
21 the department shall notify the Bureau of Vital Statistics of the  
22 disappearance and shall provide the bureau with a description of the  
23 minor. The description of the minor must include, if known, the  
24 minor's full name, date and place of birth, parent's names, and  
25 mother's maiden name. If the Department of Public Safety has reason  
26 to believe that the minor, whether born in this state or not, has been  
27 enrolled in a specific school or school district in the state, the  
28 department shall also notify the last known school or school district  
29 attended in the state by the missing minor of the disappearance. When

1 a person who was listed as a missing minor is found, the Department of  
2 Public Safety shall notify the Bureau of Vital Statistics and any  
3 school or school district previously informed of the person's disap-  
4 pearance.

5 (e) In this section, "law enforcement agency" has the meaning  
6 given in AS 12.36.090.

9

# Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage

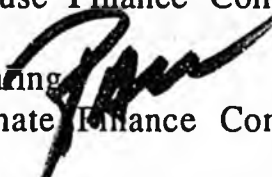


Co-Chairman, Senate Finance Committee  
International Trade & Tourism Committee  
State Affairs Committee

## Memorandum

April 24, 1990

To: Representative Ron Larson and  
Representative Lyman Hoffman  
Co-Chairman, House Finance Committee

From: Senator Rick Uehling   
Co-Chairman, Senate Finance Committee

Subject: CSSB 332 (State Affairs), an act relating to records of  
missing children; and to records of certain children  
enrolled or transferred as students.

---

I would appreciate your assistance in scheduling SB 332, an act relating to records of missing children, and to records of certain children enrolled or transferred as students, for a hearing before the House Finance Committee at the earliest convenient date.

This bill represents an effort to aid law enforcement agencies trying to locate missing children and reunite them with their families. This legislation will insure that the records of missing children are flagged at their schools and the Bureau of Vital Statistics so that any effort to gain copies of the records will alert law enforcement agencies. The measures mandated by this bill are not costly and will generally assist public and private agencies looking for children that have been separated from their families.

SB 332 has been endorsed by two major national organizations working on the missing children problem, Child Find of America, Inc. and the National Center for Missing and Exploited Children. Letters from these organizations are included for your files.

**Backup materials for SB 332, Missing Kids**

- 1) December 1, 1989 letter from Child Find of America, Inc endorsing SB 332
- 2) January 23, 1990 letter from National Center for Missing and Exploited Children endorsing SB 332



**CHILD FIND  
OF AMERICA INC.®**

7 INNIS AVENUE / PO BOX 277 / NEW PALTZ, NY 12561-9277  
914-255-1848 FAX 914-255-5706

DEC 15 1989

December 1, 1989

Senator Rick Uehling  
PO Box V  
Juneau, AK 99811

Dear Senator Uehling:

I am pleased to offer my support for your senate bill to provide for the flagging of school records of missing children.

Because most abducted children eventually are put in school, tracking the movement of school records is a proven tool in the search for missing children. Your bill requiring notification of the Department of Public Safety when the transfer of school records is requested would be an expeditious way to make even better use of this tool.

Thanks for your efforts on behalf of this important issue. If we can be of further assistance in support of your bill please do not hesitate to call on us.

Sincerely,

Carolyn Zogg  
Executive Director

CZ/jrm

cc: State Senator Charles D. Cook, R-40  
Assemblyman Maurice D. Hinchey, Jr., D-101

JAN 29 1990

2101 Wilson Boulevard • Suite 550 • Arlington, VA 22201  
703/235-3900



NATIONAL  
CENTER FOR  
**MISSING  
& EXPLOITED**  
CHILDREN

The Honorable Rick Uehling  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

January 23, 1990

Dear Senator Uehling:

The National Center has recently received a copy of S.B. 332, entitled "An Act relating to records of missing children; and to records of certain children enrolled or transferred as students." This office was pleased to assist you in the development of this legislation. The National Center for Missing and Exploited Children strongly supports this type of legislation.

If we can be of any further assistance, please do not hesitate to call on us.

Sincerely,

Paulette L. Stevens  
Legislative Specialist

President and Chief Executive Officer  
ERNEST E. ALLEN

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Commission on Missing Persons (NJ)

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Resource Center, Inc. (FL)

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Wilson Printing and Premiums (GA)

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4

SENATE FINANCE COMMITTEE REPORT

DATE: January 18, 1990

FURTHER:

DATE TURNED INTO OFFICE: 1/22/90

The Finance Committee considered SENATE BILL NO. 334

Directing the Dept. of Health and Social Services to seek permission to use options and receive waivers under the Medicaid program for the cost of home or community-based services for developmentally delayed children, developmentally disabled persons, disabled adults, and older Alaskans; directing other agencies to assist in that process; efd.

and recommended:

- [ ] replace with \_\_\_\_\_ CS \_\_\_\_\_
[ ] or adopt \_\_\_\_\_ CS \_\_\_\_\_
[ ] attached amendment(s)
[ ] \_\_\_\_\_ letter of intent adopted
[ ] same title
[ ] new title
[ ] technical title change (HB only)

[x] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

[x] fiscal note(s) Dept/Date: DHSSA 1/22/90 466.0 [ ] fiscal note(s) Dept/Date: DOA 1/19/90 110.0 I-A(RSA)

[ ] zero fiscal note(s)

[ ] zero fiscal note(s)

[ ] appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Handwritten signatures of committee members.

1. Rich Uehling Co-CHAIR 2. DO PASS

Co-Chairs: Signatures and Recommendations

7/0 3FC 1-22-90

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

BILL VERSION: SB 334 (a)\*\*  
PUBLISH DATE: 1/22/90

\*\*REVISED--SEE NOTE  
BELOW (includes (a)(b)(c)

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act Directing the Department of Health and Social...  
Sponsor: Uehling, Fahrenkamp, Duncan  
Requestor: Uehling

Agency Affected: Health and Social Services  
BRU: Medical Assistance Administration  
Administrative Services  
Components: Central Administration  
Governor's Council on the Handicapped

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	148.8	203.7	210.4			
TRAVEL	10.6	4.9	4.7			
CONTRACTUAL	278.6	217.4	218.9			
SUPPLIES	6.0	6.5	6.5			
EQUIPMENT	22.0	-0-	-0-			
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	466.0	432.5	440.5			

CAPITAL	-0-	-0-	-0-			
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REVENUE	-0-	-0-	-0-			
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FUNDING: (Thousands of Dollars)

GENERAL FUND	233.0	216.2	220.3			
FEDERAL FUNDS	233.0	216.3	220.2			
OTHER						
TOTAL	466.0	432.5	440.5			

POSITIONS:

FULL-TIME	5	5	5			
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

FY90 Impact-None.

This is the [TOTAL] Fiscal Note for SB 334; including RSA's with The Older Alaskans Commission and The Governor's Council on the Handicapped and Gifted for their activities. Funding is 50% federal financial participation and 50% state general fund match.

Prepared by: Kim Busch *Land*  
Division: Medical Assistance

Phone: 465-3355  
Date: January 22, 1990

Approved by Commissioner: Myra M. Munson  
Agency: Department of Health and Social Services

Date: 1/22/90

Distribution (by preparer): THIS FISCAL NOTE INCLUDES PREVIOUS FISCAL NOTES (b) and (c). FISCAL NOTE (c) UPDATED AND REPUBLISHED AT REQUEST OF FINANCE COMMITTEE  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

Detail of Fiscal Note on SB 334  
FY91 OPERATING

	<u>Medical Assistance</u>	<u>RSA Governor's Council</u>	<u>RSA Older Alaskans Commission</u>
100 <u>Personal Services</u>			
.75 PFT Health Planner III (R21)	46.8		
1.5 PFT Research Analyst III (R18)	80.7		
.75 PFT Clerk Typist III (R8)	21.3		
2 PFT Health Planner II (R19)	<u>        </u>	58.0	58.0
Sub-Total	148.8	58.0	58.0
200 <u>Travel</u>	<u>10.6</u>	<u>15.4</u>	<u>10.0</u>
300 <u>Contractual</u>			
Office Space, Risk Management, telephone, etc.	52.6	15.6	29.0
FOCUS: National Association of State Units on Aging computerized projection of adult functional disabilities based on the 1980 census.	6.0		
Consultant Fees Including Travel RSA's		14.0	6.0
Older Alaskans Commission	110.0		
Governor's Council H & G	<u>110.0</u>		
Sub-Total	278.6	29.6	35.0
400 <u>Supplies</u>	<u>6.0</u>	<u>1.5</u>	<u>1.5</u>
500 <u>Equipment</u>			
Microcomputer hardware and software	16.0	4.0	4.0
Desks, chairs, etc.	<u>6.0</u>	<u>1.5</u>	<u>1.5</u>
Sub-Total	22.0	5.5	5.5
TOTAL FY91 OPERATING	<u>466.0</u>	<u>110.0</u>	<u>110.0</u>
FUNDING:			
50% Federal Financial Participation	233.0		
50% State General Fund Match	233.0		

Detail of Fiscal Note on SB 334  
FY92 OPERATING

	<u>Medical Assistance</u>	<u>RSA Governor's Council</u>	<u>RSA Older Alaskans Commission</u>
100 <u>Personal Services</u>			
1 PFT Health Planner III (R21)	63.6		
2 PFT Research Analyst III (R18)	110.7		
1 PFT Clerk Typist III (R8)	29.3		
2 PFT Health Planner II (R19)		<u>60.0</u>	<u>60.0</u>
Sub-Total	<u>203.7</u>	60.0	60.0
200 <u>Travel</u>	<u>4.9</u>	<u>5.7</u>	<u>5.7</u>
300 <u>Contractual</u>			
Office Space, Risk Management, telephone, etc.	54.7	13.5	13.5
RSA			
Older Alaskans Commission	82.0		
Governor's Council H & G	<u>80.7</u>		
Sub-Total	217.4	13.5	13.5
400 <u>Supplies</u>	<u>6.5</u>	<u>1.5</u>	<u>1.5</u>
TOTAL FY92 OPERATING	<u>432.5</u>	<u>80.7</u>	<u>80.7</u>
FUNDING:			
50% Federal Financial Participation	216.3		
50% State General Fund Match	216.2		

Detail of Fiscal Note on SB 334  
FY93 OPERATING

		<u>Medical Assistance</u>	<u>RSA Governor's Council</u>	<u>RSA Older Alaskans Commission</u>
100	<u>Personal Services</u>			
	1 PFT Health Planner III (R21)	66.2		
	2 PFT Research Analyst III (R18)	114.4		
	1 PFT Clerk Typist III (R8)	29.8		
	2 PFT Health Planner II (R19)	<u>        </u>	61.7	61.7
	Sub-Total	210.4	61.7	61.7
200	<u>Travel</u>	<u>4.7</u>	<u>4.4</u>	<u>4.4</u>
300	<u>Contractual</u>			
	Office Space, Risk Management, telephone, etc.	56.8	13.5	13.5
	RSA			
	Older Alaskans Commission	81.1		
	Governor's Council H & G	<u>81.1</u>		
	Sub-Total	218.9	13.5	13.5
400	<u>Supplies</u>	<u>6.5</u>	<u>1.5</u>	<u>1.5</u>
TOTAL FY93 OPERATING		<u>440.5</u>	<u>81.1</u>	<u>81.1</u>
FUNDING:				
	50% Federal Financial Participation	220.2		
	50% State General Fund Match	220.3		

FISCAL NOTE

REQUEST:

Revision Date: January 19, 1990 Agency Affected: Administration  
 Title: Directing DHSS to seek permission, options, waivers under Medicaid Program BRU: Older Alaskans Commission  
 Sponsor: Uehling, Fahrenkamp, and Duncan Components: \_\_\_\_\_  
 Requestor: Uehling

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	58.0	60.0	61.7	0	0	0
TRAVEL	10.0	6.5	6.2	0	0	0
CONTRACTUAL	35.0	14.0	11.6	0	0	0
SUPPLIES	1.5	1.5	1.5	0	0	0
EQUIPMENT	5.5	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	110.0	82.0	81.0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER I/A (RSA)	110.0	82.0	81.0	0	0	0
TOTAL	110.0	82.0	81.0	0	0	0

POSITIONS:

FULL-TIME	1	1	1	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

IMPORTANT NOTE: All amounts on this fiscal note are already included in the fiscal note from the Department of Health and Social Services.

Prepared by: Connie J. Side *Frances B. Toland* Phone: 465-3250  
 Division: Older Alaskans Commission *for* Date: 01/19/90  
 Approved by Commissioner: Frank S. Baxter *for* Date: 1/19/90  
 Agency: Department of Administration

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Department of Administration  
Older Alaskans Commission  
Draft Revision 1/19/90

Detail of Fiscal Note on SB 334

FY 91

100	<u>Personal Services</u>	
	1 PFT Health Planner II (Range 19) Juneau	\$ 58,027
200	<u>Travel</u>	10,000
	Includes as one-time expenses: One 2-week visit to a Medicaid Home Care Waiver State to study state and local operations (2.0), a Medicaid expert's travel to Alaska to consult for 5 days (2.0).	
300	<u>Contractual Services</u>	
	Includes as one-time expenses: Public seminar on Home Care Options for all disabled groups covered by SB 334 (9.0), printing of report from OAC (6.0,) and Medicaid expert/consultants (6.0)	35,000
400	<u>Supplies</u>	1,500
500	<u>Equipment</u>	5,500
	Includes as one-time expenses: Computer, desk, etc.	
		<hr/>
	FY 91 TOTAL:	\$110,027

BY SEN. UEHLING, Fahrenkamp, Duncan, Sturgulewski, Faiks, Halford, Rodey,  
Jones

1 IN THE SENATE

2

SENATE BILL NO. 334

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act directing the Department of Health and Social  
Services to seek permission to use options and re-  
ceive waivers under the Medicaid program for the cost  
of home or community-based services for develop-  
mentally delayed children, developmentally disabled  
persons, disabled adults, and older Alaskans; direct-  
ing other agencies to assist in that process; and  
providing for an effective date."

14

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

15 \* Section 1. FINDINGS; INTENT. (a) The legislature finds that chil-  
16 dren and adults who are experiencing disabling conditions have individual  
17 and changing needs that can be best addressed by having available to them a  
18 mix of services, including home and community-based services and institu-  
19 tional care. The historical focus of the Medicaid program has been on  
20 providing services in institutional settings for adults who need outside  
21 assistance in daily living and for children who need developmental help.  
22 Therefore, some persons whose needs could be met outside of institutions  
23 have, nevertheless, become institutionalized so that they could receive  
24 services through the Medicaid program. Other persons in need have received  
25 no services until their conditions deteriorated to the point where they met  
26 the Medicaid criteria for institutionalization. Nursing facilities, hos-  
27 pitals, and intermediate care facilities for the mentally retarded should  
28 remain readily available for those whose needs require that kind of set-  
29 ting, but the availability of home and community-based services should also

1 be expanded so that, when possible, persons could be deinstitutionalized,  
2 avoid institutionalization, or avoid becoming at risk of institutionaliza-  
3 tion and be assisted to live on their own, with their families, or in group  
4 settings that allow semi-independent living in their own communities.  
5 Furthermore, home and community-based services can help persons whose  
6 disabling conditions might never require institutional care, but whose  
7 lives could be more comfortable and more productive if the services were  
8 provided.

9 (b) It is the legislature's intent in enacting this Act to require  
10 the Department of Health and Social Services to seek approval from the  
11 federal government to use some Medicaid program money to broaden the range  
12 of home and community-based services that are available for appropriate  
13 groups of developmentally delayed children, developmentally disabled per-  
14 sons, disabled adults, and older Alaskans, who could benefit from them,  
15 especially those who would otherwise require Medicaid program money for  
16 more costly institutionalization. The choice of which waivers and options  
17 would be applied for and which population groups should be served would be  
18 made by the department after priorities are recommended by the Governor's  
19 Council for the Handicapped and Gifted and the Older Alaskans Commission.  
20 Through budget oversight, legislative hearings, and other legislative  
21 action, the legislature would give specific budgetary authority and policy  
22 directives to the department to guide it when it applies for the options  
23 and waivers.

24 \* Sec. 2. PRELIMINARY RESEARCH. (a) The Governor's Council for the  
25 Handicapped and Gifted and the Older Alaskans Commission shall, in consul-  
26 tation with other appropriate public and private agencies, conduct re-  
27 search, compile statistics, and prepare information and documents that  
28 would be useful to the Department of Health and Social Services in deter-  
29 mining necessary services, optimal service delivery areas and methods, and

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1 the appropriate groups of developmentally delayed children, developmentally  
2 disabled persons, disabled adults, and older Alaskans, for which the de-  
3 partment may apply for home and community-based options and waivers under  
4 42 U.S.C. 1396n and other federal laws relating to the Medicaid program.

5 (b) By June 1, 1991, the Governor's Council for the Handicapped and  
6 Gifted and the Older Alaskans Commission shall submit written reports to  
7 the legislature and the Department of Health and Social Services document-  
8 ing their recommendations for the scope and substance of the options and  
9 waivers that the department may apply for under this Act, including their  
10 recommended priorities for which specific populations should be served.

11 \* Sec. 3. PRELIMINARY DETERMINATIONS; FISCAL ANALYSIS OF PROPOSED  
12 PROGRAM CHANGES. (a) Based on the written reports, including the priority  
13 designations, received under sec. 2(b) of this Act, the Department of  
14 Health and Social Services shall make a preliminary determination of which  
15 options and waivers it plans to apply for. The department shall, by  
16 January 15, 1992, submit to the legislature a report estimating the fiscal  
17 effect of implementing the particular options and waivers for which it  
18 plans to seek approval from the federal government under this Act. The  
19 report must include for each population group for which approval for an  
20 option or waiver will be sought

21 (1) a description of the group and its geographical distribu-  
22 tion, including the number of persons to be served in each geographical  
23 area;

24 (2) the specific types of services to be provided under the  
25 option or waiver;

26 (3) the cost to the state of implementing the option or waiver,  
27 including administrative costs, the cost of services to be provided under  
28 the options or waivers, and other affected Medicaid program costs; the  
29 report must specifically address whether use of the option or waiver will

1 result in the provision of services to a newly eligible population not  
2 previously receiving Medicaid services; and

3 (4) the cost to the state of serving the group and other affect-  
4 ed Medicaid program costs if the option or waiver is not approved and  
5 implemented, including administrative costs and the costs of services that  
6 would be provided in the existing health care delivery system without using  
7 the option or waiver.

8 (b) During the process of developing the applications that would be  
9 submitted to the federal government for its approval under this Act, reli-  
10 able information should become available to substantiate the costs of  
11 implementing home and community-based options and waivers. The legislature  
12 acknowledges that reliable information on this subject is not currently  
13 available, although long-term cost avoidance is likely because home and  
14 community-based services will help slow the rate of growth in the need for  
15 construction of additional nursing home beds and help persons avoid insti-  
16 tutionalization. Therefore, it is the legislature's intent that fiscal  
17 notes prepared for this Act should reflect only the costs of researching,  
18 writing, negotiating, and obtaining approval of the applications to the  
19 federal government and the costs of preparing the fiscal analysis required  
20 under (a) of this section. Estimates of program implementation costs,  
21 including the costs of services, should be made only after comprehensive  
22 data is available.

23 \* Sec. 4. FINAL DETERMINATION; APPLICATIONS FOR OPTIONS AND WAIVERS.

24 (a) After legislative review during the Second Session of the Seventeenth  
25 Alaska State Legislature, and before September 15, 1992, the Departmen' of  
26 Health and Social Services shall apply to the Secretary of Health and Human  
27 Services for permission to use home and community-based options and waivers  
28 that may be approved under 42 U.S.C. 1396n(c) - (d) and other federal laws  
29 for developmentally delayed children, developmentally disabled persons,

1 disabled adults, and older Alaskans, especially those for whom the depart-  
2 ment determines that but for the provision of the services the persons  
3 would require the level of care provided in a hospital, nursing facility,  
4 or intermediate care facility for the mentally retarded, the cost of which  
5 could be reimbursed under the federal Medicaid program. When determining  
6 which options and waivers it will apply for under this subsection, the  
7 department shall consider the priorities recommended by the Governor's  
8 Council for the Handicapped and Gifted and the Older Alaskans Commission  
9 and the specific budgetary authority and policy directives set by the  
10 legislature.

11 (b) In its process of seeking permission to use options and receive  
12 waivers under (a) of this section, the Department of Health and Social  
13 Services may seek to provide all appropriate services allowed by federal  
14 law that are consistent with the needs of the population groups for which  
15 the department intends to provide services under the options and waivers.

16 (c) While preparing applications required under (a) of this section,  
17 the Department of Health and Social Services shall consult with the Gover-  
18 nor's Council for the Handicapped and Gifted and the Older Alaskans Commis-  
19 sion. In addition, 60 days before submitting applications to the Secretary  
20 of Health and Human Services, the department shall deliver a copy of the  
21 proposed applications to the council and the commission for their review  
22 and comment. The department shall consider comments made by the council  
23 and commission and amend the applications as considered appropriate by the  
24 department before submitting them to the Secretary of Health and Human  
25 Services.

26 (d) The Department of Health and Social Services may submit more than  
27 one application under this section if more than one group of persons could  
28 be effectively served by home or community-based options or waivers consis-  
29 tent with (a) of this section and the requirements of 42 U.S.C. 1396n(c) -

1 (d) and other federal laws.

2 \* Sec. 5. INTERAGENCY COORDINATION. The Governor's Council for the  
3 Handicapped and Gifted, the Older Alaskans Commission, and the Department  
4 of Health and Social Services shall enter into an interagency agreement for  
5 carrying out this Act. The agreement must provide that

6 (1) the Department of Health and Social Services is recognized  
7 as the lead agency responsible for applying to the federal government for  
8 the use of options and waivers described in this Act; and

9 (2) all three agencies will cooperate with each other in provid-  
10 ing requested nonconfidential information that would assist the agencies in  
11 fulfilling their duties under this Act.

12 \* Sec. 6. DEFINITIONS. In this Act

13 (1) "developmentally delayed children" means children who are  
14 eligible for Medicaid under federal regulations and need early intervention  
15 services because they

16 (A) are experiencing developmental delays, as measured by  
17 appropriate diagnostic instruments and procedures, in cognitive devel-  
18 opment; physical development, including vision and hearing; language  
19 and speech development; psychosocial development; or self-help skills;

20 (B) have a diagnosed physical or mental condition that is  
21 likely to result in developmental delay described in (A) of this  
22 paragraph; or

23 (C) are at risk of having substantial developmental delays  
24 as described in (A) of this paragraph if early intervention services  
25 are not provided;

26 (2) "developmentally disabled person" means a person who is  
27 eligible for Medicaid under federal regulations and has a severe, chronic  
28 disability that

29 (A) is attributable to a mental or physical impairment or

1 combination of mental and physical impairments;  
2 (B) is manifested before the person attains age 22;  
3 (C) is likely to continue indefinitely;  
4 (D) results in substantial functional limitations in three  
5 or more of the following areas of major life activity: self-care,  
6 receptive and expressive language, learning, mobility, self-direction,  
7 capacity for independent living, and economic self-sufficiency; and  
8 (E) reflects the person's need for a combination and se-  
9 quence of special, interdisciplinary, or generic care, treatment, or  
10 other services that are of lifelong or extended duration and are  
11 individually planned and coordinated;

12 (3) "disabled adult" means a person 18 years of age or older who  
13 is eligible for Medicaid under federal regulations and is unable to engage  
14 in any substantial gainful activity by reason of a medically determinable  
15 physical or mental impairment that can be expected to result in death or  
16 that has lasted or can be expected to last for a continuous period of at  
17 least 12 months;

18 (4) "older Alaskans" has the meaning given in AS 47.65.060,  
19 except that it includes only older Alaskans who are eligible for Medicaid  
20 under federal regulations.

21 \* Sec. 7. This Act takes effect July 1, 1990.

22

SB 334

# Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage



Co-Chairman, Senate Finance Committee  
International Trade & Tourism Committee  
State Affairs Committee

## BILL SUMMARY

SB 334

### "AN ACT DIRECTING THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES ... TO SEEK ... WAIVERS UNDER THE MEDICAID PROGRAM"

This bill directs DHSS to apply for federal approval to modify Alaska's medicaid program to allow for home care in place of institutional care.

Alaska's current medicaid program does not provide home care benefits for those patients who qualify for institutional care. This program if adopted will allow Alaskans who qualify for medicaid to choose home care rather than institutional care.

Home care can provide many benefits. The federal program caps the cost of home care so that it cannot exceed the cost of institutional care. In many cases the home care alternative will save the state money. In addition, for certain patients the recovery process is more rapid when the patient is in a home environment, supported by family.

The bill works by requiring DHSS, the Older Alaskans Commission, and the Governor's Council for the Handicapped and Gifted to survey client needs and to coordinate the list of potential home care services. DHSS will then serve as the lead agency to prepare an application to the federal government to modify Alaska's medicaid program to include home care services.

Alaskans who benefit from this legislation include senior citizens, parents of disabled children, disabled adults, and Alaskans experiencing a developmental disability.

# Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage



Co-Chairman, Senate Finance Committee  
International Trade & Tourism Committee  
State Affairs Committee

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**SECTIONAL ANALYSIS  
SENATE BILL 334**

The following is a sectional analysis of SB 334, a bill which directs the Department of Health and Social Services to seek approval for certain options and waivers under the federal medicaid program.

In general, the bill requires DHSS to coordinate the application with information obtained from the Older Alaskans Commission and the Governor's Council on Gifted and Handicapped.

Section 1

Subsection (a-b) provides a descriptive basis for mandating a medicaid operated home care program.

Subsection (c) names the Department of Health and Social Services as the lead agency for preparing the federal application after taking into consideration priorities recommended by the Older Alaskans Commission and the Governors Council for the Handicapped and Gifted.

Section 2

Subsection (a) describes preliminary research activities to be conducted by the Governor's Council for the Handicapped and Gifted, and the Older Alaskans Commission.

Subsection (b) sets June 1, 1991 as the deadline for the submission of a written report to DHSS and the Legislature to detail the results of the activities in Subsection (a) above.

Section 3

Subsection (a) directs the Department of Health and Social Services to submit a report to the Legislature by January 15, 1992 which estimates the cost of implementing particular options and waivers for which it plans to seek approval from the federal government under this Act.

Subsection (b) defines the costs to be used by the administration in preparing the fiscal note for this bill as those necessary for the researching, writing, negotiating and obtaining approval of the application to the federal government and the costs of preparing the fiscal analysis under this section.

Section 4 provides for Legislative review of the applications for options and waivers prior to submission by the Department of Health and Social Services. This section also directs DHSS to consult with the Governor's Council for the Handicapped and Gifted and the Older Alaskans Commission during the preparation of the applications.

Section 5 requires the Department of Health and Social Services, the Governor's Council for the Handicapped and Gifted, and the Older Alaskans Commission to prepare an interagency agreement for carrying out this Act.

Section 6 sets out the definitions in this Act for "developmentally delayed children", developmentally disabled person", "disabled adult", and "older Alaskans".

Section 7 names the effective date of this act as July 1, 1990.



## Older Alaskans Commission

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### POSITION PAPER ON SENATE BILL 334

Senate Bill 334, the Home Care Bill, will commit the State to a two year process of planning and applying for federal Medicaid programs to pay for home and community based support services for the elderly, and disabled adults and children who need such services to avoid placement in nursing homes or other institutions.

Alaska is almost the only state that does not now use Medicaid dollars for home care programs for functionally disabled citizens. Many states use a combination of Medicaid "optional services" and a Home Care "Waiver" to complete the continuum of care available to persons with disabilities.

Although institutional care will always be needed for some clients, a range of "home and community care" Medicaid programs can be used by the state to provide less costly and higher quality-of-life alternatives to nursing homes for many people. Home care optional services assist family caregivers to extend the time when a frail senior or other disabled family member can stay at home, or avoid nursing home placement altogether.

Over thirty other states now use Medicaid to augment medical care for the elderly with "social" services to support home or community care. These include services such as adult day care, in-home respite care, hospice care, homemaker and home health service, case management, and adult foster care.

Older Alaskans have very limited or no access to these types of services; only a few of these options are available through OAC services to the elderly, and only in a few towns. What services do exist are fragmented, provided by six different state agencies (or their local contractors), and there is no one entry point to home care, nor any one person who allocates the care resources among those in need or helps to coordinate the different services to make an overall effective care package for the family and client. When a person is 85, frail, ill, and home-bound, dealing with six bureaucracies is an overwhelming burden--perhaps the most important optional Medicaid service Alaska could start would be managed care, or "case management" of home service for the most frail and disabled.

SB 334 authorizes the OAC and the Governor's Council for the Handicapped and Gifted to each conduct a year of research into

the needs of their populations, and by June, 1991 to issue a report recommending the best combination of Medicaid services for the populations each represents.

The Medical Assistance Division of the Department of Health and Social Services is mandated by SB 334 to respond to the OAC and GCHG reports with cost studies and its own recommendations for the 1992 Legislature. If the 1992 Legislature approves the plans, the State would submit applications to the federal Medical agency by late 1992. Services would be phased in, starting in 1993.

SB 334 instructs the three agencies, Medical Assistance, OAC, and the GCHG to coordinate their work through an inter-agency committee. The three agencies are already planning a "team" approach to this multi-year project, and have tried to coordinate their fiscal notes in such a way as to use one-half federal Medicaid dollars to fund the project.

The Older Alaskans Commission strongly endorses SB 334. Alaska must seek all available federal dollars to help fill the serious gaps in Alaska's "continuum" of care for the elderly and disabled. Although the Medicaid programs will not serve all seniors, a base of Medicaid dollars to fund home and community services would free other state resources for similar services to moderate income, at-risk elderly living at home.

Although Alaska earlier made bold initiatives to set up Pioneers' Homes and the Longevity Bonus to assist seniors who wish to stay in the state, Alaska has not kept up with the state-of-the-art in elder (or disabled) care in other states. As a state, Alaska has not yet responded to the strong desire of seniors to stay at home as long as possible--a desire repeated in every senior survey and demonstrated by the current ages of admission to the Pioneers' Homes, where the average age upon entry is over 80.

Many, many Alaskan seniors are looking for a reassurance that home care or community assistance will be there when they need it. In addition to the Older Alaskans Commission endorsement of this bill, the Legislature will find support from the Alaska chapter of the American Association of Retired Persons and the Older Persons Action Group. The OAC is also sure that most local senior groups will support this bill, as the Commission is constantly informed by seniors throughout the state of the pressing need for home and community care.

APPROVED:

*Frances B. Toland*  
Peggy Burgin, Chair  
Older Alaskans Commission

DATED:

1/17/90

REVIEWED:

*Frank Baxter*  
Frank Baxter, Commissioner  
Department of Administration

DATED:

1/19/90

**POSITION PAPER**

**SENATE BILL 334**

For an Act entitled:

"An Act directing the Department of Health and Social Services to seek permission to use options and receive waivers under the Medicaid program for the cost of home or community-based services for developmentally delayed children, developmentally disabled persons, disabled adults, and older Alaskans; directing other agencies to assist in that process; and providing for an effective date."

This Act directs the Department of Health and Social Services, the Governor's Council for the Handicapped and Gifted, and the Older Alaskans Commission to enter into an interagency agreement to work toward preparing reports and fiscal analysis to be provided to the Legislature for the purpose of obtaining Medicaid-funding for services and waivers to provide access to home and community based care for the classes of individuals described in the Act's title.

The Act establishes guidelines including a timeframe in which the Department must conduct research, analyze recommendations of the Older Alaskan's Commission (OAC) and the Governor's Council for the Handicapped and Gifted (GCHG), prepare a detailed fiscal analysis, and write and submit state plan amendments and waiver requests.

During FY91, the Department's efforts will be directed toward staff training, creation of a project plan, consultation with experts, research in federal and state law and regulations, creation of a data base of potential clients and existing services, and public meetings to obtain information on service needs and expectations.

In FY92 the Department will prepare draft waiver requests, Medicaid State Plan Amendments, and a fiscal note analysis as specified in Section 3 of Senate Bill 334. This will require on-going research and planning including coordination with the Older Alaskan's Commission and the Governor's Council for the Handicapped and Gifted and the Health Care Financing Administration.

In FY93 the Department will finalize waiver requests and state plan amendments that have been funded by the Legislature. These will be sent to the Governor's Council for the Handicapped and Gifted and Older Alaskan's Commission by July 15, 1992. After consideration of any recommendations from the Governor's Council for the Handicapped and Gifted or the Older

Position Paper  
Senate Bill No. 334  
Page 2

Alaskan's Commission the Department will submit the waivers and state plan amendments to the Health Care Financing Administration by September 15, 1992. State plan amendments are generally approved within 90 days of submission. Once approval is certain the Department will begin implementation. The average length of time between submission of a waiver request to the Health Care Financing Administration and final approval is approximately 9 months. In FY94 the Department would be implementing the waiver.

Department Position

The federal laws governing the Medicaid Program have been undergoing rapid change and will likely continue to change especially in the area of long-term care. It is critically important for the Department to stay current on the laws affecting Medicaid services and waivers and to assist in positioning the state to take advantage of federal financing opportunities in regard to the classifications of individuals targeted under Senate Bill 334.

SB 334 provides a process by which the DHSS, OAC and Governor's Council can act together to recommend to the Legislature the most appropriate home and community based Medicaid options and waivers. The Department of Health and Social Services supports SB 334.

RECOMMENDED:

Kim Busch

Kim Busch  
Director  
Division of  
Medical Assistance

DATE:

1-18-90

APPROVED:

Myra M. Munson

Myra M. Munson  
Commissioner  
Department of Health  
and Social Services

DATE:

1-22-90

# **MEDICAL CARE**

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## **MEDICAID: MEDICAL ASSISTANCE PROGRAM**

### ***Purpose***

This program (often referred to as "Title 19" because of its authorizing legislation) provides federal financial assistance to states for medical services furnished on behalf of public assistance recipients and, in some states, on behalf of other medically needy persons who, except for income and resources, would be eligible for cash assistance. The federal matching rate varies by state and is determined under a complex formula geared to state per capita personal income. The federal share of program costs ranges from 50% to 80% (new matching rates for federal FY 1989-90 were issued by HCF, A on October 27, 1988). The Medicaid program is administered by a state's "single state agency," and the agency must operate under a Medicaid state plan approved by the Secretary of the Department of Health and Human Services and comply with all federal regulations governing aid and medical assistance to the needy.

### ***Eligibility***

There are numerous categories of persons who are eligible for Medicaid. Federal law mandates that states must serve some categories of persons. Other categories of persons are eligible for Medicaid at state option and if they are listed in the state Medicaid plan. In some cases, if a state opts to include certain optional categories of persons in their Medicaid plan there are federal requirements that restrict the eligibility of those groups. Overall, the federal Medicaid statute encompasses a wide-range of eligibility options aimed at the extension of Medicaid services to children with severe disabilities who are members of low-income households or who have had financial deeming requirements waived. Careful review of each state's Medicaid state plan is necessary to determine the range of eligible groups that are covered in a particular state and, consequently, the role Medicaid benefits might play in meeting the needs of such children.

The following pages describe the mandatory and optional eligibility groups.

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This section was prepared with the assistance of Kathleen Blume of the Health Care Financing Administration; Gary Smith of NASMRPD; and Harriet Fox of Fox Health Policy Consultants