

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 920

SENATE FINANCE COMMITTEE REPORT

DATE: 5/5/92

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 5/11/92

The Finance Committee considered

SR 12

Urging the establishment of an interagency task force on adult protective services.

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous _____ CS _____ (_____)
 attaches amendment(s)

- same title
 new title
 technical title change
(HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes DoA 44.0 5/7/92

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

DO PASS:

OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signature: Lynn Hoffman Nisler]

1. _____
Co-Chair: Signature/Recommendation

_____ Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA

BILL NO. SR 12

1992 LEGISLATIVE SESSION

REPORTED OUT OF
SFC 5-11-92

Revision Date: _____

Department Affected: Administration

Title: Urging . . . interagency task force on adult protective services.

BRU: Older Alaskans Commission

Sponsor: Senate HESS

Component: Older Alaskans Commission

Requestor: _____

COMPONENT SERIAL NO.

		3	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	32.2	0	0	0	0	0
TRAVEL	2.0	0	0	0	0	0
CONTRACTUAL	8.0	0	0	0	0	0
SUPPLIES	1.8	0	0	0	0	0
EQUIPMENT	0	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	44.0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	44.0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	44.0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	1.0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

The Older Alaskans Commission (OAC) receives "dedicated" federal funds for prevention and education regarding elder abuse and neglect (\$22. FFY 92 and anticipated \$22. FFY 93). OAC voted to offer these funds for State FY 93 to staff and prepare the report for the interagency task force in SR 12. Would hire one Project Coordinator (range 18A), 30 hours per week for eight months. Contract work for report printing, teleconferences.

Prepared by: Connie J. Sipe, Director

Phone: 465-3250

Division: Older Alaskans Commission

Date: May 7, 1992

Approved by Commissioner: Nancy Bear User

Agency: Administration

Date: 5/7/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/07/91

Page 1 of 1

6/leg92/12814.kp

SENATE RESOLUTION NO. 12**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - SECOND SESSION****BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE****Introduced: 5/5/92**
Referred: Finance**A RESOLUTION**

1 Urging the establishment of an interagency task force on adult protective services.

2 BE IT RESOLVED BY THE SENATE:

3 WHEREAS the Department of Health and Social Services, at the direction of the legislature, is
4 preparing to apply to the federal government for Medicaid waivers and options for home and community
5 based services that will significantly affect the delivery of long-term care to elderly and disabled adults;
6 and

7 WHEREAS the number of social worker positions available in the entire state for prevention,
8 intervention, and investigation of abuse and exploitation of the elderly has declined from 11 to three and
9 one-half in the past decade; and

10 WHEREAS the responsibility for providing services to elderly and disabled adults is spread over
11 nine separate divisions and three separate departments of state government; and

12 WHEREAS it is commonly acknowledged that the entire spectrum of adult protective services
13 in the state has been inadequately funded, beginning with the 1982 Elder Abuse Reporting Act, that
14 passed with no funding to implement its well-conceived provisions and protections; and

15 WHEREAS the state has experienced unprecedented growth of 93.7 percent in the 65 and older
16 population in the past decade, four times the national average, with some areas of the state exceeding
17 155 percent growth in this age bracket over that time period; and

1 **WHEREAS** the Department of Health and Social Services has requested the legislature, the
2 Department of Public Safety's Council on Domestic Violence and Sexual Assault, the Department of
3 Administration's Elder Alaskans Commission, and the Department of Health and Social Services to
4 participate in a task force to address the shortcomings in adult protective services and explore the
5 development of a comprehensive program of service delivery to elderly and disabled adults; and

6 **WHEREAS** there is not a central phone number to call or one place to go for senior citizens and
7 disabled adults to acquire comprehensive information about the availability of services for them; and

8 **WHEREAS** there has developed an attitude and sense of hopelessness among some persons in
9 the state that reports of abuse are not adequately responded to and consequently not worth the effort of
10 reporting; and

11 **WHEREAS** there is not a central management information system in the state with the capacity
12 to monitor reports of harm made to the Department of Public Safety and the Department of Health and
13 Social Services, the number of cases of abuse prosecuted in the Alaska court system, the number of
14 clients receiving services, the number of needy individuals presently unserved or underserved, or the total
15 amount of money expended for these services, and this lack results in ill-informed decision making;

16 **BE IT RESOLVED** that the Senate respectfully requests the Governor to direct the Department
17 of Health and Social Services, the Department of Public Safety, and the Department of Administration
18 to convene an interagency task force on adult protective services to

19 (1) analyze the overlapping and different jurisdictions of the departments for
20 investigating, licensing, and services related to disabled adults and senior citizens who could be victims
21 of neglect or abuse;

22 (2) propose statutory and regulatory or procedural changes that would better serve adult
23 victims of abuse while making the best use of public resources;

24 (3) analyze what new resources, if any, are needed to provide effective and
25 comprehensive services to victims of abuse who are elderly or disabled adults; and

26 (4) provide a report to the legislature concerning the task force's findings and
27 recommendations by February 15, 1993.

7-LS2317A ✓
Lauterbach
4/22/92

HOUSE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Introduced:

Referred:

A RESOLUTION

1 **Urging the establishment of an interagency task force on adult protective services.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** the Department of Health and Social Services, at the direction of the legislature, is
4 preparing to apply to the federal government for Medicaid waivers and options for home and community
5 based services that will significantly affect the delivery of long-term care to elderly and disabled adults;
6 and

7 **WHEREAS** the number of social worker positions available in the entire state for prevention,
8 intervention, and investigation of abuse and exploitation of the elderly has declined from 11 to three and
9 one-half in the past decade; and

10 **WHEREAS** the responsibility for providing services to elderly and disabled adults is spread over
11 nine separate divisions and three separate departments of state government; and

12 **WHEREAS** it is commonly acknowledged that the entire spectrum of adult protective services
13 in the state has been inadequately funded, beginning with the 1982 Elder Abuse Reporting Act, that
14 passed with no funding to implement its well-conceived provisions and protections; and

15 **WHEREAS** the state has experienced unprecedented growth of 93.7 percent in the 65 and older
16 population in the past decade, four times the national average, with some areas of the state exceeding
17 155 percent growth in this age bracket over that time period; and

1 WHEREAS the Department of Health and Social Services has requested the legislature, the
2 Department of Public Safety's Council on Domestic Violence and Sexual Assault, the Department of
3 Administration's Older Alaskans Commission, and the Department of Health and Social Services to
4 participate in a task force to address the shortcomings in adult protective services and explore the
5 development of a comprehensive program of service delivery to elderly and disabled adults; and

6 WHEREAS there is not a central phone number to call or one place to go for senior citizens and
7 disabled adults to acquire comprehensive information about the availability of services for them; and

8 WHEREAS there has developed an attitude and sense of hopelessness among some persons in
9 the state that reports of abuse are not adequately responded to and consequently not worth the effort of
10 reporting; and

11 WHEREAS there is not a central management information system in the state with the capacity
12 to monitor reports of harm made to the Department of Public Safety and the Department of Health and
13 Social Services, the number of cases of abuse prosecuted in the Alaska court system, the number of
14 clients receiving services, the number of needy individuals presently unserved or underserved, or the total
15 amount of money expended for these services, and this lack results in ill-informed decision making;

16 BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to direct
17 the Department of Health and Social Services, the Department of Public Safety, and the Department of
18 Administration to convene an interagency task force on adult protective services to

19 (1) analyze the overlapping and different jurisdictions of the departments for
20 investigating, licensing, and services related to disabled adults and senior citizens who could be victims
21 of neglect or abuse;

22 (2) propose statutory and regulatory or procedural changes that would better serve adult
23 victims of abuse while making the best use of public resources;

24 (3) analyze what new resources, if any, are needed to provide effective and
25 comprehensive services to victims of abuse who are elderly or disabled adults; and

26 (4) provide a report to the legislature concerning the task force's findings and
27 recommendations by February 15, 1993.

HOUSE BILL 510

"An Act Relating to Criminal Offenses and penalties for offenses involving disabled or elderly adults."

This bill proposes several changes to Alaska's criminal statutes regarding crimes against disabled adults and the elderly. It proposes increasing the penalty for failure of required professionals to report abuse, exploitation, abandonment or neglect of an elderly person to the department; for disabled adults it proposes increasing the penalty for failure to report to law enforcement. It proposes conviction of a professional who fails to report as grounds for disciplinary action by Occupational Licensing, where applicable. The Department supports this bill. Comments focus on Section seven.

Section 7

A February, 1992 Report from the U. S. Health and Human Services Secretary's Task Force on Elder Abuse stated that adult protective services agencies are the principal agencies responsible for the investigation and follow-up on domestic elder abuse cases and are also the primary agencies responsible for investigating institutional abuse cases. The report noted that most states have enacted some type of legislation addressing elder abuse, and that most have established policies, job classes etc., but lack of resources to carry out the mandates have often resulted in protective services programs that are less than adequate. Further the report noted that practitioners in the field sometimes ignore the reporting law because they recognize there is no service system to address cases of abuse.

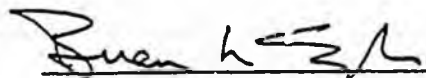
Alaska is no different. Some professionals have openly stated that they will not report because they believe the response from adult protective services is inadequate. Some have stated that they believe they can handle the problem better themselves. Others do not report because they do not recognize that abuse has occurred, or they do not know that they are required to report. For example, physicians and other medical professionals could use training in recognition, just as they needed it for child abuse. Many abuse symptoms are similar to those for children, but medical professionals are not trained to recognize abuse in adults and there are some significant differences.

While the department has not yet brought known instances of failure to report abuse, exploitation or neglect by a caregiver to the attention of the Department of Law for prosecution, it is important to have a strong penalty for blatant disregard of the reporting

requirement. We have been informed by the sponsor that a correction to make the penalty a Class B misdemeanor is being submitted in a sponsor substitute.

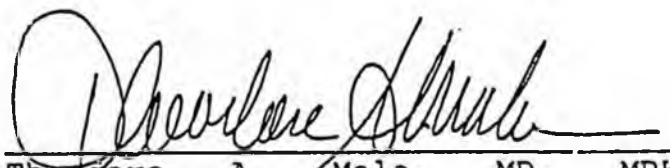
Task Force

Alaska falls into the mold of states referenced in the U. S. Health and Human Services report. Some states like Texas, Maine, Wisconsin and Illinois have established very credible adult protective services systems, but most have not. We are concerned about the vulnerable populations with which we come into contact and believe that lack of an adequate protective services system for vulnerable adults should be addressed, particularly as our aging population increases. We think that this area should be addressed in a planned way to avoid creating an overwhelming surge in reporting as we experienced in the area of child abuse. The Department proposes a task force be convened to address these issues. The task force is more fully discussed in the Department's Position paper for HB 511.



Brian Saylor, PhD, MPH,
Deputy Commissioner/Acting Director
Division of Family and Youth Services

Date: _____



Theodore A. Mala, MD, MPH,
Commissioner
Department of Health and Social
Services

Date: 4 March 1992

REPRESENTATIVE
JERRY MACKIE

P.O. BOX 73
CRAIG, ALASKA 99921
(907) 826-3008 OFFICE
(907) 826-2930 HOME

CHAIRMAN,
COMMUNITY & REGIONAL AFFAIRS COMMITTEE

VICE CHAIRMAN,
TRANSPORTATION COMMITTEE

Alaska State Legislature



WHILE IN JUNEAU
ALASKA STATE CAPITOL
JUNEAU, ALASKA 99801-1182

(907) 465-4925

House of Representatives

MEMORANDUM

TO: Senator Pat Pourchot, Co-Chair
Senator Jay Kerttula, Co-Chair
Senate Finance Committee

FROM: Representative Jerry Mackie *JM*

DATE: May 6, 1992

RE: Scheduling request

Yesterday, the Senate HESS Committee introduced SR 12, a resolution establishing a task force on adult protective services.

This resolution received a Senate Finance Committee referral. I don't believe that this referral was necessary as the resolution has no fiscal impact. The Older Alaskans Commission has voted to spend \$44,000 to fund the work of the task force out of their federal receipts. This money can be used by the Older Alaskans Commission to hire part-time staff or a consultant to work with the task force.

I would hereby respectfully request a waiver of the Senate Finance Committee referral.

Should you deem this to be inappropriate, I would appreciate your scheduling SR 12 for a Senate Finance Committee hearing at your earliest possible convenience.

Thank you for your consideration.

TO: Vicki Irwin Rep. Mackie	FROM: J. O'Brien	DATE: 3/13/92
FAX #: 2299	FAX #:	PAGES INCLUDING THIS PAGE: 3
	PHONE #: 465-2145	

Per our discussion. Please call. Thanks.

DRAFT

MEMORANDUM

DATE: March 1, 1992

TO: Theodore A. Mala, MD, MPH
Commissioner
Department of Health and Social Services

THRU: Brian Saylor, PhD, MPH
Deputy Commissioner DHSS
and Acting Director DFYS

FROM: Nina Kinney
Social Services Program Officer
Division of Family and Youth Services

SUBJECT: Adult Protective Services Task Force

FILE: 1750

This is to request your approval to create an Adult Protective Services APS Task Force. DFYS has carried this role, since before statehood. About 2/3 of our caseload are over age 65 (with 3 over 100 years old) and about 1/3 of our caseload are younger semi-dependent adults, often just below criteria that could get them help in other systems. These are street people and frail elderly, physically handicapped and mentally ill or DD. Reports of harm include self-neglect, neglect by a person responsible for their care, financial exploitation, and abuse.

Within the last year a dependent young man was living, often locked in, in a camper on his brother's property. He died very shortly after agencies were informed, preventing any opportunity for earlier intervention that might have saved his life. There have been other recent disturbing cases. Division activity in APS is so understaffed that community members including neighbors of victims do not know that help is possible. When we do get reports, we have been termed as non-responsive on all but the worst cases. In 1982, the Elder Abuse reporting statute was passed, but not funded. Ten years later

- We don't have a full Adult Protective Services system
- We don't provide the same level of protection to elderly and disabled adults as we do to children.
- We know that we don't have an adequate system.
- We want to do better.
- So how do we do that?

We strongly believe the department has a responsibility to bring this problem out of the closet. In this state (many in Juneau) are people qualified to address an APS System. We think that it is time for a small task force of experts and selected community professionals to address APS issues and make recommendations to the Governor and to the legislature.

We would like to involve Mrs. Hickel because of her previous interest and involvement in special APS cases, if only at the beginning to give some status to the task force effort. A brief description is attached. Pat O'Brien is meeting with the Older Alaskan's Commission Friday of this week to show the new members a video on elder abuse and to discuss APS with them. We would like to be able to ask their participation on a task force at that time. We look forward to your response to this proposal.

Approved []
Disapproved []
Let's Discuss []

Theodore A. Mala, MD, MPH
Commissioner

ADULT PROTECTIVE SERVICES TASK FORCE

WHAT

The task force will examine key issues, assemble basic facts, utilize strategic planning and issue a report to Governor Hickel and to the Legislature. The task force will attempt to answer questions such as

- What is the adult protective services function?
- What are the basic facts?
- Who needs services and what services are needed?
- What should an improved system look like?
- What are the funding and resource issues?
- Where should APS be located?
- How does Alaska's family centered services philosophy relate to APS?
- And how do we get to where we need to go from here?

WHO

Members should include DFYS task force support from state office, Nina Kinney, Patricia O'Brien, and Lisa Rollin. DFYS field staff should include a supervisor from Anchorage (possibly Gladys Langdon) and from Fairbanks (possibly Lynn Graham). The local Fairbanks task force that has addressed elder abuse for 10 years should be represented (possibly Dottie Englund), Advocacy Services of Alaska, and legislators or assistants who have expressed previous interest. These include Representatives Mackie (aide, Vicki Irwin) and Lincoln who recently sponsored legislation involving adult protection, Senator Kertula (Mrs. Kertula has long been interested in this area), and Paula Scavera of Legislative Research. She has conducted extensive research in this area. Related state agencies should include DMH&DD (Pat Denny plus one other), OAC (possibly Fran Toland and the long term care ombudsman, Bill O' Connor), Public Assistance, Law (Leba Shaw) and CDVSA.

WHERE

Meetings should be held in Juneau as most individuals serving are in Juneau. Agencies should bear their own cost of travel as should legislative representation. DFYS would fund the FBX. elder abuse task force member.

TIME FRAME

Deliberations should occur through July with a report due in August, in time for legislative drafting and addressing any funding issues.

h:\prg\cl\apsmem.pjo

Army announced Thursday has suspended an order for all those leaving the service on the special gulf unit line 301. The suspension applies to the Guard and Reserve, as well as those on active duty.

-The Associated Press

British Tornado GR1A reconnaissance jet at Elmson Air Force Base while talking to Staff Sgt. Gene LaDoucer. Warne and his crew were working on the air brakes on the craft. In the background, an F-16 is on flights per day.

INSIDE

A-2.5	Fairbanks	A-2.3
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A-4	Television	B-5

ers' Index, Page A-2

RECTION

Valley Anthony Wername was misspelled in caption of Thursday's color photograph about pool track season.



adough Jack

"The university's tuition hike will give higher learning a litering."

State to examine disabled's housing

By LIN GALE
Staff Writer

Aurora home needed no license

A fatal fire Wednesday at a group home in Aurora Subdivision has prompted state officials to question how they oversee adult care programs.

The early morning blaze, caused by a cigarette tossed into a garbage can, killed two residents at Fairbanks Resource Agency's group home on Aurora Drive.

The victims—Charles Monroe, 49, and Charles Smith, 50—were residents in an independent living program for mentally disabled and retarded adults. The program was not licensed or otherwise regulated by the state.

"It is a tragedy and it will cause us to do some re-thinking and re-examining," said Pat O'Brien, social service program director for the Division of Youth and Family Services. "The whole area—assisted living—is an area that we'll be looking at."

FRA operated the residence as a state-licensed group home for mentally disabled adults until September, 1991, according to Nancy Johnson, DFYS licensing supervisor in Fairbanks. In September, FRA launched a new "independent cluster living" program there that did not

require a state license, Johnson said. Licensed facilities must meet state safety and sanitation standards and 24-hour staffing requirements. FRA's Aurora home fell within an unregulated gray area, O'Brien said. Many such independent living programs operate around the state, she said.

The licensing division promotes independent living for developmentally disabled people whenever possible, according to O'Brien. The problem is there are no set ways to determine whether someone is capable of living safely without constant supervision, she said.

Wednesday's victims suffered from mental disabilities that prevented them from living on their own. Monroe was unable to perform simple tasks without constant reminders, according to his family. Smith was described by his attorney in Superior court records as having the mental capacity of an 8- to 10-year-old child.

Their deaths have led people at DFYS to ask, "If we're not providing regulatory oversight—is anybody?" Johnson said.

FRA director Emily Ennis said Aurora house residents were chosen for their ability to live independently. She said they participated in monthly fire drills and were adequately prepared for fire emergencies. The men were supervised by two resident counselors, she said.



MONROE
Fire Victim

Monroe lived at the home for more than 10 years, according to his sister, Maureen Monroe. A mid-1970s auto accident robbed him of his short-term memory, she said.

He was unable to remember day-to-day chores and instructions, she said.

"In his room there was a note to wash up, brush your teeth, make your bed," she said.

She said her brother was probably capable of remembering to run from the house when the smoke alarm sounded, but she

suspects he was overcome by the smoke.

"I think if he had heard that fire alarm, he would have known to get out," she said.

Smith, 50, moved into the home last summer after he pleaded no contest to a charge of second-degree attempted sexual abuse of a 10-year-old girl. Joining the program was a condition of his parole, according to state Superior Court records.

The Aurora home was divided into three apartments—two on the top floor, and one on the bottom floor. A counselor lived with three residents downstairs, and another counselor lived with a client in an upstairs apartment. Monroe and Smith lived in the other upstairs apartment. The fire is believed to have started in the hallway between the two apartments.

The fatal fire is the second to strike an FRA group home.

On Sept. 23, 1984, fire swept through the agency's Sheffield House at 417 Clara St. Resident Susan Silas, 28, died from injuries sustained in the blaze. Arson was suspected, but never proven.

Silas' father, Bergman Silas, sued FRA for negligence. The case was settled out of court for an undisclosed amount.

INSIDE: A special section on home building and im

SCR 3

**WAIVED FROM HFC
3-20-91**

7-LS0353ND

CS FOR SENATE CONCURRENT RESOLUTION NO. 3 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

**Offered: 2/13/91
Referred: Rules**

Sponsor(s): SENATORS FAHRENKAMP, Pearce

A RESOLUTION

1 **Urging the Alaska Housing Finance Corporation to investigate the economic feasibility of**
2 **using its current power to make loans for low-income housing.**

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** there exists in the state a widespread need for low-income housing to provide shelter
5 for homeless persons or to provide more affordable housing for persons who are not currently homeless
6 but are faced with mortgage payments or rental payments that use a high proportion of their disposable
7 income; and

8 **WHEREAS** there are individuals, nonprofit corporations, and other entities that would develop
9 and build low-income housing if loan money were more readily available for it in the state; and

10 **WHEREAS**, under AS 18.56.090(2), the Alaska Housing Finance Corporation has the power to
11 make loans to sponsors, developers, and builders of low-income housing when funds are not available
12 from private lenders on equivalent terms and conditions; and

13 **WHEREAS** public-private partnerships can play a uniquely effective role in developing the
14 economy of the state and improving the living standards of its citizens by increasing the supply of
15 housing available for low-income persons;

16 **BE IT RESOLVED** that the Alaska State Legislature urges the Alaska Housing Finance

1 Corporation to investigate the economic feasibility of helping to expand the supply of low-income
2 housing in the state by using its authority to make loans under AS 18.50.090(2), particularly to nonprofit
3 corporations whose purposes include the amelioration or prevention of homelessness; and be it

4 **FURTHER RESOLVED** that AHFC is encouraged to work closely with potential sponsors of
5 low-income housing to develop financially feasible housing alternatives for low-income persons.

SCR 3

SENATE FINANCE COMMITTEE REPORT

DATE: 1/30/91

FURTHER:

DATE TURNED INTO OFFICE: 2/13/91

The Finance Committee considered SENATE CONCURRENT RESOLUTION NO. 3

Urging the Alaska Housing Finance Corporation to use its current power to make loans for low-income housing.

and recommended:

- replace with _____ CS SCR 3 (FIN) same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

*Original
CS SCR 3 (Fin)
coming*

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

zero fiscal note(s) *(updated)*

appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Handwritten signatures]

All ledgers - No Rec

1.

Co-Chairs. Signatures and Recommendations

No Rec

FISCAL NOTE

No. 1

RO SRC 2/13/91

Bill Version: SCR 3

(S) Publish Date: 1-30-91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: 1/30/91

Department Affected: Revenue

Title: Res. urging AHFC to use its statu-
tory powers for low-income hsg loans

BRU: Alaska Housing Finance Corporation

Component: AHFC

Sponsor: Fahrenkamp

Requestor: Fahrenkamp

COMPONENT SERIAL NO.

	1	1	0
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-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	-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	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
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-

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Changes in CS SCR 3 (Fm)
have no fiscal impact.
This fiscal note is
appropriate. 2/13/91

Prepared By: Mitzi C. Barker

Phone: 564-9323

Division: AHFC/Planning & Research

Date: January 30, 1991

Post-It™ brand fax transmittal memo 7671 # of pages 2

To: <u>Frank Himm</u>	From: <u>Mitzi Barker</u>
Co: <u>HESS - Sen.</u>	Co: <u>AHFC</u>
Dept.	Phone #
Fax # <u>465-3810</u>	Fax #

Date: _____
e Sponsor, Requestor, OMB, & Impacted Agency(ies).

ATTACHMENT TO FISCAL NOTE FOR SCR 003

Revised: 1/30/91

Assumptions: Discussion with sponsor's staff indicates that legislative intent is for AHFC to expand its activities with respect to assisting potential sponsors of low-income housing to develop financially feasible housing alternatives for low-income persons. Currently, the Corporation's activity in this area extends to limited technical assistance provided by its Planning and Research office. Such technical assistance is a small fraction of that office's current workload.

Research into the programs of other housing finance agencies indicate that, to accomplish the development of low income housing alternatives through the non-profit sector will require a significant level of effort, including on-site technical assistance in the project conception, development, construction and (potentially) management stages.

It is further assumed that existing resources will be reallocated from other functions within the Corporation which are expected to be downsized in FY '92. *Therefore, there is no net gain of positions, and no necessity of requesting a new position or PCN.*

Program Summary:

Positions: A Level 16 Research Associate is proposed. This position, working in the Planning and Research Office would assist the Senior Planner in identifying the needs of potential non-profit sponsors for education, training and technical assistance and develop programs tailored to meet those needs. The Research Associate would be responsible for record-keeping, initial analysis of project feasibility, and maintaining contact with non-profit organizations, as well as developing and disseminating publicity about the program. In addition, the Research Associate would assume certain routine duties of the Senior Planner, freeing that individual up to provide personal services to non-profits.

Because this position will be re-allocated from within the Corporation, no Request for New Position is necessary; there will be no net increase in positions authorized the Corporation.

Funding: Funds for this program will come from AHFC earnings. Resources will be reallocated from functions which are expected to downsize during FY '92, due to changing market conditions.

212

CHANGES Page 2

CS FOR SENATE CONCURRENT RESOLUTION NO. 3 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATORS FAHRENKAMP, Pearce

A RESOLUTION

**1 Urging the Alaska Housing Finance Corporation to investigate the economic feasibility of
2 using its current power to make loans for low-income housing.**

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

**4 WHEREAS there exists in the state a widespread need for low-income housing to provide shelter
5 for homeless persons or to provide more affordable housing for persons who are not currently homeless
6 but are faced with mortgage payments or rental payments that use a high proportion of their disposable
7 income; and**

**8 WHEREAS there are individuals, nonprofit corporations, and other entities that would develop
9 and build low-income housing if loan money were more readily available for it in the state; and**

**10 WHEREAS, under AS 18.56.090(2), the Alaska Housing Finance Corporation has the power to
11 make loans to sponsors, developers, and builders of low-income housing when funds are not available
12 from private lenders on equivalent terms and conditions; and**

**13 WHEREAS public-private partnerships can play a uniquely effective role in developing the
14 economy of the state and improving the living standards of its citizens by increasing the supply of
15 housing available for low-income persons;**

16 BE IT RESOLVED that the Alaska State Legislature urges the Alaska Housing Finance

1 Corporation to investigate the economic feasibility of helping to expand the supply of low-income
2 housing in the state by using its authority to make loans under AS 18.56.090(2), particularly to nonprofit
3 corporations whose purposes include the amelioration or prevention of homelessness; and be it
4 **FURTHER RESOLVED** that AHFC is encouraged to work closely with potential sponsors of
5 low-income housing to develop financially feasible housing alternatives for low-income persons.

GREEN DOORS

Juneau Alliance for the Mentally Ill

P.O. Box 22090 • Juneau, Alaska 99802

(907) 463-4910

Senate Finance Committee

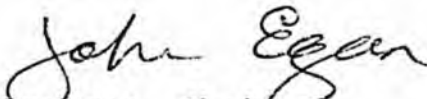
Dear Mr. Chair and fellow committee members:

I would like to publicly support SCR #3 urging AHFC to use its authority to make loans *directly* for low-income housing. Across the state there is a desparate shortage of affordable housing for all sectors of the economy, but most ntably for low-income persons who are continually the hardest hit by high housing costs.

Despite a turnaround in Alaska's economy, there still does not exist a climate such that banks and other lenders are willing to make long-term mortgage loans for multi-family units. The incentive for private investors to develop rental housing has been completely eliminated by the federal government and we are left with the result of no new housing construction. AHFC, through it's statute authority, can alleviate this pressure and make loans directly to non-profits and other entities who are involved in the support and management of low-income housing.

I ask for your support for this resolution and your support to make affordable housing available to all Alaskans.

Thank you,



John Egan, Chairman
Alaska Coalition for the Homeless

February 11, 1991

TO: Joan Hope
Senator Fahrenkamp's Office

FROM: Eileen Cummings
Fairbanks Regional Coalition for the Homeless
Vice Chair Alaska Coalition for the Homeless

Eileen Cummings

I would like to thank you for the time and effort you have dedicated toward establishing legislation that will improve services for the homeless statewide.

I have reviewed Senate Bill 59 and am very pleased that our new Governor has acknowledged our homeless problems in our state. Establishing this task force will provide the state government with an accurate picture of the problems of our low income/homeless residents. At the end of the year problems will have been identified and solutions developed to resolve many of these issues. I would like to encourage the passage of this bill for the benefit of our state residents.

Affordable housing is a common problem for many Alaska residents statewide. Senate Concurrent Resolution No. 3 and No. 4 will enable affordable and adequate housing become available for many residents living on the edge of homelessness. By instituting these resolutions many people will be able to maintain a home of their own, they will be able to make the transition from temporary or emergency shelter to a permanent living situation. Once a person's living situation is secure, other things can fall into place, like a steady job, continuing education, attending counseling, whatever it takes to get a person back in the mainstream of life.

I would like to encourage you to pass these resolutions and the SB 59. I believe these housing/homeless problems have been ignored for too long. These resolutions and bill WILL make a difference for every community in Alaska.

If I can be of any more assistance, please contact me any time. Thanks again for your efforts.

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, RESOURCES COMMITTEE
119 N. CUSHMAN STREET, SUITE 201
FAIRBANKS, ALASKA 99701
OFFICE (907) 452-4882
HOME (907) 456-2899



Senate

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
CAPITOL, ROOM 125
OFFICE (907) 465-3834
HOME (907) 780-6027

MEMORANDUM

TO: Senator Pat Pourchot
Senator Jalmar Kerttula
Co-Chairs, Senate Finance Committee

FROM: Senator Bettye Fahrenkamp

DATE: February 7, 1991

SUBJECT: Senate Concurrent Resolution 3
"Urging the Alaska Housing Finance Corporation to use its current power to make loans for low-income housing."

As the legislature stated in the "Findings and Purpose" section of AHFC's statutes,

There exists within the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons of lower and moderate income....Private enterprise has not be able to provide, without assistance, an adequate supply of safe and sanitary homes at prices or rents that persons of lower or moderate income can afford...and that existing state and federal programs are inadequate to meet housing needs of persons of lower and moderate income. It is imperative that the supply of housing for persons of lower and moderate income...be increased and that coordination and cooperation among private enterprise, state and local government be encouraged to sponsor, build and rehabilitate residential housing for these persons.

Alaska Housing Finance Corporation has the statutory authority under AS 18.56.090(2) to make direct loans to sponsors, developers and builders of low-income housing when funds are not available from private lenders on equivalent terms and conditions. AHFC has not done this to date.

Because around Alaska more and more low-income housing has been demolished or converted, and because Alaska's economy has not yet fully recovered from the collapse of the real estate market, thus making it more difficult for potential providers of low-income housing to get conventional construction loans, this approach offers a straightforward source of funding that will meet the public purpose of ensuring an adequate supply of low income housing.

This measure has the support of the Alaska Coalition for the Homeless. I encourage your support for the resolution, and would be happy to answer any questions or provide more information.

SCR 4

SENATE FINANCE COMMITTEE REPORT

DATE: 1/30/91

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SENATE CONCURRENT RESOLUTION NO. 4

Payment of finder's and realtor's fees by the Department of Health and Social Services to nonprofit organizations and realtors who successfully place in permanent housing individuals and families who are either without housing or reside in temporary shelters or unsafe housing.

and recommended:

- replace with _____ CS _____
 or adopt _____ CS _____
 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) _____

APPROVES PREVIOUS:

Dept/Date:

- fiscal note(s) _____

 zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

1. _____ 2. _____
Co-Chairs: Signatures and Recommendations

SENATE CONCURRENT RESOLUTION NO. 4
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR FAHRENKAMP

Introduced: 1/21/91

Referred: HESS and Finance

A RESOLUTION

1 Relating to the payment of finder's and realtor's fees by the Department of Health and
2 Social Services to nonprofit organizations and realtors who successfully place in permanent
3 housing individuals and families who are either without housing or reside in temporary
4 shelters or unsafe housing.

5 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 **WHEREAS** there is a lack of available low and moderate income housing in Alaska; and

7 **WHEREAS** housing that could be utilized for low and moderate income housing is not easily
8 identified or located due in part to the lack of incentive for public or private enterprise to seek out this
9 housing and place in permanent housing individuals and families who are without homes or who reside
10 in temporary shelters or unsafe housing; and

11 **WHEREAS**, because the lack of available or identified low and moderate income housing places
12 a burden on the communities and social service system of the state, unique programs and options
13 concerning housing and the homeless should be explored;

14 **BE IT RESOLVED** by the Alaska State Legislature that the Department of Health and Social
15 Services, in consultation with the Department of Community and Regional Affairs, is urged to consider

1 the use of a program or programs that pay for the services of nonprofit groups or organizations or private
2 realtors who successfully place in permanent housing individuals or families without housing or who
3 reside in temporary or unsafe housing; and be it

4 **FURTHER RESOLVED** that the payments should be sufficient to provide an incentive to
5 nonprofit and for profit enterprises to provide these placement services.

6 **COPIES** of this resolution shall be sent to the Honorable Theodore Mala, commissioner of health
7 and social services, and to the Honorable Edgar Blatchford, commissioner of community and regional
8 affairs.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 1
 Bill Version: SCR 4
 (S) Publish Date: 1-30-91

Revision Date: _____ Department Affected: _____
 Title: a Resolution relating to the BRU: Assistance Payments
payment of finder's and realtor's fees Component: General Relief Assistance
 Sponsor: Fahrenkamp
 Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-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	-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	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
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-

Estimate of current year impact: No fiscal impact.

ANALYSIS: (Attach a separate page if necessary.)

 No fiscal impact.

Prepared By: Jan P. Hansen, Director Phone: 465-3347
 Division: Division of Public Assistance Date: _____
 Approved by Commissioner: [Signature]
 Agency: HSS Date: 1/29/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN, RESOURCES COMMITTEE
119 N. CUSHMAN STREET, SUITE 201
FAIRBANKS, ALASKA 99701
OFFICE (907) 452-4882
HOME (907) 456-2899



Senate

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
CAPITOL, ROOM 125
OFFICE (907) 465-3834
HOME (907) 780-6027

MEMORANDUM

TO: Senator Pat Pourchot
Senator Jalmar Kerttula
Co-Chairs, Senate Finance Committee

FROM: Senator Bettye Fahrenkamp

DATE: February 7, 1991

SUBJECT: Senate Concurrent Resolution 4
"Relating to the payment of finder's and realtor's fees by the Department of Health and Social Services to nonprofit organizations and realtors who successfully place in permanent housing individuals and families who are either without housing or reside in temporary shelters or unsafe housing."

This resolution asks the Department of Health and Social Services to explore a program that was initiated by the state of New Jersey. Their program provides cash payments to non-profit organizations that are able to place in permanent housing individuals or families living in temporary housing. Typically, an amount equal to the first month's rent is paid.

New Jersey has had mixed results with its program. They pointed out that the finder's fees were often being paid to non-profit organizations that are already providing these services to people in need, and those organizations would continue to do so regardless of the existence of the program, thereby not providing any real incentives. They suggested that a more productive approach would be to pay finder's fees to realtors.

SCR 4 encourages the Department of Health and Social Services to take a look at this approach and evaluate whether it might help alleviate homelessness in Alaska. Whether or not the department feels that the finder's fee approach will work in Alaska, it is my hope that the very process of looking to what other states are trying in their efforts to end homelessness will encourage dialogue and stimulate fresh ideas.

This resolution is supported by the Alaska Coalition for the Homeless, and I would appreciate your favorable consideration of this measure.

SCR6

SENATE FINANCE COMMITTEE REPORT

DATE: 1/24/91

FURTHER: _____

DATE TURNED INTO OFFICE: _____

The Finance Committee considered SCR 6

Amendments to Rule 42 of the Uniform Rules of the Alaska State Legislature relating to Conference Committee reports on appropriation bills; efd.

and recommended:

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

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S) DEPT/DATE: APPROVES PREVIOUS: DEPT/DATE:
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) _____

appropriation- fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

1. _____ 2. _____
Co-Chairs: Signatures and Recommendations

SENATE CONCURRENT RESOLUTION NO. 6
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR COTTEN

Introduced: 1/24/91
Referred: Finance

A RESOLUTION

1 Proposing amendments to Rule 42 of the Uniform Rules of the Alaska State Legislature
2 relating to Conference Committee reports on appropriation bills; and providing for an
3 effective date.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. Rule 42(b) of the Uniform Rules of the Alaska State Legislature is amended to read:

6 (b) A Free Conference Committee is appointed in the same manner as a Conference
7 Committee and may suggest in its report any new amendments clearly germane to the question.
8 When a majority of the membership of the committee from each house agrees on amendments,
9 the amendments are attached to the bill and reported back to each house in an identical report.
10 The report is not subject to amendment in either house. If the report is adopted in each house,
11 the bill is then ordered enrolled by its house of origin. If the members of a Free Conference
12 Committee fail to agree on amendments or one or both houses refuses to adopt the free
13 conference report, a second Free Conference Committee may be appointed, but no member of
14 the first committee may be reappointed. A free conference report on a measure other than an
15 appropriation bill may not be voted on by the house until at least 24 hours after the report is
16 duplicated and delivered to the chief clerk or secretary of the house for distribution to each

1 member. The chief clerk or secretary shall certify the time of delivery of the report for recording
2 in the journal. The vote on adoption of a free conference committee report is taken by the
3 calling of the roll and the recording of the yeas and nays in the journal. Adoption requires a
4 majority vote of the full membership of each house.

5 * Sec. 2. Rule 42(c) of the Uniform Rules of the Alaska State Legislature is amended to read:

6 (c) A Conference Committee with limited powers of free conference or a Free
7 Conference Committee may not include in its report on an appropriation bill an item which was
8 not included in a version of that appropriation bill adopted in third reading by a house and the
9 amount appropriated by an item may not exceed the higher amount appropriated by that item in
10 a version of the bill adopted in third reading by a house. An item in an appropriation bill
11 includes a line item, an allocation, and an appropriation. The report on an appropriation bill
12 of a Conference Committee, a Conference Committee with limited powers of free
13 conference, or a Free Conference Committee may not be voted on by the house until at least
14 72 hours after the report is duplicated and delivered to the chief clerk or secretary of the
15 house for distribution to each member. The chief clerk or secretary shall certify the time
16 of delivery of the report for recording in the journal.

17 * Sec. 3. The amendments proposed by this resolution take effect immediately.

SCR 10

SENATE FINANCE COMMITTEE REPORT

DATE: 3/6/91

FURTHER:

DATE TURNED INTO OFFICE: 3/11/91

The Finance Committee considered SENATE CONCURRENT RESOLUTION NO. 10
Establishing a Health Resources and Access Task Force.

and recommended:

- replace with _____ CS _____
- or adopt _____ CS SCR 10 (HES)
- 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):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) LAA 182.9 2/26/91 Dept/Date: _____

zero fiscal note(s) _____

SIGNING DO PASS:

[Handwritten signatures]

OTHER RECOMMENDATIONS:

1. *[Signature]* 2. *[Signature]*
Co-Chairs: Signatures and Recommendations

FISCAL NOTE

No. 1

Version: SCR 10

(S) Publish Date: 3/6/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: Establishing a Health Resources and Access Task Force.
Sponsor: Senator Duncan
Requestor: Senator Duncan

Department Affected: Legislative Affairs Agency
BRU: Legislative Council
Component: Council & Subcommittees
Session Expenses, Legis. Oper Budget

COMPONENT SERIAL NO: 783

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	68.4	42.0	0	0	0	0
TRAVEL	22.5	11.0	0	0	0	0
CONTRACTUAL	92.0	46.0	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	182.9	99.0	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	182.9	99.0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	182.9	99.0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

SCR 10 establishes a Health Resources and Access Task Force within the Legislative Branch. The following is requested to adequately support the task force:

Changes in SSC 10 (HSS) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.

03/06/91 date MAF Comte Aide (initial)

Prepared By: Pamela A. Stoops, Director
Division: Administrative Services

Pamela A. Stoops

Phone: 465-3850
Date: 2/26/91

Approved By: Warren W. Endicott, Executive Director
Agency: Legislative Affairs Agency

Warren W. Endicott

Date: 2/26/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

PERSONAL SERVICES

Staff is requested as follows to assist the Health Resources & Access Task Force.

Legislative Assistant - Range 21A

\$4,155 x 12 months = \$49,860

\$49,860 x 37% benefits = \$68,427

68.4

Funding for FY 93 is for seven months. The task force is terminated February 1, 1993.

TRAVEL

It is anticipated there will be 3 meetings of the Health Resources & Access Task Force.

3 meetings x 12 members = 36 airfares

36 airfares x \$436 = \$15,696

2 days per diem x 36 = 72

72 days x \$95 = \$6,840

22.5

It is assumed that the travel costs for the two Executive Branch members will be absorbed within their existing budgets.

CONTRACTUAL

Professional services funding to carry out the task force duties--\$90,000.

90.0

Advertising - advertising of public notice of meetings--\$2,000.

2.0

SUPPLIES

Supplies for the task force will be absorbed within the Session Expenses and Legislative Operating Budgets.

EQUIPMENT

Equipment for the task force will be absorbed within the Session Expenses and Legislative Operating Budgets.

CS FOR SENATE CONCURRENT RESOLUTION NO. 10 (HES)**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - FIRST SESSION****BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE****Offered: 3/6/91
Referred: Finance****Sponsor(s): SENATORS DUNCAN, Kerttula, Pourchot, Menard****A RESOLUTION****1 Establishing a Health Resources and Access Task Force.****2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:****3 WHEREAS estimated annual expenditures for health care in Alaska have risen by 300 percent
4 in the last 10 years from \$480 million to over \$1.5 billion; and****5 WHEREAS an estimated 90,000 residents of the state cannot afford to pay their medical bills,
6 are not covered by a group health insurance plan, do not qualify for public assistance programs, and
7 cannot afford to pay individual health insurance premiums; and****8 WHEREAS, if current trends continue, it is estimated that expenditures for health care in the
9 state could increase to at least \$10 billion by the year 2000 and over 25 percent of the state's residents
10 may be uninsured; and****11 WHEREAS the legislature, aided by the Health Care Cost Containment Task Force, has achieved
12 savings in the costs of health care to the state totaling over \$20 million in fiscal years 1990 and 1991;
13 and****14 WHEREAS every resident should have access to a basic level of health care regardless of
15 income and should not become financially destitute before obtaining health care; and****16 WHEREAS the legislature recognizes that there is a continuing need to develop and evaluate**

1 (9) recommend ways to coordinate services among nonprofit health care providers, profit
2 making health care providers, the state division of public health, the United States Department of
3 Veterans Affairs, the United States Department of Defense, and the Alaska Native Health Service in
4 order to achieve a more efficient and effective health care delivery system;

5 (10) review ways to maximize the use of federal funds for health care programs in the
6 state;

7 (11) investigate ways to reduce costs associated with malpractice insurance coverage,
8 including its effect on the cost of health care in the state;

9 (12) consider the feasibility of redistributing funds currently spent by the state on health
10 care in order to provide residents with affordable and equitable care;

11 (13) provide advice and assistance to other public agencies involved in health care
12 programs; and

13 (14) pursue other sources of funding for the expenses of the task force; and be it

14 **FURTHER RESOLVED** that the task force shall consist of 17 members as follows:

15 (1) three members of the Senate appointed by the President of the Senate;

16 (2) three members of the House of Representatives appointed by the Speaker of the
17 House;

18 (3) three persons representing the executive branch, appointed by the Governor;

19 (4) eight members chosen by the members appointed under paragraphs (1) - (3) as
20 follows: one individual representing the medically indigent, one individual representing private employers
21 who are not health care providers, two individuals representing health care providers, one individual
22 representing the health insurance industry, one individual representing nonprofit organizations, one
23 consumer of health services who is not an employer or health care provider, and one individual
24 representing labor organizations; and be it

25 **FURTHER RESOLVED** that the members of the task force shall elect from among themselves
26 a chair and a vice-chair and that the conduct of the task force meetings shall be in sessions open to the
27 public where all interested parties may provide information; and be it

28 **FURTHER RESOLVED** that, within funds made available for the purpose, the task force may
29 hire staff and contract for services to perform its duties; and be it

30 **FURTHER RESOLVED** that the task force shall report its findings and recommendations to
31 the Governor and the legislature by February 1, 1992, and February 1, 1993; and be it

32 **FURTHER RESOLVED** that the task force is terminated at 11:59 p.m. on February 1, 1993.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

CS FOR SENATE CONCURRENT RESOLUTION NO. 10 (HES)**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - FIRST SESSION****BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE****Offered: 3/6/91
Referred: Finance****Sponsor(s): SENATORS DUNCAN, Kerttula, Pourchot, Menard****A RESOLUTION****1 Establishing a Health Resources and Access Task Force.****2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:****3 WHEREAS estimated annual expenditures for health care in Alaska have risen by 300 percent
4 in the last 10 years from \$480 million to over \$1.5 billion; and****5 WHEREAS an estimated 90,000 residents of the state cannot afford to pay their medical bills,
6 are not covered by a group health insurance plan, do not qualify for public assistance programs, and
7 cannot afford to pay individual health insurance premiums; and****8 WHEREAS, if current trends continue, it is estimated that expenditures for health care in the
9 state could increase to at least \$10 billion by the year 2000 and over 25 percent of the state's residents
10 may be uninsured; and****11 WHEREAS the legislature, aided by the Health Care Cost Containment Task Force, has achieved
12 savings in the costs of health care to the state totaling over \$20 million in fiscal years 1990 and 1991;
13 and****14 WHEREAS every resident should have access to a basic level of health care regardless of
15 income and should not become financially destitute before obtaining health care; and****16 WHEREAS the legislature recognizes that there is a continuing need to develop and evaluate**

1 ways to manage health care expenditures in the state;

2 **BE IT RESOLVED** by the Alaska State Legislature that the Health Resources and Access Task
3 Force is established with the following primary purposes:

4 (1) to design a cost-efficient program that allows access to a basic level of health care
5 services for all state residents;

6 (2) to continue the work of the Health Care Cost Containment Task Force in seeking
7 ways to achieve savings in the cost of health care in the state; and

8 (3) to define a strategy for implementing a health care program covering all Alaskans and
9 a strategy for continuing to contain the costs of health care in the state; and be it

10 **FURTHER RESOLVED** that the task force shall

11 (1) solicit advice and information from the medically indigent, health care consumer
12 groups, the insurance industry, health care providers, labor organizations, emergency services personnel,
13 large and small businesses, the Medical Care Advisory Committee, the Alaska Native Health Service,
14 actuaries, the public, and others;

15 (2) investigate and gather data relating to health care quality, access, delivery, payment
16 systems, and financing in the state, especially in rural areas;

17 (3) ascertain and review successful health care protection methods in other states,
18 territories, and countries and other health care alternatives, including ways of providing health care for
19 persons without insurance or with limited health care protection;

20 (4) continue to update an accurate estimate of the number of people who are unable to
21 receive necessary health care services in the state, which patients are generating unpaid medical bills,
22 which state residents are uninsured or lack adequate insurance, which health care providers are providing
23 uncompensated care, who is paying for the cost of uncompensated care, and the total cost of
24 uncompensated care in the state;

25 (5) identify those health care services necessary to achieve an acceptable minimum level
26 of health care for all state residents and to examine those health care services that provide the most care
27 for the most people at the least cost, including prevention services;

28 (6) monitor and evaluate experience under the state employee and retiree health plans;

29 (7) evaluate the potential benefits of health education, wellness plans, and prevention
30 plans for all residents;

31 (8) develop strategies to support health care professions training and the retention of
32 health care professionals in the state;

1 (9) recommend ways to coordinate services among nonprofit health care providers, profit
2 making health care providers, the state division of public health, the United States Department of
3 Veterans Affairs, the United States Department of Defense, and the Alaska Native Health Service in
4 order to achieve a more efficient and effective health care delivery system;

5 (10) review ways to maximize the use of federal funds for health care programs in the
6 state;

7 (11) investigate ways to reduce costs associated with malpractice insurance coverage,
8 including its effect on the cost of health care in the state;

9 (12) consider the feasibility of redistributing funds currently spent by the state on health
10 care in order to provide residents with affordable and equitable care;

11 (13) provide advice and assistance to other public agencies involved in health care
12 programs; and

13 (14) pursue other sources of funding for the expenses of the task force; and be it

14 **FURTHER RESOLVED** that the task force shall consist of 17 members as follows:

15 (1) three members of the Senate appointed by the President of the Senate;

16 (2) three members of the House of Representatives appointed by the Speaker of the
17 House;

18 (3) three persons representing the executive branch, appointed by the Governor;

19 (4) eight members chosen by the members appointed under paragraphs (1) - (3) as
20 follows: one individual representing the medically indigent, one individual representing private employers
21 who are not health care providers, two individuals representing health care providers, one individual
22 representing the health insurance industry, one individual representing nonprofit organizations, one
23 consumer of health services who is not an employer or health care provider, and one individual
24 representing labor organizations; and be it

25 **FURTHER RESOLVED** that the members of the task force shall elect from among themselves
26 a chair and a vice-chair and that the conduct of the task force meetings shall be in sessions open to the
27 public where all interested parties may provide information; and be it

28 **FURTHER RESOLVED** that, within funds made available for the purpose, the task force may
29 hire staff and contract for services to perform its duties; and be it

30 **FURTHER RESOLVED** that the task force shall report its findings and recommendations to
31 the Governor and the legislature by February 1, 1992, and February 1, 1993; and be it

32 **FURTHER RESOLVED** that the task force is terminated at 11:59 p.m. on February 1, 1993.

R/O HFL 4-5-91

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO: HCSCSSCR 10(Fin)

Revision Date: _____
Title: Establishing a Health Resources
and Access Task Force.
Sponsor: Senator Duncan
Requestor: House Finance

Department Affected: Legislative Affairs Agency
BRU: Legislative Council
Component: Council & Subcommittees
Session Expenses, Legis. Oper Budget
COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	128.9	75.2	0	0	0	0
TRAVEL	61.8	30.9	0	0	0	0
CONTRACTUAL	92.0	53.5	0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	282.7	159.6	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	282.7	159.6	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	282.7	159.6	0	0	0	0

POSITIONS:

FULL-TIME	2	0	0	0	0	0
PART-TIME	0	2	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

HCSCSSCR 10(Fin) establishes a Health Resources and Access Task Force within the Legislative Branch. The following is requested to adequately support the task force:

Prepared By: Pamela A. Stoops, Director *Pamela A. Stoops* Phone: 465-3800
 Division: Administrative Services Date: 4/2/91

Approved By: Warren W. Endicott, Executive Director *Warren W. Endicott*
 Agency: Legislative Affairs Agency Date: 4/2/91

PERSONAL SERVICES

Staff is requested as follows to assist the Health Resources & Access Task Force.

Legislative Assistant - Range 21A

\$4,155 x 12 months = \$49,860

\$49,860 x 37% benefits = \$68,427

68.4

Administrative Assistant - Range 19A

\$3,637 x 12 months = \$43,644

\$43,644 x 39% benefits = \$60,528

60.5

Funding for FY 93 is for seven months. The task force is terminated February 1, 1993.

TRAVEL

It is anticipated there will be 6 meetings of the Health Resources & Access Task Force.

6 meetings x 14 members = 84 airfares

84 airfares x \$436 = \$36,624

Per diem - \$18,976

55.6

It is assumed that the travel costs for the three Executive Branch members will be absorbed within their existing budgets.

Staff travel - to attend task force meetings - \$6,200.

6.2

CONTRACTUAL

Professional services funding to contract with State Health Care policy expert --\$90,000.

90.0

Advertising - advertising of public notice of meetings--\$2,000.

2.0

SUPPLIES

Supplies for the task force will be absorbed within the Session Expenses and Legislative Operating Budgets.

EQUIPMENT

Equipment for the task force will be absorbed within the Session Expenses and Legislative Operating Budgets.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SCR 10

Revision Date: _____
 Title: Resolution establishing a Health Resource and Access Task Force.
 Sponsor: Duncan
 Requestor: _____

Department Affected: Administration
 BRU: Labor Relations
 Component: Labor Relations

COMPONENT SERIAL NO.

0	0	5	8
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	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	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	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

With the exception of possible participation in task force proceedings, there is no direct cost to agencies. Task force funding will be sought via sponsor fiscal note (attached).

Prepared by: Bruce Cummings *Bruce Cummings*
 Division: Labor Relations

Phone: 465-4404
 Date: 2/29/91

Approved by Commissioner: Millett Keller *Millett Keller*
 Agency: Administration

Date: 3/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CHANGES FROM	SCR 10	to	CSSCR 10 (HES)
PAGE 1 LINE 5 delete	[over]	insert	<u>an estimated</u>
PAGE 1 LINE 9 delete	[will]	insert	<u>could</u>
PAGE 1 LINE 10 delete	[will]	insert	<u>may be</u>
PAGE 3 LINE 14 delete delete	[14] [and two alternates]	insert	<u>17</u>
PAGE 3 LINE 16 delete	[, on to whom shall be designated as an alternate]		
PAGE 3 LINE 19 delete	[, on to whom shall be designated as an alternate]		
PAGE 3 LINE 20 delete	[two]	insert	<u>three</u>
PAGE 3 LINE 22 delete	[two]	insert	<u>one</u>
PAGE 3 LINE 23	<p>after "two individuals representing health care providers,"</p> <p>insert <u>one individual representing the health insurance industry.</u></p>		

SENATE CONCURRENT RESOLUTION NO.10
BY SENATOR JIM DUNCAN

Senate Concurrent Resolution 10 was introduced to continue the work of the Health Care Cost Containment Task Force and to build on the findings, recommendations and successes achieved by that group over the last two years.

Task Force members recommended the adoption of a concurrent resolution creating a HEALTH RESOURCES and ACCESS TASK FORCE to continue the study of this issue and forward recommendations regarding access to affordable, quality health care for all Alaskans.

The intent is to take the expertise developed with the Health Care Cost Containment Task Force and combine the expectations for the Universal Health Care Task Force as proposed by Ch.179, SLA 1990. This will create a new Task Force to work on the management of health care expenditures in Alaska and at the same time seek ways to improve access to quality health care for Alaskans.

It is envisioned that the work plan and resources of the new Task Force would have the depth to investigate all facets of health care access and financing of Alaska health care programs.

The new Task Force membership should include individuals representing:

- The Legislative Branch;
- The Executive Branch;
- The Private Sector Employers;
- Non Profit Organizations;
- Health Care Consumer;
- Health Care Providers;
- The Medically Indigent;
- Labor Organizations; and
- The Health Insurance Industry.

The HEALTH RESOURCES and ACCESS TASK FORCE proposed in SCR 10 will be responsible for designing a cost efficient program that allows access to a basic level of health care services for all state residents; to continue the work of the Health Care Cost Containment Task Force in seeking ways to achieve savings in the cost of health care in the state; and to define a strategy for implementing a health care program covering all Alaskans and a strategy for continuing to contain the costs of health care in Alaska.



STATE OF ALASKA
HEALTH CARE COST CONTAINMENT
TASK FORCE REPORT
TO
THE SEVENTEENTH LEGISLATURE

RELATING TO THE ACCESS, QUALITY, DELIVERY AND
FINANCING OF
HEALTH CARE FOR ALL ALASKA RESIDENTS

WITH
SUMMARY OF FINDINGS AND RECOMMENDATIONS

FEBRUARY 1991

**STATE OF ALASKA
HEALTH CARE COST CONTAINMENT
TASK FORCE**

MEMBERSHIP

SENATOR JIM DUNCAN, CHAIRMAN

REPRESENTATIVE MIKE NAVARRE, VICE CHAIRMAN

SENATOR DRUE PEARCE

REPRESENTATIVE MARK BOYER

MS. MICHELLE CASTANEDO

MR. BRUCE CUMMINGS

MR. DON HITCHCOCK

MS. BARBARA HUFF

MS. KAREN PERDUE

MR. GREG O'CLARAY

MR. JEFFREY MALEK, CONSULTANT

STATE OF ALASKA
HEALTH CARE COST CONTAINMENT TASK FORCE
REPORT TO THE SEVENTEENTH LEGISLATURE

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EXECUTIVE SUMMARY

The purpose of this section of this report is to give an overall perspective of the problems facing Alaska with rapidly rising health care costs and illustrate Task Force recommendations that provide solutions to assure affordable quality health care access to all Alaska residents.

OVERVIEW

Health care costs in Alaska are rising at a pace two and three times the inflation rate for all other goods and services. **In 1990, total Alaska health care expenditures are estimated to be in excess of \$1.5 billion up from \$480 million in 1979. Without a plan for a long term health care delivery system, quality assurance, and financing management, total health care expenditures in Alaska will exceed \$10.0 billion by the year 2000 of which the state governments portion will be \$3.0 billion. (see exhibit one on page 10)**

Health care expenditures in Alaska have been rising at a rate of over 20% each of the last five years. These trends are not unique to Alaska alone. Health care expenditures in the U.S. exceeded \$606 billion in 1989 and consumed twelve percent of our Gross National Product. Nationally, the Federal Government and virtually all other states are seeking ways to reduce these expenditures or slow the health care inflation rate to be in line with the market basket Consumer Price Index.

These rapidly rising costs further exacerbate the uninsured population in Alaska, recent estimates indicate that more than 90,000 Alaska residents are uninsured. At this rate twenty-five percent of Alaskas' population will be uninsured by the year 2000¹(see exhibit two on page 11). These increase in costs have substantially driven up health insurance premiums for all employers, making it very difficult if not impossible, to continue to provide or offer coverage.

¹ Families U.S.A. Foundation

The Health Care Cost Containment Task Force initially was charged with the task of investigating, analyzing and recommending ways to reduce or stabilize the health insurance costs for State of Alaska employees, retirees and their dependents

With these recommendations implemented, the monthly premium cost was reduced and stabilized at \$385.00 until January 31, 1992, **resulting in net savings in excess of \$20 million for FY 90 & 91².**

The Task Forces' charge was expanded early last session to include reviewing the delivery, quality, access and financing of health care for all Alaska residents.

The Task Force, in its expanded role, has investigated the problem of rapidly increasing health care costs in Alaska through public testimony, surveys, research (statewide and nationally) and a detailed analysis of potential solutions.

During this review the Task Force has identified not a sole culprit but numerous contributing factors that must be reviewed in an all encompassing manner to provide the best long term solutions. The contributing factors identified by the Task Force include:

- * Inefficient Medical Care Delivery Systems
- * Overbuilt Health Care Facilities
- * Cost of New Medical Technology and Facilities
- * Malpractice Insurance and Protective Measure costs
- * Limited Competition For Providers / Insurers
- * Health Care Delivery System Waste, Overhead And Administrative Costs
- * Limited Wellness Promotion And Resources
- * Large Population of Under / Uninsured Residents
- * Cost Shifting Between Health Plans and Programs
- * Life Style Diseases and Injuries
- * Mandated Benefit Coverage
- * Limited Access to Private Health Plans

² 1990 Health Care Cost Containment Task Force Report

- * No Managed Care Delivery Systems in Place
- * Lack of End User Involvement and Education

Although a long and far reaching list each contributing area must be comprehensively addressed to achieve the stated goal of stabilized medical costs in Alaska and basic health care access for all Alaskans'.

SPECIFIC FINDINGS

The Health Care Cost Containment Task Force has been reviewing the causes for the rapidly rising costs in the State of Alaska not only for State sponsored plans, but health care costs statewide.

1. Health care expenditures in Alaska have *increased 300% over the last 10 years, the second highest in the nation*
2. The health care expenditures portion of the *State of Alaska budget is the fastest growing component of the whole budget, 385.5 Million in FY 90, and at this pace will exceed 3.0 Billion in FY 2000 (see exhibit one on page 10).*
3. The number of *uninsured residents in Alaska* has increased at an alarming rate to an *estimated 90,000* uninsured residents, representing *16.5% of the total population in Alaska. At this rate twenty five percent of Alaskas' population will be uninsured by the year 2000 (see exhibit two on page 11).*
4. The cost of providing health coverage for *State employees and their dependents* has been reduced and *stabilized at \$385.00 (per month, per employee) for FY 90 and 91.* This compares favorably with the most recent Survey of State's health care plans that showed *only one other state (Arizona) where premiums were reduced,* and only three other State's premiums were held at the 1989 level³. It is important to note that while these were important short term measures, a long term solution to this problem must be implemented soon to avoid further large rate increases.
5. One area that has come to light, and is significant in its impact on health care expenses, is cost or liability shifting between programs. It is an item of significant impact. When a health program either reduces benefits or payments the natural reaction by health care providers is to shift those costs to other payors.

³ 1990 Martin A. Segal Company Summary of State Health Plans

SURVEY RESULTS

The survey done by the Task Force was designed to give greater insight to health insurance plans offered by Alaska employers, the costs for these plans, who is covered by health insurance, along with additional data and perspectives from health care providers.

Over 300 surveys were mailed to various groups in Alaska including, municipalities, school districts, health care providers and private sector employers.

The survey questions were tailored to gather specific information relative to each category of respondent.

Questions ranged from those eligible / ineligible for employer health plans, number of employees, plan design, employee / employer contributions, cost containment measures implemented, premium costs, ideas to help reduce ever increasing health care costs and the reasons for these increasing costs. The questionnaires sent to health care providers had additional questions to determine their specific perspective about rising health care costs and certain contributing factors *ie.*; bad debt, malpractice insurance costs and others.

The survey results gave us information that previously was not available such as, range of employer sponsored health plan designs, eligibility, associated premium costs, cost containment strategies employed, respondents perspective, and impressions about the health care delivery system in Alaska.

In comparison to the State of Alaska active employee health plan, the survey results showed that the state no longer had either the most expensive health plan (64% of respondents plans premium or premium equivalent was in excess of the states \$385. per month) and no longer was the States plan the best in coverage (54% of respondents provide similar or better benefits).

Surprisingly 94% of the respondents do offer some form of health insurance to their full-time employees while none of the respondents provide coverage for part-time, seasonal, or occasional employees.

The majority of respondents have implemented ways to reduce their health plan costs. Seventy one percent of respondents have implemented at least two cost containment measures. Sixty percent have also made benefit changes in the last two years.

In addition respondents also are implementing alternate financing of health insurance. Thirty one percent of the respondents have self insured their plans.

The survey confirmed earlier information that the majority of health insurance in Alaska is underwritten by three carriers, Aetna, Blue Cross and Great West insurance companies.

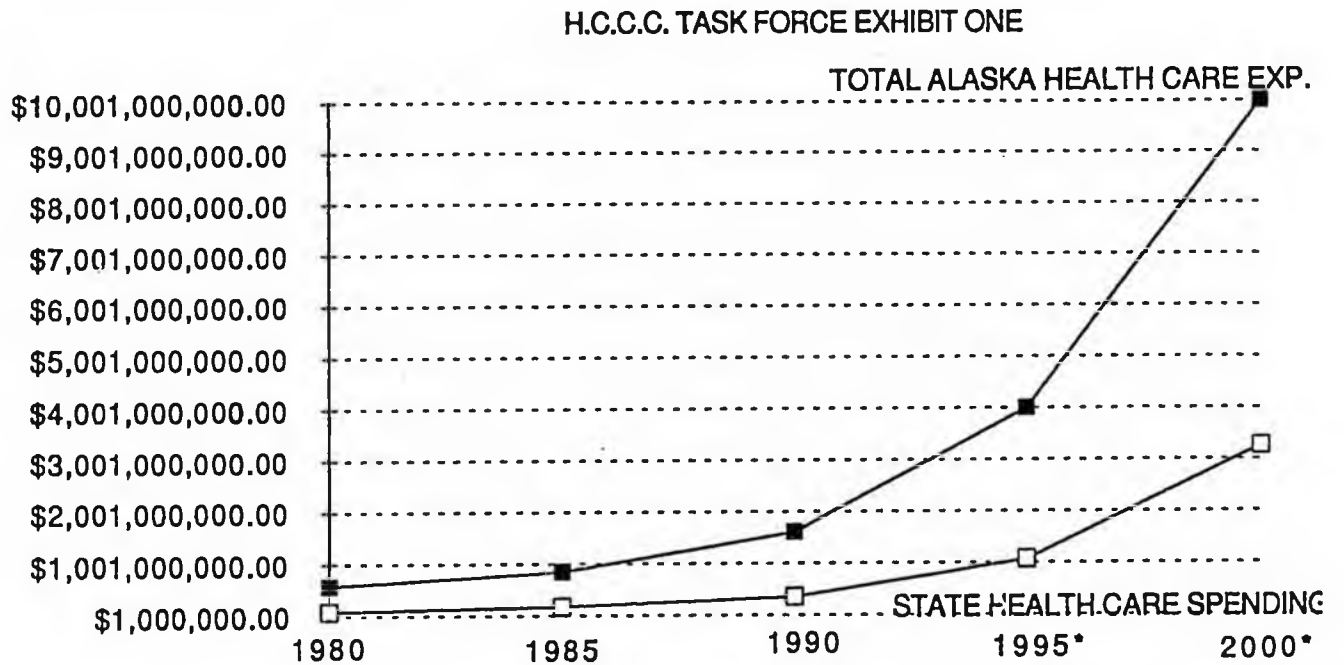
THE FUTURE

The State of Alaska Health Care Cost Containment Task Force has reviewed and recommended ways to reduce health care costs in the short term, but in order to assure quality affordable health care protection for all Alaskans a long term strategy such as the Alaska State Health Resources Authority (ASHRA) outlined in the legislative recommendations, section 8, of this report must be implemented.

In addition, because of the size and scope of the health care related problems facing the state of Alaska the Task Force recommends that a group comprised of a cross section of Alaska employers, health care providers, legislature, Executive branch, nonprofit, uninsureds and consumers continue the work of the Health Care Cost Containment Task Force to continue towards the goal of assuring quality affordable health care for all Alaskans.

EXHIBIT : ONE

Exhibit one demonstrates the rise in health care spending in Alaska from 1980 through the year 2000.



Source, Noble Lowndes

Illustrates total health care expenditures in Alaska

1980=\$576. million, 1985=\$852. million, 1990=\$1.608 billion
1995=\$4.0 billion*, 2000=\$10.0 billion*

Illustrates health care spending by the State .

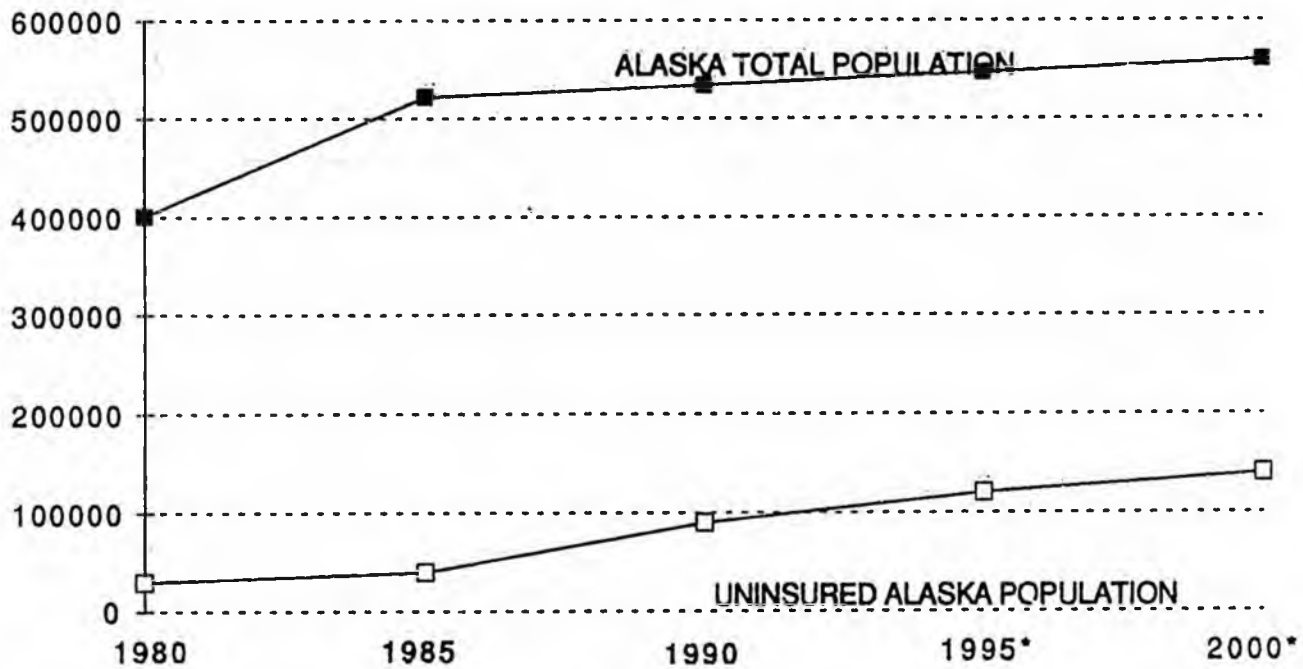
1980=\$75. million, 1985=\$175. million, 1990=\$350. million
1995=\$1.068 billion*, 2000=\$3.26 billion*

* estimate

EXHIBIT : TWO

Exhibit two illustrates Alaskas total population and the population of residents without health insurance (uninsured).

H.C.C.C. TASK FORCE EXHIBIT TWO - COMPARISON OF ALASKAS UNINSURED TO TOTAL POPULATION



Source, Noble Lowndes

Illustrates total Alaska population.

1980= 401,000, 1985= 522,000, 1990= 534,000
1995= 547,000, 2000= 560,000

Illustrates the uninsured population in Alaska.

1980= 30,000, 1985= 40,000, 1990= 90,000
1995= 120,000*, 2000= 140,000*

* estimates

STATE OF ALASKA
HEALTH CARE COST CONTAINMENT TASK FORCE
REPORT

SECTION ONE

TASK FORCE WORK PLAN AND OBJECTIVES

WORK PLAN AND OBJECTIVES

One of the major realizations of the previous year's work was that the health cost experience and expectations of any one particular group, such as state employees, cannot be viewed in isolation. Influences from the cost of service to all other health care consumers and correlated systemic factors contribute a significant portion to any one group's eventual cost, regardless of use.

Last session the work plan for the Task Force was redesigned to address unresolved health care cost issues identified in the February, 1990 report to the legislature. These issues included concerns about such long term and destabilizing effects as cost shifting, uncompensated care, and health delivery system inefficiencies. Other issues were identified that in a preliminary way held promise for some measure of control or alleviation of the health care cost spiral. In addition to this work, the Task Force would monitor closely the effects of cost containment measures established for state employee health plans and seek appropriate containment measures for retired public employees.

The main objectives of the plan were to understand, in as complete a manner possible, the financial nature of Alaskans' health care and health care delivery system. Secondly, the Task Force sought a broad spectrum of opinions about what could be done to preserve or improve access to quality affordable health care for all Alaskans in the context of financial trends and constraints.

These objectives were served by analyses of all health care funding and expenditures in the state, and informational surveys of municipalities, school districts, health care providers, and health care facilities. Information on the Alaskan perspective was additionally obtained from three public hearings and other meetings with the following groups:

- * Alaska School Board Association
- * Alaska Municipal League
- * Alaska Municipal Finance Officers' Association
- * Alaska Hospital and Nursing Home Association
- * Alaska State Medical Association
- * Alaska Chiropractic Society
- * Anchorage Medical Society
- * Alaskan private sector employer group
- * National Education Association of Alaska
- * Alaska State Employees Association
- * Public Employees Retirement System Advisory Board
- * Teachers Retirement System Advisory Board

The Task Force recognized that the health care problems it was addressing were also being discussed in other states, public forums, and by research groups throughout the nation. Indeed, the issue has attracted considerable attention in professional journals and other print media. An appreciation for the larger context of health care cost and access, viable solutions were gained through meetings and discussions with the following:

- * National Governors' Association Conference on Affordable Health Care
- * American Federation of State, County and Municipal Employees, Washington, D.C.
- * Families USA Foundation (Senior citizen advocacy group)

- * National Leadership Commission on Health Care
- * Physicians Payment Review Commission (Congressional)
- * State of Maryland, Health Services Cost Review Commission
- * State of Washington
- * State of Hawaii
- * State of Minnesota
- * State of Wisconsin
- * State of Arizona
- * State of New Mexico
- * State of Massachusetts
- * State of Oregon
- * State of Oklahoma
- * State of Utah
- * State of Kansas
- * State of South Carolina
- * State of Louisiana
- * State of California
- * State of Colorado
- * State Alliance for Universal Health Care

The health care funding and expenditure analyses were based in part on all federal, state, and local government expenditures for different categories of health care and groups of people. State data included, in addition to employee and retiree costs, the health costs of prisoners, medicaid, Pioneer Homes, Alaska Psychiatric Institute, and rural health aides, among others. Similarly, federal data included military and military dependents' expenditures, Indian Health Service, veterans, and medicare. In all categories the number of Alaskans benefitted were determined or estimated. Alaska Department of Labor statistics were used for the private sector labor force to estimate the private sector's contribution. Two recent studies, the 1990 Health Care Cost Containment Task Force Report and the Families USA Foundation gave new estimates of the

number of Alaskans who are without health insurance or any other type of medical care. In contrast to the funding and expenditure side, revenue reports of all major health care institutions were obtained and consolidated.

Municipalities and school districts were target groups for the informational survey because they are large employee groups whose health care cost increases most directly affect state budgetary considerations. The survey sought specific information on their health plan cost increases over the last ten years, the nature of the benefit, and cost containment features employed. The survey also had questions on the effectiveness of cost containment measures and solicited opinions on what could be done to slow medical inflation.

Survey forms sent to health care facilities and health care providers were to determine the nature of their employees' health care coverage and cost experience. Additional information requested concerned the nature of their business as providers. This information included percentages of practice devoted to different categories of payors (medicare, medicaid, state employee, et. al.), the amount of uncompensated services, its increase, and the amount of fee and rate increases over the last ten years.

The expenditure and funding analyses and the survey information provided a useful foundation for meetings with the Alaskan groups listed above. They illustrated the overall nature of the issue and brought focus to the discussions. In addition to the information gained, the meetings with the second group listed above underscored the gravity with which other health care professionals, public officials, labor and management organizations view the health care cost and accessibility issue. It gave the Task Force a sense of commonality in its search for a solution.

STATE OF ALASKA
HEALTH CARE COST CONTAINMENT TASK FORCE
REPORT

SECTION TWO

STATE EMPLOYEE AND RETIREE PLAN UPDATE & RESULTS

**STATE OF ALASKA
EMPLOYEE AND RETIREE HEALTH PLAN UPDATE**

The Health Care Cost Containment Task Force continued to review and monitor the health plans for actives and retirees during the last year.

ACTIVE EMPLOYEE HEALTH PLAN

This work resulted in the continued moratorium on premium increases for the active employees plan. This resulted in the monthly premiums being held at the \$ 385.00 level until January 31, 1992 allowing state agencies substantial relief from increasing costs associated with health insurance. This resulted in savings in excess of \$20 million for FY90, 91.

The Task Force strongly encourages the State to continue to review the possibility of self or alternate funding the plan to improve the plans financial position and overall management. In addition, the State should during the Request For Proposal process for the state plan request proposals for both an all inclusive and unbundled basis. That is, major components (cost containment, utilization review, etc.) should be bid collectively and separately to determine the most advantageous end result.

RETIREES HEALTH PLAN

The Task Force reviewed and recommended cost management techniques that could be utilized by the retirees health plan to improve the plans financial experience, without compromising the current level of benefits.

These recommended cost management techniques were ratified by the Public Employees Retirement System and the Teachers Retirement System boards and are currently being implemented. These changes will not only reduce the premium requirements but also may improve the funds future.

STATE OF ALASKA
HEALTH CARE COST CONTAINMENT TASK FORCE
REPORT

SECTION THREE

HEALTH CARE EXPENDITURES IN ALASKA

AND

THE UNITED STATES

HEALTH CARE EXPENDITURES IN THE UNITED STATES

The amount spent on health care in the United States exceeded \$606 billion in 1989, which is approximately twelve percent of our gross national product. Health care expenditures in the U.S. are increasing at the rate of approximately twenty percent per year each of the last five years

The U.S. spends \$1.152 million per minute on health care and is increasing \$230,000. per minute.

The U.S. spends 12 % of our GNP on health care more than any of our allied neighbors (Canada=7.5%, Japan=8%, Great Britain=7%). These expenditures have a substantial negative effect on our ability to remain competitive in the world market place.

Health care expenses consumed 11.6% of U.S. residents disposable income in 1989 and impacts every purchase decision made today. For example it is estimated that \$700.00 of the purchase price for each new Chrysler automobile goes to pay for employee health care, as compared to foreign models at about \$300.00. This demonstrates the additional financial burden of this sizable expense on our ability as a nation to compete in world markets for products and services.

Americans spent more for health care in 1989 than we did for food stuffs.

Of substantial additional concern is that while as a nation we spend more on health care than any other nation (12% of GNP), fewer have access to health care protection, it is estimated that 38 million U.S. residents are without health insurance.

ALASKA HEALTH CARE EXPENDITURES

The amount spent on health care in Alaska exceeded \$1.5 billion in 1990 up from \$480 million in 1979. Alaska health care expenditures are increasing at the second fastest pace of the fifty states.

Alaska spends approximately \$2850.00 per minute on health care and is increasing by \$534.00 every minute. At the current rate of growth, and without health care reform, the total health care expenditures in Alaska will exceed \$10 billion by the year 2000.

Even though Alaska continues to spend more on health care there are fewer residents covered by health insurance. The Task Force estimates show that 90,000 Alaska residents are uninsured and without change 25% Alaskas' population will be uninsured by the year 2000.

With the increasing economic burden of health care expenditures, and the increasing number of residents without health care protection, Alaska is at a greater disadvantage than other states and nations to further its economy.

EXHIBITS THREE THRU SEVEN (On the following pages)

SOURCE: NOBLE LOWNDES 1991

Exhibit Three illustrates 1989 U.S. health care expenditures by source of payment, private sector employers, federal programs, state and local government programs, consumers and all others.

Exhibit Four illustrates 1989 Alaska health care expenditures by source of payment, private sector employers, federal programs, state and local government programs, consumers and all others.

Exhibit Five illustrates Alaska health care expenditures from 1979 to 1989 and breaks down by payor (private sector, federal programs and state programs)

Exhibit Six illustrates Alaska state spending for 1989 categorized by program, medicaid, employees, retirees, municipal and political subdivisions, workers compensation, and other state funded health programs.

Exhibit Seven illustrates total Alaska health care expenditures as compared to total population to determine per capita expenses for health care.