

415

HHES

HB

206

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HB

296

the Local Public Health Services legislation has been divided equally between the two fiscal notes. Should either of these bills fail to pass, the entire administrative cost should be assigned to the bill which is enacted.

From 1980 on, this staff will continue to provide technical assistance, review grant applications for new and continuing grants, and monitor for compliance with existing laws and regulations. Since the largest and most complex area to administer will be the unorganized borough, 1/3 of the cost of administering the Local Public Health Services legislation has been assigned to this bill, and 2/3 to the Public Health Districts HB 207 beginning in FY-1980.

Assuming all municipalities and major cities will qualify, apply for, and receive grants by the initial grant year of 1980, and that they would assume both the Nursing and Environmental Health programs, the positions assigned to those communities at that time would be phased out and the staff presumably would be hired by the communities. As the grants to communities for basic public health services equivalent to existing services is to be equal to 90% of the cost of existing programs for the year preceding the initial grant, the reduction in State programs should result in a 10% surplus which would be used to provide the funds necessary to support the 50% match for the implementation of new programs.

Existing Central and Regional Nursing and Environmental Health staff will be utilized in administration and in providing technical assistance to assure program compliance and uniformity of professional standards.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 206

Title LOCAL PUBLIC HEALTH SERVICES - MUNICIPALITIES

Requested by \_\_\_\_\_ Date 2/23/77

II. FISCAL DETAIL

Agency Affected HEALTH & SOCIAL SERVICES

Program Category Affected HEALTH

Budget Request Unit(s) Affected Public Health Administration

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		62.6	65.7	46.0	48.3	50.7
200 TRAVEL		5.0	5.2	5.5	5.8	6.1
300 CONTRACTUAL		5.0	7.3	3.7	3.9	4.1
400 COMMODITIES		1.5	1.6	1.1	1.2	1.3
500 EQUIPMENT		2.5	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>76.6</b>	<b>79.8</b>	<b>56.3</b>	<b>59.2</b>	<b>62.2</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		76.6	79.8	56.3	59.2	62.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		2.5	2.5	2.5	2.5	2.5
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

These fiscal notes are analogous to notes prepared for Bill #596A for the ninth legislative session.

Administrative staff necessary for implementation of this bill will include the following positions.

1. PFT Local Health Services Program Administrator (range 23)
2. PFT Accounting Systems Analyst (range 19)
3. PFT Administrative Assistant (range 16)
4. PFT (2) Clerk Typist III (range 8)

Much of the initial work will be in development of regulations, standards, manuals, and guidelines common to both "Municipalities" and "Public Health Districts" bills. Therefore, the cost of the first two years of implementing

IV. DATE 2/23/77

PREPARED BY Frances Fleek  
AGENCY Division of Public Health

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

PHONE 465-3093

the Local Public Health Services legislation has been divided equally between the two fiscal notes. Should either of these bills fail to pass, the entire administrative cost should be assigned to the bill which is enacted.

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Assuming all municipalities and major cities will qualify, apply for, and receive grants by the initial grant year of 1980, and that they would assume both the Nursing and Environmental Health programs, the positions assigned to those communities at that time would be phased out and the staff presumably would be hired by the communities. As the grants to communities for basic public health services equivalent to existing services is to be equal to 90% of the cost of existing programs for the year preceding the initial grant, the reduction in State programs should result in a 10% surplus which would be used to provide the funds necessary to support the 50% match for the implementation of new programs.

Existing Central and Regional Nursing and Environmental Health staff will be utilized in administration and in providing technical assistance to assure program compliance and uniformity of professional standards.

Randy -  
distribute to  
Committee  
for HB 206  
207

DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
 Intra-Department Route Slip  
 Juneau Central Office

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|--|---|
| <input checked="" type="checkbox"/> Office of Commissioner       | <input checked="" type="checkbox"/> Dir, Family & Children Svcs |
| <input checked="" type="checkbox"/> Deputy Commissioner          | <input checked="" type="checkbox"/> Admin Officer               |
| <input checked="" type="checkbox"/> Admin Officer                | <input checked="" type="checkbox"/> Adult Assistance            |
| <input checked="" type="checkbox"/> Information                  | <input checked="" type="checkbox"/> Family Program Unit         |
| <input checked="" type="checkbox"/> Aging                        | <input checked="" type="checkbox"/> Food Stamp                  |
| <input checked="" type="checkbox"/> Alcoholism                   | <input checked="" type="checkbox"/> Pioneer Home Admin          |
| <input checked="" type="checkbox"/> Comp Health Planning         | <input checked="" type="checkbox"/> WIN                         |
| <input checked="" type="checkbox"/> Drug Abuse                   |   |
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|  | <input checked="" type="checkbox"/> Communicative Disorders     |
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| <input checked="" type="checkbox"/> Deputy Director              | <input checked="" type="checkbox"/> Family Health               |
| <input checked="" type="checkbox"/> Financial Management         | <input checked="" type="checkbox"/> Health Fac Cert & Licens    |
| <input checked="" type="checkbox"/> Budget/Expend Control        | <input checked="" type="checkbox"/> Health Program Support      |
| <input checked="" type="checkbox"/> Contracts                    | <input checked="" type="checkbox"/> Laboratories                |
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| <input checked="" type="checkbox"/> Fiscal Services              | <input checked="" type="checkbox"/> Dir, Medical Assistance     |
| <input checked="" type="checkbox"/> Statistics                   | <input checked="" type="checkbox"/> Audit/Systems Support       |
| <input checked="" type="checkbox"/> Bureau of Vital Stat         | <input checked="" type="checkbox"/> Claims Processing           |
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| <input checked="" type="checkbox"/> Personnel                    |   |
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| <input checked="" type="checkbox"/> Violent Crimes Compensation  | <input checked="" type="checkbox"/> Program Administration      |
|  | <input checked="" type="checkbox"/> Developmental Disabilities  |
| <input checked="" type="checkbox"/> Dir, Corrections             | <input checked="" type="checkbox"/> Mental Health Services      |

TO: Rocky McKinnon  
House HESS

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|--|--|
| <input checked="" type="checkbox"/> Approval, Signature and Return | <input checked="" type="checkbox"/> Comment by _____             |
| <input checked="" type="checkbox"/> Draft Reply by _____           | <input checked="" type="checkbox"/> Disseminate to All Concerned |
| <input checked="" type="checkbox"/> Necessary Action               | <input checked="" type="checkbox"/> Call Me                      |
| <input checked="" type="checkbox"/> Reply Direct w/cc this office  | <input checked="" type="checkbox"/> Information and File         |
| <input checked="" type="checkbox"/> Per Request                    | <input checked="" type="checkbox"/> Other _____                  |
| <input checked="" type="checkbox"/> Per Conversation               |  |

COMMENTS:  
 Please distribute to all HESS members to replace the first page. Correction made as requested by Rep. Chaffenton.

Dept. of Health & Social Services  
 Division of Public Health  
 Section of Laboratories  
 Pouch H-06D  
 Juneau, Alaska 99811

Office/Section \_\_\_\_\_ Date 3/29/77

By J.P. Paul

February 11, 1977

The Honorable Hugh Malone  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which would authorize the voluntary formation of public health districts in organized boroughs which do not have public health powers and in the unorganized borough, with which the state could contract for the provision of selected public health services. These districts could in turn subcontract, if they desired, with private health corporations in their areas for the actual performance.

These districts in the unorganized borough would be coterminous with the regional educational attendance areas established under AS 14.08.031, and would be administered by locally elected boards. Similar contracts could be entered into with the assemblies of organized boroughs which do not have health powers, and with cities in the unorganized borough. Contracting entities would be required to match ten per cent of the total amount of the contract with revenue or in-kind contributions.

Private health corporations, especially those in which Alaska Native people are active, are eager to perform some of the services which are now being provided by the state, and this measure is intended to further this aim, by providing a level of local administrative authority through which the contracts can be administered under the supervision of the Department of Health and Social Services.

Sincerely,

Jay S. Hammond  
Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
Bill/Resolution No. HB 206  
Title LOCAL PUBLIC HEALTH SERVICES - MUNICIPALITIES  
Requested by BUDGET & MANAGEMENT Date 2/9/77

II. FISCAL DETAIL  
Agency Affected HEALTH & SOCIAL SERVICES  
Program Category Affected HEALTH  
Budget Request Unit(s) Affected PUBLIC HEALTH ADMINISTRATION

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		62.6	65.7	46.0	48.3	50.7
200 TRAVEL		5.0	5.2	5.5	5.8	6.1
300 CONTRACTUAL		5.0	7.3	3.7	3.9	4.1
400 COMMODITIES		1.5	1.6	1.1	1.2	1.3
500 EQUIPMENT		2.5	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		76.6	79.8	56.3	59.2	62.2

FUNDING (Thousands of Dollars)

GENERAL FUND		76.6	79.8	56.3	59.2	62.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		2.5	2.5	2.5	2.5	2.5
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)  
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Much of the initial work will be in development of regulations, standards, manuals, and guidelines common to both "Municipalities" and "Public Health Districts" bills. Therefore, the cost of the first two years of implementing the Local Public Health Services legislation has been divided equally between the two fiscal notes. Should either of these bills fail to pass, the entire administrative cost should be assigned to the bill which is enacted.

IV. DATE 2/9/77 PREPARED BY Francis Fleek  
AGENCY Division of Public Health  
PHONE 465-3093  
Original: Legislative Finance  
cc: Budget and Management

From 1980 on, this staff will continue to provide technical assistance, review grant applications for new and continuing grants, and monitor for compliance with existing laws and regulations. Since the largest and most complex area to administer will be the unorganized borough, 1/3 of the cost of administering the Local Public Health Services legislation has been assigned to the "public Health Districts" bill and 2/3 to this bill from FY 1980 on.

The first year in which contracts may be entered into will be 1980. It is assumed that all attendance areas will be represented by Public Health Districts and that all districts will qualify for contracts and assume both the Nursing and Environmental Health programs for their districts. The positions assigned to those districts would be phased out and the staff presumably would be hired by the district. These contracts will be granted at 90% of the cost of basic public health services equivalent to existing services (Public Health Nursing and Environmental Health staff costs) for the Public Health District for the year prior to the contact year. The apparent 10% savings resulting will be utilized to support the cost of transportation and per diem for the Board members.

Existing Central and Regional Nursing and Environmental Health staff will be utilized in administration and in providing technical assistance to assure program compliance and uniformity of professional standards.

TENTH Legislature FIRST Session

19 77

19

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HOUSE BILL NO. 206

Feb. 11

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Read first time and referred to Committee on HESS and Finance

Read first time and referred to Committee on

Received from Senate

"An Act relating to public health services in municipalities; and providing for an effective date"

Reported back with recommendation that

Reported back with recommendation that

Concurred in Senate amendment thus adopting:

Read second time and

Read second time and

Failed to concur in Senate amendment; asked Sen. to recede

Read third time and

Read third time and

Senate receded from amendment

Senate failed to recede from amendment

FCC appointed by House

FCC appointed by Senate

FCC adopted

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration
PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused
Reported correctly engrossed
Signed by Speaker
Sent to Senate

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration
PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused
Reported correctly engrossed
Signed by President
Returned to House

HB

207

MINUTES OF HOUSE HESS COMMITTEE MEET

April 22, 1977

The meeting was called to order by Chairman Parr at 3:45 p.m. due to a late Session in the House. Present: Mr. Parr, Mr. Nakak, Mr. Phillips, Mr. Ose, Mr. Chatterton; Mr. Bennett came in late.

Absent: Cotten, Buchholdt and Beirne.

HB 206 & 207

Nakak

Chairman Parr said HB 206 & 207 would be on the agenda and Mr. Nakak spoke on the bills. Mr. Nakak said he had requested that these pieces of legislation be brought before the committee again because of interest on a Regional level and from other sources in the State. Said he had distributed letters and a separate sheet which lists recommendations which were enclosed in letters he had received but had put them on a separate sheet so that they could be shown as recommendations separately. Said he had other letters of interest and support from other entities. Mr. Nakak went through several of the letters. Mr. Nakak said he had been actively involved in the activities going on in the N.W. territory of Alaska and if there were a Board for every activity which it required, he said a Community such as White Mountain which has about 115 to 120 people, the people of that community could serve on at least 37 Boards which have Regional impact. Said he didn't feel the creation of another Board would be necessary to provide this service. Said there is the Norton Sound Corporation which has a Board, they have gone from the area of contracting health services in the total area to management and ownership of what was the Maynard McDougal Memorial Hospital and its now called the Regional Hospital. Said he felt confident that in recognizing their capability of serving as the health service agency in the area and the direct provider of health services via operation of the hospital, that another board need not be created to service the total area. Also called attention to a letter from the Cordova Community Hospital wherein they state their opposition of duplicating the services. He said another service Norton Sound Health Service recommended to him was if there is concern with regulatory powers being given up by the Public Health Nurse, that is not an area in which the Norton Sound Health Corporation wants to take over. If the concern from the State is that they do not want to give up this police power, their recommendation is that the state retain this power and contract with the health corporation for delivery of that same service.

Peters

Mr. Peters said the State felt that in the first place this is a private corporation which has a particular function for particular members in an area. Said one of the concerns was that it would treat all of Alaskans alike. Said they are not sure in using public money whether the state has the power to contract with every private organization. Said they felt

more comfortable with one that represented a'l the population of a particular area.

After much discussion back and forth between Mr. Nakak, Mr. Peters and Lois Jund, from the Department of Health and Social Services, Mr. Nakak asked that he and Mr. Peters be allowed to meet and see if amendments could be made for the proposed legislation and asked the committee's consideration in holding the bills over again.

Mr. Parr then asked them to look at page 5, line 21 (HB 207) "governing body may subcontract with a private health corporation serving a public health district to carry out the services. Private health corporation may serve equally all the residents in the area presenting themselves for assistance or services? He said when you look at the definition of private health corporation, it includes but is not limited to a regional health corporation serving a geographic region established under the Alaska Native Claims Settlement Act which is the Norton Sound Corporation. He asked that this be looked into since he felt this was saying that the legislature could establish an artificial creation called a health district which is really nothing but a service area and give it the power to contract when the state itself can't contract. Also said he felt this bill (207) doesn't say anything about the powers except on page 3, line 25. Said he felt what they were saying here was the powers of the local district board would be those which the department would give it by regulations. Said he questioned whether that was authorized constitutionally because as he understood the way the bill read they were making it parallel with the service areas in the Borough and the service areas in the Borough do not have any power --the Borough Assembly has to pass an ordinance.

Both bills were held over until Mr. Nakak and Mr. Peters could go through them together and try to amend them.

HB 413  
Action

Chairman Parr announced that HB 413 would be next and that Mr. Swanson had asked to testify but needed to be called and it would be a few minutes. After the members looked through the bill, Mr. Chatterton moved to pass the bill out with a "Do Pass" recommendation without hearing further testimony. There being no objection the motion carried.

Chairman Parr announced to the Committee that the Governor had come in with another nominee for the Board of Regents, a Mr. Webber and said the committee would be having an interview with him at one of the meetings.

The meeting adjourned at 4:30 p.m.

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MINUTES OF HOUSE

HEALTH, EDUCATION, & SOCIAL SERVICE COMMITTEE

March 9, 1977

The meeting was called to order at 3:00 p.m. by  
Chairman Parr

Those present: Parr, Bennett, Nakak, Chatterton,  
Seversen, Beirne, Cotten & Phillips.  
Mr. Ose came in later.

Chairman Parr announced two bills before the committee  
today. HB 207 and HB 206. Mr. Bennett stated he would have  
to leave early and would appreciate it if the committee would  
hold off on action on the bills until a later date.

HB 206  
9 207

First to testify was Mr. Burt Hall, Director of the  
Department of Health and Environmental Protection for the  
municipality of Anchorage. He said they have been studying  
very carefully of both bills and have accomplished some  
analysis of the potential impact, both positive and negative  
of the legislation on the municipality and the people in the  
area. He stated their prime concern was with HB 206 since  
by definition they would not be considered under the other bill.  
He said the testimony he was going to offer today, especially  
the statistics would be preliminary in nature with any dollar  
figures used primarily for illustrative purposes. He began  
that they believe there needs to be established a formal and  
equitable system for the orderly delegation of state authority  
to municipalities and for the authorization of grants to  
local government to assist in providing basic health services.  
His testimony was read and he advised the committee that he  
would get us a copy of his testimony the next day and a copy  
of this will be placed in the two bill files.

Mr. Hall showed two charts he had made up showing the  
basic services of public health that are provided by the  
Dept. in Anchorage over the years and shows the state's  
investment or share of the services. He stated copies would  
be made of the charts for distribution after the meeting.  
Mr. Hall stated the true cost for distributing public health  
services for the present year is 2.9 million dollars.  
The municipality receives \$335,000 in other revenue and  
the state is still contributing \$360,000 which means that it's  
share is now 13.9 per cent.

He stated by way of summary they are questioning  
whether or not the base figure which would be used to  
calculate a 90 per cent support for 1980 with or without  
the hold harmless clause and could go on for a long time.  
Whether it bears any true relationship to the true cost  
as would be considered elsewhere in the State,

He said a final concern related to the lack of a clear mechanism for providing for state support of recognized needs which might come into being over a short period of time. He felt the 90% clause limitations could be extremely devastating.

Mr. Nakak asked Mr. Hall when he related to costs in Anchorage if he were making an illusion that costs other than in Anchorage are not real costs. Mr. Hall said, No, it was their understanding that in HB 206 the state now provides a percentage support not by percentage, but provides a modest amount of the true cost. The true costs in Anchorage are roughly 2.9 million dollars for the services we are talking about and the local government pays 12 or 83 percent and the state picks up the rest. In HB 207 it provides for the state to pick up 90 percent of the true costs. It's just a matter of making a comparison about how much state support goes into a different area. He personally felt anyone who assumes health powers ought to assume health responsibility. With that ought to go a willingness to pick up some additional load for the privilege and responsibility of doing that.

Mr. Parr asked about section 031 in the bill where it says 90 per cent of the state budget for public health services furnished in the municipality in that fiscal year; and felt it would be more than the \$500,000 they were talking about. Mr. Hall said he felt that was open to some interpretation and would like to agree with him. He said they do have a laboratory and do opt under their contract to do inspections in environmental health. Mr. Parr asked what the costs to operate the laboratory would be. Said its services are not exclusively for the municipality. Mr. Parr said the bill doesn't say that anything about whether the services are furnished.

There was discussion as to the municipalities putting in money in order to get local control of their own health services and what an appropriate amount would be. Mr. Hall said if he were pressed he would say not less than 25 per cent. Parr asked if the budget were 2.9 million for the health service cost in the Anchorage municipality for this year, how much would the state come in with and how much from the local municipality. Mr. Hall said it doesn't add to 100. He is suggesting that the state should not be less than 25 per cent and the responsibility of the municipality to come up with the rest, some of which would be local tax, others by third-party payments, etc. There was quite a bit of discussion on this matter.

Mr. Parr said we now have an adjustment in our education program based on an essence on real property values, and asked if he thought an adjustment in the formula was needed to allow for the wealth of the municipality concern? Hall said he agreed that a consideration should be worked in some way.

Mr. Hall said Anchorage has benefited from revenue sharing . Funds which can be worked into the kinds of programs that they are counting on their side of the ledger of an investment. Said they were not unaware of that contribution of the state but Anchorage is the only municipality that has had this kind of system established over a period of time and felt they have just really begun to dig. Saic they wanted to alert the committee to the fact that they would be going home and doing their homework and trying to dig into some of the questions that are being asked.

Mr. Parr informed Mr. Hall they would appreciate anything he could furnish the committee later in writing.

Mr. Chatterton asked about line 15 on page 4 on the section covering regulations. Item 4, said (he presumed) they were going to set up the regulation for a basic public health program. Then he said on page 2, line 19, says the same level of basic grants support. Mr. Chatterton asked what was basic and what was not basic? And what's going to be 90% of what's basic. Mr. Chatterton said Mr. Hall had said we were getting \$500,000 of which \$140,000 travels on through state funds for basic health services. Do we get any more funds from the state for the general arena of health services? Mr. Hall said they got a considerable amount of additional dollars. And explained the sources where they got these additional money but said what they are talking about in the bill are the basic services as defined here by interpretation and regulations-the basic services described in the bill itself and asked about the definition section. There was discussion as to what the state actually furnishes for public health services in Anchorage.

Mr. Phillips said his notes on the bill showed on line 18 he has "existing local budget" written in.

Mr. Parr asked Mr. Hall if he felt we really gained anything by going through this routine of 206 and 207? Are we really going to furnish better health protection, or having the same health protection with less money, or what are we really going to gain? Mr. Hall said the major gain we would achieve is have a formal system for state shared responsibility in a definite list of certain services. Mr Parr felt this could be done through revenue sharing.

Mr. Hall said they must be in fault in Anchorage, whether it be the legislators or the government, he doesn't know how they allowed the figure of \$500,000 to remain so low over the years when the costs keep going up and the responsibility keep going up. Mr. Hall thought the mechanism and equality that would have to be established in the process of the hearings and legislative debates of who gets what in the process, there would be required the establishment of a plan. Felt this was significant.

Felt there should be a plan to have goals and have objectives that budgets can be built toward and that can be measured and evaluate the effectiveness of what they are doing. He didn't feel this could be provided without this type of legislation.

Mr. Parr stated the only ones they are concerned about are the recipients of the bill and if they are going to profit from it fine, but if they aren't he can't see why they go through the drill.

Mr. Hall felt there was a protection that is inherent if the bill passes. Said if they saw that the bill was going to pass they would move as strongly as they can to see whatever base is established is brought to an appropriate amount which is up and in that context it would be more state money for Anchorage and then they could provide more services.

Mr. Nakak thought the figure could be cut because the figure was so inflated to begin with, and felt Mr. Hall's assumption that it would be raised could be a wrong one.

Next to testify was Mr. Charles Oxereok, Divisional Director, Human Services Division, Alaska Federation of Natives Inc. Spoke to some of the current health problems of the Alaska natives in the rural level in the development of health services and its inter-relationship to HB 207. He too read his testimony and informed the committee that he would mail a copy of it to them. It was his feeling that the people are being neglected by the Health & Social Services program. He felt many of the problems they are having can be alleviated by placing an emphasis of preventative health care at the state level. He said in HB 207 does not call for indirect costs to be recognized by state government, does not call for advanced payments for the contract of regulations. Said in some instances the rural areas do not get a chance to get a grant. He said the population area is too high and said there are only 2 cities in Alaska where the population is 6,000. Said this should be reduced to at least 1,000. Said HB 207 is designed to deteriorate the current unity of the Regional Health organizations already providing health services in the rural areas. Said he hoped the committee would prevent some of the mistakes made by prior legislatures. Said one of the recommendations was to give advance notice of the Association of Regional Health directors to hold 3 hearings within the HSA bonding lines. He asked that this piece of legislation have a regional hearing conducted in those areas because he felt the notice was too far short to conduct a comprehensive testimony and indepth study of this piece of legislation.

Mr. Parr informed Mr. Oxereok that these bills had been up before and that both the Anchorage and Fairbanks legislative offices had been notified. Oxereok said the Alaska Federation of Natives should be notified because most of the communities do not utilize the legislative offices and most of them do not know they even exist.

Mr. Parr asked where he got the figure of 85,000 natives that he had used, because the one he usually heard was 60,000. Oxereok said the 60,000 is the state estimated figure and 85,000 comes from the Alaska Native enrollment office of BIA.

Mr. Parr then asked about his statement of being neglected by the State and yet did say the Indian Health Service is furnishing the medical services. He said they wouldn't want the state to duplicate the services already being received so he assumed he wanted the state to do something else. Wondered what.

Oxereok said what he was trying to point out was that the State has always relied on the Indian Health Service to provide the health services, now is the time for the State of Alaska to get involved in some of the native health services.

Mr. Parr asked about his statement that the State doesn't contract with the Regional health organizations. He said there was a contract between the State and Tanana Chiefs.

Mr. Parr asked if he said also that the health system agency boundaries don't match the native corporation boundaries. Mr. Parr thought they were going to match these up.

Mr. Parr then asked if he felt the 6,000 figure was too high what he thought an appropriate figure would be. Mr. Oxereok felt 1,000 would be more appropriate.

Next to testify was Conrad Baines, Jr., Executive Director of Southeast Alaska Health Corporation. He said his comments are directed only to HB 207. He said he felt the concept within 207 is a good concept to authorize contract agreements for public health services. Said he has attended several meetings since the idea started and met with some of the state staff on this bill several times but still there are many things unclear to him. It is unclear as to who can apply for contracts. He thought the law excluded native organizations, in rural areas especially. Said the 6,000 population figure is clearly discriminatory to rural areas. Thinks the idea is good but the state contracting process has many weak areas. Thought it should be revamped to reorganize so that the state can have one central procurement arm. Said the question Mr. Parr brought up about Tanana Chiefs was a contract for federal funds, EMS but the same idea was objectionable by Tanana Chiefs in that there was no cash advance and indirect costs were not an allowable item. Another concern is in regard to REAA boundaries. Felt they were drawn for education purposes.

Another concern was that it was unclear as to financial and over-all impact of the law. Can't figure out who will apply for contracts. Felt it would be shifting around of the personnel already existing. Said he had 2 points for suggestion in re-writing the bill. Said he felt there should be some amounts put in for rural areas. Felt someone is trying to make a simple process complicated in this bill. Felt the main intent was to give the state authority to contract with any corporation for health services. Said the way it is written it excludes this. Felt the bill is looking for is to add authority for the State to contract any entity such as the Federal Government.

Next to testify was Dr. Frazer, Director of Public Health. He said from a standpoint of historical perspective, it is natural for groups of people to want to control their own destiny.. Said they continually see, in the progress of society, the continuing progression between centralized and local control. The purpose of these bills is to provide the municipalities and smaller groups with the ability to assume responsibilities for their public health services. Felt some of the statements that were made shows there is confusion between preventive services, public health services, and direct patient care. These bills provide potential for local communities like Anchorage and local areas to assume their public health responsibilities. Said the reason for going the Board route is they are enforcing state regulatory powers frequently, enforcing regulations and conducting services in accordance with regulations that the Commissioner will develop and therefore is the necessity for a responsible group.

There was discussion as to what the function of the Board would be.

Mr. Chatterton called attention to page 6, line 8 on the bill and asked about the 10%. Mr. Chatterton felt what they are getting now isn't costing them anything for 3 or 4 people but if the bill is enacted they will have to pay 10%.

Mr. Parr asked Dr. Frazer what besides "local control" do we gain from this bill? Mr. Frazer said the potential gain is through local control and perhaps the addition of local funding, self-determination in the direction of new programs in the area he wishes to advocate and incur. Might be more emphasis in family planning or immunization. There would be a little more option to directing the program to local problems.

Mr. Parr asked if he was saying that the amount of money wouldn't increase, that they would get better service for the same money? Dr. Frazer thought there was a whole spectrum of possibility ranging from poor service because of difficulty

in losing a central recruitment to the other end of the scale an increase individualized program in an area which is more effective. Did feel there was some gambel in this, going all the way from a disaster to a great success but felt the potential for local control permits this range.

Mr. Chatterton then asked him if he understood him correctly in saying that someone else could do his job more effectively then he can.

Mr. Parr said Section 151 does say the governing body may subcontract with a private health corporation serving a public health system. And there was discussion on this.

Mr. Parr asked Dr. Frazer to comment on the 6,000 figure and there was discussion on this.

Mr. Parr asked Dr. Frazer if both bills passed and became law what the total number of districts are that would be affected. Dr. Frazer thought maybe 25.

Mr. Parr said obviously there is a need supervision. Said this could be done in 2 ways. One, is by a number of reports coming in monthly and the other one by actually getting out and traveling to see what is going on. Which would they plan to follow up on this?

Dr. Frazer said the question of implementing these bills was addressed in a fiscal note and would require additional staff to draw up the regulations and implement them. Said he could speak from previous experience, when there is a problem they go out and work with the local facility and feels the personal dialogue and consultant basis has some advantages.

There was discussion on the grants and how they are made. and the authority for making them.

Next to testify was Mrs. Osterback from Sand Point and said she represented from Adak down to Perryville and said in her district they aren't benefited at all from the State Department of Public Health. Said they presently do not have a public health nurse, no village built clinics, They have a doctor come out from the ANS hospital 2 a year and a dentist 1 a year. She said people eligible for medicaid can't benefit from it because there is no one there that can sign the coupons. She said they had a nurse at Sand Point but is from the Baptist Mission.

Mr. Parr asked Mrs. Jund if she could check into the program of the medicaid benefits so the checks could be signed there.

Next to testify was Lois Jund, Deputy Commissioner for Program Management. She said there seemed to be a great deal of confusion expressed today and said they are talking about basic public health services in most areas, that will only be the public health nursing program and environmental health program. She said Anchorage is not covered by the 90/10 clause in HB 206, they are covered by 18.10.031(d). She said the Anchorage area has an enriched program and are providing many services from their area that State doesn't provide from State level.

Mrs. Jund said the statement made earlier she believed from Mr. Hall that they are putting in money and other areas aren't is not a true statement. Other municipalities do contribute in cash or in time. There is no formula at this time and that is what this bill is trying to do so that all municipalities and all areas are treated equal. She elaborated on the amounts of money Anchorage is getting.

The meeting adjourned at 5:15 p.m.

MINTUES OF MEETING OF  
HOUSE, HEALTH, EDUCATION & SOCIAL SERVICES COMMITTEE

February 23, 1977

The meeting was called to order at 3:00 p.m. by Chairman Parr. Members present were:

Mr. Parr, Mr. Bennett, Mr. Chatterton, Mr. Seversen, Mr. Phillips, Dr. Beirne, Mr. Nakak, Mr. Cotten and Mr. Ose came in later.

Chairman Parr announced to the committee that he had received a telephone call from the Public Health Officer in Fairbanks who had heard that this committee was going to meet in Tok. Mr. Parr said he knew nothing of such a meeting but if any members were planning to attend he would pass the phone number on to them.

Mr. Parr said the first bill on the agenda would be HB 206 which is a Governor's bill and asked Dr. Lois Jund, Deputy Commissioner for Program Management for the Department of Health and Social Services to testify. Dr. Jund stated she had worked on this bill for the last 2 years and gave some background on the 2 bills which were introduced as one bill last year (HB 596). She stated there has been a great deal of clamor throughout Alaska for local control of health services. Felt there should be a provision purely voluntary for those regions and municipalities that wish to assume responsibility for their own local health services that we have a mechanism whereby this can be accomplished. HB 206 deals only with health services and municipalities and provides that upon application in accordance with the approved health plan for that area, the state would provide 90% of what it had spent the preceding fiscal year in that area for the provisions of health services. The municipality would have to put up 10% of the cost so that the level of services would be the same, there is a maintenance of effort provision. She stated the advantages of both bills is that there would be local control and it would reduce the state payroll.

Mr. Cotten asked what size the board would be. Said he had noticed it was a Governor's bill and he recalls another bill that the Governor was against because it calls for an elected board.

Dr. Jund further stated she had received one phone call with regard to HB 207 indicating that they liked the present form, and has received one letter from the North Slope Borough on HB 206 which she read into the record and which supported the bill.

There was discussion as to what the additional cost will be to the tax payer, whether or not there will be sufficient expertise in the municipalities to administer the program, what decisions do the locals make once the authority is transferred and how much money are we talking about.

Mr. Chatterton asked what the exact figure was of the 1977 fiscal budget for public health services and was told 8 million dollars.

Mr. Chatterton called attention to page 2, starting on line 16 "year preceding application, the department shall provide an initial grant to the municipality in an amount equal to 90 per cent of the state budget for public health services furnished in the municipality". He asked what municipalities would qualify, what the line item budget would be for that municipality and asked how this would affect Anchorage and Fairbanks.

Dr. Jund said that in Anchorage right now, there is no formula but after statehood somewhere along the line, the legislature appropriated a certain amount of money for the Anchorage health department which is now up to \$500,000 per annum. Not all of this money goes to health, some is reserved for ARCO and ACCA. If Fairbanks elects to choose this bill, they will get 90% of \$140,000.

Mr. Chatterton then asked to make a statement which was "I came into this committee meeting hoping that I could, for the first time, vote for one of the administration's bills and after this lousy presentation, I don't believe I can."

Mr. Bennett asked about the effect the malpractice lawsuits might have.

Mr. Parr asked whether Anchorage is now getting money under the proposed formula in #206 or only getting a lump sum which the legislature appropriates. He also said the cost of the REAA's as opposed to the cost of the SOS is almost an identical figure and he didn't understand why it should cost any more, it might cost the same, but questions the need for extra staff in the office in Juneau. He said extra staff was not added in the Dept. of Education for the REAA's.

There was much discussion on the decentralization aspect and the fact that a non-elected body will have to approve the plans which are submitted.

Mr. Bennett asked which area the impetus of the bill came from. He said if this is a petition from 800 or 900 people he looks at the legislation in one light but if it is a

departmental thing, or municipality, he looks at it completely different.

Next to testify was Mr. Sam Coxson representing the Anchorage Municipality. He called attention to page 2, line 16 through 19. He felt the language should be reviewed and would like to see it read "the department shall provide a grant to the municipality in an amount equal to 90% of the existing local budget for public health services furnished in the municipality for that fiscal year."

Mrs. Jund called his attention to the language on page 4, Mr. Coxson then asked about the language on page 3, paragraph 4,. He wanted to know if they were essentially talking about combining service areas?

Mrs. Jund said this would apply to very small areas.

Mr. Coxson stated he would be glad to supply the committee with any written information the committee might want from Anchorage.

Mr. Parr asked if the Municipality of Anchorage was in favor of or against the bill. Mr. Coxson said he was not in a position to say.

Mr. Cotten asked if they would be interested in coming up with a position on the bill and commenting on what sort of increase they feel the state ought to give to them under the same provisions of this bill. Mr. Coxson said the bill is presently being reviewed and felt they should have a position on it in a week. Mr. Coxson said they would like to look at the possible add-on programs, what new programs they might consider, what the impact of that might be.

Mr. Parr asked Mr. Coxson to come back with some kind of position on it.

Mr. Parr informed the committee the bills were before them. Mr. Nakak said that he wasn't prepared to act on either piece of legislation at the time and asked to withhold action on them until further testimony comes in. There being no objection, both bills were held in committee.

Mr. Parr called the committee's attention to the memorandum regarding the meeting with members of the Dept. of Education on Friday evening at 7:30 in our meeting room.

The meeting adjourned at 4:40 p.m.

14B 207

February 11, 1977

The Honorable Hugh Malone  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill which would amend AS 18.10, relating to health units and districts. It would replace the provisions of the chapter enacted in 1949, and the last of the provisions of the chapter enacted in 1955, with a system for encouraging municipalities with health power to administer health programs on the community level by authorizing financial grants to those which accept that responsibility, and to expand the provision of services.

A municipality which agreed to maintain the same level of public health services as furnished by the Department of Health and Social Services in the prior fiscal year would be eligible on application for a grant of ninety per cent of the state budget for public health services furnished in the municipality in that fiscal year, with the same level of basic grant support being provided in subsequent fiscal years. Then if such a municipality expanded or initiated new services, the department would grant fifty per cent of the cost of the additional services, within the limit of its appropriations.

The Department of Health and Social Services would have authority to evaluate the health needs of municipalities throughout the state under uniform guidelines, and respond to health problems at the local level by

using local powers. State efforts would be coordinated with local input to determine what needs are not being met in each area and priorities would be set for the best use of available funds.

This bill should go a long way toward updating the provision of health services in Alaska municipalities.

Sincerely,

Jay S. Hammond  
Governor

From 1980 on, this staff will continue to provide technical assistance, review grant applications for new and continuing grants, and monitor for compliance with existing laws and regulations. Since the largest and most complex area to administer will be the unorganized borough, 1/3 of the cost of administering the Local Public Health Services legislation has been assigned to this bill, and 2/3 to the "Municipalities" bill beginning in FY-1980.

Assuming all municipalities and major cities will qualify, apply for, and receive grants by the initial grant year of 1980, and that they would assume both the Nursing and Environmental Health programs, the positions assigned to those communities at that time would be phased out and the staff presumably would be hired by the communities. As the grants to communities for basic public health services equivalent to existing services is to be equal to 90% of the cost of existing programs for the year preceding the initial grant, the reduction in State programs should result in a 10% surplus which would be used to provide the funds necessary to support the 50% match for the implementation of new programs

Existing Central and Regional Nursing and Environmental Health staff will be utilized in administration and in providing technical assistance to assure program compliance and uniformity of professional standards.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 207  
 Title LOCAL HEALTH SERVICES - PUBLIC HEALTH DISTRICTS  
 Requested by BUDGET & MANAGEMENT Date 2/9/77

II. FISCAL DETAIL  
 Agency Affected HEALTH & SOCIAL SERVICES  
 Program Category Affected HEALTH  
 Budget Request Unit(s) Affected PUBLIC HEALTH ADMINISTRATION

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		62.6	65.7	92.0	96.6	101.4
200 TRAVEL		10.0	10.5	11.0	11.5	12.1
300 CONTRACTUAL		5.0	7.2	7.3	7.7	8.1
400 COMMODITIES		1.5	1.6	2.2	2.3	2.4
500 EQUIPMENT		2.5	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		81.6	85.0	112.5	118.1	124.0

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND		81.6	85.0	112.5	118.1	124.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME		2.5	2.5	2.5	2.5	2.5
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

These fiscal notes are analogous to notes prepared for Bill #596B for ninth legislative session. Administrative staff necessary for implementation of this bill will include the following positions.

1. PFT Local Health Services Program Administrator (range 23)
2. PFT Accounting Systems Analyst (range 19)
3. PFT Administrative Assistant (range 16)
4. PFT (2) Clerk Typist III (range 8)

Much of the initial work will be in development of regulations, standards, manuals, and guidelines common to both "Municipalities" and "Public Health Districts" bills. Therefore, the cost of the first two years of implementing the Local Public Health Services legislation has been divided equally between the two fiscal notes. Should either of these bills fail to pass, the entire administrative cost should be assigned to the bill which is enacted.

IV. DATE 2/9/77 PREPARED BY Francis Fleek  
 AGENCY Division of Public Health  
 PHONE 465-3093  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

HOUSE BILL NO. 207

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to contracts for local health services; and providing for an effective date"

Contracts for local health svcs

Introduced in the House .... 2-11, 19..77

HISTORY IN THE HOUSE

19 77  
Feb. 11

Read first time and referred to Committee on HESS and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:

Failed to concur in Senate amendment; asked Sen. to recede

Senate receded from amendment

Senate failed to recede from amendment

FCC appointed by House

FCC appointed by Senate

FCC adopted

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

April 14, 1977

Representative Alfred C. Naknek  
District 22  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Naknek:

We have been informed by Lois Jund that House Bill 206 and 207 is likely to have difficulty in committee and could use as much support as possible. We basically support these two bills but wish some modification from the present form.

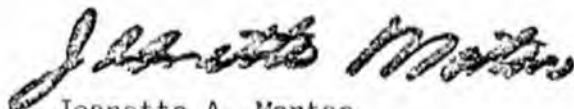
House Bill 207 requires the election of a local board who may in turn sub-contract with a regional health corporation. There is, however, nothing in the bill from preventing the board in providing the services itself, thus again, creating two agencies providing basically the same services to the same population. This is the situation presently in our district with Norton Sound Health Corporation providing services and the State Public Health Nurses providing services to the same population. This creates fragmentation of patient care.

We recommend that the State be allowed to contract directly with the health corporation bypassing an intermediate board. The attorney general states they cannot contract the Public Health Nurses regulatory powers. We therefore recommend that the State retain this regulatory powers but contract for services.

The other possibility might be for the State to recognize the regional health corporation board as a local health board. It may be that the board would have to meet certain requirements to insure broad representation.

Please call if there is any questions or if it is anticipated that the bills will be coming before the committees for hearing.

Sincerely,



Jeanette A. Morton  
Director  
Health Care Services

JM:da

HOUSE BILL 207

RECOMMEND:

1. The State should be allowed to contract directly with the Health Corporations bypassing an intermediate board.
2. The State retain the regulatory powers of the Public Health Nurses but contract for the services avoiding duplication of services.
3. The State recognize the Regional Health Boards as local health boards.



Alaska State Legislature  
Senate

JUNEAU, ALASKA

February 25, 1977

TO: Charlie Parr, Chairman  
House HESS Committee

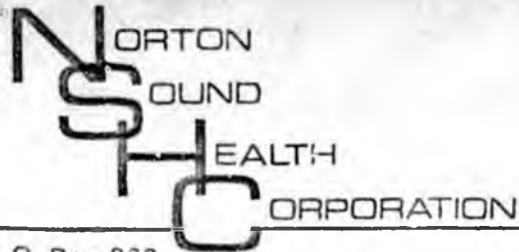
Glenn Hackney, Chairman  
Senate HESS Committee

FROM: Senator Frank Ferguson *SPF*

RE: HB 207

Attached is a copy of a letter from Norton Sound Health Corporation concerning HB 207, which is presently in the House HESS Committee. I hope that both the House and Senate HESS Committees will consider the arguments in this letter carefully in their review of HB 207.

FRF:kh



Delegate of Alaska Federation of Natives

P. O. Box 966

Nome, Alaska 99762

443-2261

February 18, 1977

Senator Frank Ferguson  
Pouch V  
Juneau, AK 99801

Dear Senator Ferguson:

Norton Sound Health Corporation would like to take a position on the proposed Bill regarding local health services to be introduced at the request of the Governor. The act is entitled "An Act Related to Contract for local Health Services".

The Bill provides for the election of local Public Health Service Area Boards. The Board Members are to be elected at large by qualified voters.

48  
207  
The problem we have is that the election of another Board dealing with Health matters for a small population with limited resources creates a potential for disagreement, and fragmentation. This Board would have authority only over public health matters such as Public Health Nursing and possibly sanitation services. It would seem more appropriate to utilize an existing Health Board that is representative of the people in the region to enable comprehensive health planning.

There are already several health boards doing planning and trying to coordinate efforts. These include the Health Systems Agency Board for the region, also the Native Health Board in addition to the local Health Corporation Boards.

The proliferation of boards in the bush, many of which are very narrowly focused, is a problem. We recently ascertained that the citizens of White Mountain (about 125 people) are eligible to sit on about 39 boards and committees. When one realizes that about 50% of this population is adolescent and makes allowances for adults unable to meaningfully participate on a board it becomes apparent how fragmented things are becoming.

Our suggestion is to allow a board already existing that represents the citizens of the region to contract for services from the state, rather than create a new board for a limited scope of work. As the legislation is proposed the corporation could contract with the local board of health but the local board might also develop a limited scope of service itself or it may contract with another agency.

The argument for the election of the new board is that part of the services to be contracted have regulatory functions. Our suggestion is

that the state retain the regulatory function to itself and allow the corporations to contract for services. With health resources limited it would seem we need to look for a comprehensive coordinated delivery system rather than separate components that may duplicate and fragment health care.

If we can answer any questions or clarify any position please contact us. We would be very interested in hearing from you the status of the bill and any comments you might have.

Sincerely,

A handwritten signature in cursive script that reads "Jeanette Morton". The signature is written in dark ink and is positioned above the typed name.

Jeanette A. Morton  
Director of Health Care Services

JAM/dh

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 207

Title LOCAL HEALTH SERVICES - PUBLIC HEALTH DISTRICTS

Requested by BUDGET & MANAGEMENT Date 2/23/77

II. FISCAL DETAIL

Agency Affected HEALTH & SOCIAL SERVICES

Program Category Affected HEALTH

Budget Request Unit(s) Affected PUBLIC HEALTH ADMINISTRATION

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		62.6	65.7	92.0	96.6	101.4
200 TRAVEL		10.0	10.5	11.0	11.5	12.1
300 CONTRACTUAL		5.0	7.2	7.3	7.7	8.1
400 COMMODITIES		1.5	1.6	2.2	2.3	2.4
500 EQUIPMENT		2.5	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>81.6</b>	<b>85.0</b>	<b>112.5</b>	<b>118.1</b>	<b>124.0</b>

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND		81.6	85.0	112.5	118.1	124.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME		2.5	2.5	2.5	2.5	2.5
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

These fiscal notes are analogous to notes prepared for Bill #596B for the ninth legislative session.

Administrative staff necessary for implementation of this bill will include the following positions.

1. PFT Local Health Services Program Administrator (range 23)
2. PFT Accounting Systems Analyst (range 19)
3. PFT Administrative Assistant (range 16)
4. PFT (2) Clerk Typist III (range 8)

Much of the initial work will be in development of regulations, standards, manuals, and guidelines common to both "Municipalities" and "Public Health Districts" bills. Therefore, the cost of the first two years of implementing

IV. DATE 2/23/77 PREPARED BY Frances Fleek  
AGENCY Division of Public Health  
PHONE 465-3093

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

the Local Public Health Services legislation has been divided equally between the two fiscal notes. Should either of these bills fail to pass, the entire administrative cost should be assigned to the bill which is enacted.

From 1980 on, this staff will continue to provide technical assistance, review grant applications for new and continuing grants, and monitor for compliance with existing laws and regulations. Since the largest and most complex area to administer will be the unorganized borough, 1/3 of the cost of administering the Local Public Health Services legislation has been assigned to the Municipalities HB 206 and 2/3 to this bill from FY 1980 on.

The first year in which contracts may be entered into will be 1980. It is assumed that all attendance areas will be represented by Public Health Districts and that all districts will qualify for contracts and assume both the Nursing and Environmental Health programs for their districts. The positions assigned to those districts would be phased out and the staff presumably would be hired by the district. These contracts will be granted at 90% of the cost of basic public health services equivalent to existing services (Public Health Nursing and Environmental Health staff costs) for the Public Health District for the year prior to the contract year. The apparent 10% savings resulting will be utilized to support the cost of transportation and per diem for the Board members.

Existing Central and Regional Nursing and Environmental Health staff will be utilized in administration and in providing technical assistance to assure program compliance and uniformity of professional standards.

"An Act relating to contracts for local health services; and providing for an effective date."

House Bill 207 authorizes the Department of Health and Social Services to delegate certain state mandated public health responsibilities to local public health districts in areas not served by local governments with public health powers and establishes contractual arrangements to provide state financial assistance to such districts.

Just as House Bill 206 proposes to establish a grants mechanism for the voluntary assumption of public health services by the organized political subdivisions in Alaska; House Bill 207 would establish contractual arrangements for the delivery of selected public health services in areas not served by local governments with public health powers. The enactment of both bills will provide a means whereby the delivery of public health services may be decentralized throughout the state.

House Bill 207 is designed primarily for cities and areas within the unorganized borough which desire local autonomy over public health service delivery. The bill establishes a process whereby local public health service areas may be created by the legislature within the boundaries of Regional Educational Attendance Areas (REAA) when a majority of the voters of an REAA so determine. In order to meet the minimum population figures of 6,000 persons per health district established as a result of cost-effective considerations, two or more contiguous REAAs may combine as a single local public health service area. For those cities in the unorganized borough which are not in a local public health service area a minimum population figure of 2,000 persons has been established.

Each local public health service area, or a combination of such areas, then elects a Local Public Health Service Area Board which serves as the governing body of the public health district similarly to the way in which a city or borough assembly assumes authority over public health services in a municipality with health powers. Although admittedly a somewhat complex process, the above procedure permits local community participation in public health programs to be achieved in the unorganized borough in the absence of locally elected governing bodies with the ability to assume health powers.

The governing body of the local public health service area may then enter into contractual arrangements with the Department of Health and Social Services for the provision of specific public health services. The governing body of a local public health service area may in turn subcontract with a private health corporation serving its area to actually deliver the public health services described in its health services plan. As with the proposed delegation of health powers to municipalities in House Bill 206, such contracts will be subject to the approval of the appropriate regional health systems planning agency as a precaution against the duplication or fragmentation of services. As with the municipalities, local public health service areas will be required to follow an approved health services plan to assure that federal and state standards for the delivery of health services are maintained. The Department of Health and Social Services will necessarily monitor the activities conducted under this plan to assure the quality, quantity, continuity and comparability of services and to otherwise provide technical and consultative assistance

to the local public health service areas. In addition, the state will continue to provide basic public health services to areas not choosing to assume local health responsibilities. The state will also continue to provide those specialized statewide services such as laboratory services, vital statistics, etc., which are not economically feasible to offer on a local basis.

Recognizing the factors present in Alaska which mitigate against the effective provision of locally sponsored health services--low population density, insufficient tax revenues, communication and transportation obstacles, etc.--House Bill 207 provides for the purely voluntary assumption of responsibility for local health service delivery by local entities. Communities choosing to participate in the program will understandably need financial assistance. House Bill 207 provides that the governing body of the public health district need match only 10 percent of the amount of the contract awarded and that amount may include in-kind contributions from the district. Federal funds received from Indian Self-Determination Act allotments (P. L. 93-638) are not exempted as a source of matching funds.

House Bill 207 was conceived as a means of permitting the objective of local autonomy over health matters to be achieved, where desired, within areas of Alaska unorganized politically. In so doing, this bill and House Bill 206, designed to apply to municipalities with health powers, adheres to the well-established national concept of local autonomy over public health functions, reserving state activities to functions of a statewide nature and to advising and evaluating local services. Even though Alaska's unique characteristics may make it economically difficult for every area to adopt the full range of public health services in every case, the steadily evolving interest in and awareness of local health issues on the part of consumers indicates the need for providing a means by which local community participation in specific public health programs may be organized. The Department of Health and Social Services supports House Bill 207.

Recommended by:

Robert Francis  
Director, Division of  
Public Health

2/23/77  
Date

Approved by:

Law M. Jurek  
Commissioner, Department of  
Health & Social Services

2/23/77  
Date

# CORDOVA COMMUNITY HOSPITAL

P. O. Box 160

Phone: (907) 424-3242 7552

CORDOVA, ALASKA 99574

April 5, 1977

Charlie Parr, Representative  
Pouch V, State Capitol  
Juneau, Alaska 99811

Dear Mr. Parr,

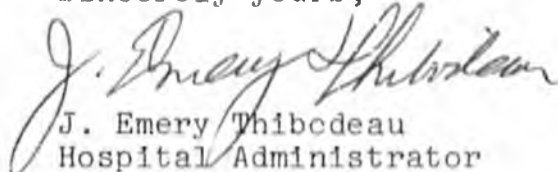
Thank you for your letter of March 31, 1977 regarding HB 206 and 207. With the work load you people have it is really gratifying to know that our letters of support or non-support are read - and answered.

You stated that if we could improve HB 206 you would not hesitate to support its passage. The concept of the bill is great and I'm not sure what changes would be made. As I understand it the bill would allow localities to administer their own health programs but that these programs would be controlled by the State through the grant mechanism. The professional requirements and licensing of the workers in the programs would remain with the State - i.e. Public Health Nurses would still have to meet the State requirement for Public Health Nurses. The only difference would be that the Public Health Nursing program would be administered by the locality - which is in the best position to know its needs. The same criteria would be true of all programs.

Rep Don Bennett also opposed the passage of these bills, I've attached a copy of my reply which is a little lengthy.

Again, the concept of these bills, especially 206 is very good. If some changes are necessary maybe they can be done in the HESS committee but the bills certainly warrant positive action.

Sincerely yours,

  
J. Emery Thibodeau  
Hospital Administrator

Incl

JET: cf



*The Cordova Community Hospital*

# CORDOVA COMMUNITY HOSPITAL

P. O. Box 160

Phone: (907) 424-3242 7552

CORDOVA, ALASKA 99574

April 5, 1977

Don Bennett, Representative  
Pouch V State Capitol  
Juneau, Alaska 99811

Dear Don,

Thank you very much for replying to my letter of March 24th concerning HB 206 and 207. With the work load you people have it's really gratifying to know that our letters of support and/or non-support are read - and answered.

With regards to HB 206 and 207, I still support them and hope that the legislators will give their support also. What you had to say in your letter regarding "suave grantsmanship" rather than trained professionals has, and may continue to be, all to true. I believe that this problem will be on the decline however.

HB 206 and 207 does not take control away from the State, but they do allow for local administration if it is warranted. The State would have complete control over the grant and still would continue to monitor the program along the approved program guidelines. The actual administration of the program, however, would be done on a locality basis, but only if the locality so chooses and the State so approves. By administration I mean the hiring of personnel, acquiring working space, purchasing supplies, conducting meetings and all the other numerous jobs it takes to make a health system work. The State would still supply the major supervision through regional offices, training programs, on-site evaluations, state wide coordination and direct help in implementation of a health program.

The benefits of this type of system are (1) local pride in a program which results in greater participation, (2) the integration of programs at the local level bypassing a dual system approach, (3) greater supervisor control by the state due to the decrease in "red tape" administrative burdens, (4) savings to the state due to decreased personnel and support costs plus the addition of local monies to the programs, (5) the ability of local programs to raise money by charging fees for service.



*The Cordova Community Hospital*

DON BENNETT, REPRESENTATIVE - Page 2

The State will not lose anything except a lot of headaches.

There are probably less than twenty places in Alaska that are presently qualified to run their own program, this would be determined by the State however. If these places were allowed to administer their own programs I am sure they would be happy to do so.

I was just downstairs reviewing your letter with the State Social Worker and the Clinical Psychologist - who is funded by a state grant. We are all working together for a common goal, in the same town but under two systems. The problems were obvious when the Social Worker made reference to what her supervisors office in Anchorage would say about a certain thing, her supervisors office in Anchorage is pretty far away and can't effectively make day to day decisions for Cordova - when she was only here once to interview applicants for the job.

We have in town what we like to refer to as an integrated health care system, the components with their control bases are noted below.

<u>Program</u>	<u>Administrative Control</u>	<u>Control base</u>
Hospital	City	Cordova
Nursing Home	City	Cordova
Doctors Clinic	Private	Cordova
Emergency Medical	City	Cordova
Social Services	State	Anchorage
Public Health	State	Juneau
Eligibility	State	Valdez - Juneau
Mental Health	City	Cordova
Alcoholism	City	Cordova

The Mental Health program is a grant from the State to administer our own program but that grant is controlled by the State and we report to the State.

The same is true of the Alcoholism Program except the grant is controlled by the Federal Government.

All of the above programs operate out of one facility except the eligibility worker and are in constant daily contact regarding patient care and other matters. It makes sense if they were all administratively supervised by a common group or person.

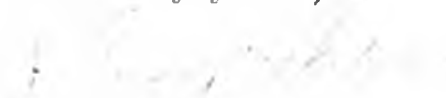
We do have a providers committee which is intended to give direction and control - and it does - to the total program goals. The Providers Committee meets monthly on a regular basis with interim meetings as needed. During these meetings monthly evaluations and program performance are discussed, along with discussions regarding particular patients who are served by more than one program, which is quite common.

DON BENNETT, REPRESENTATIVE - Page 3

Another problem with the State workers, that doesn't personally concern us but could effect the program, is the independence of each State division and their inability to interact in basic matters. The State Public Health Nurse has a car and her own private secretary who is paid by the State, the State Social Worker has neither of these and must use her own car and we provide her with a secretary. If these programs were under local administration these problems would be quickly resolved.

Well, this is fairly lengthy but we still believe that HB 206 and 207 is a must and HB 207 a good possibility. These bills do not allow a take over by non-profit organizations but they do allow local governments, if they so chose, to administer the health programs in their area - with the permission of the State.

Sincerely yours,

  
J. Emery Thibodeau  
Hospital Administrator

JET: cf

# Internal Medicine Associates

3500 LaTouche Street  
Suite 310  
Anchorage, Alaska 99504  
Phone: (907) 274-5550

**Richard F. Buchanan, M.D.**  
Liver & Digestive  
Diseases

March 8, 1977

**Joseph J. Pollock, M.D.**  
Pulmonary Disease

**John F. Selden, M.D.**  
Nephrology

**Paul L. Steer, M.D.**  
Internal Medicine &  
Infectious Disease

Chairman, Health, Education  
and Social Services Committee  
Alaska State House of Representatives  
Juneau, Alaska 99801

**George L. Stewart, M.D.**  
Pulmonary Disease

Re: House Bills 206 and 207

**James B. Watson, M.D.**  
Liver & Digestive  
Diseases

Dear Sir,

**Thomas C. Wood, M.D.**  
Cardiovascular Disease  
& Nephrology

The Bush Medicine Committee of the Alaska State Medical Association at a recent meeting has evaluated pending House bills 206 and 207 relating to public health services in municipalities and unorganized boroughs. After due consideration of many factors pertaining to these bills, we would like to go on record as supporting passage of House bill 206 authorizing ninety percent funding for municipalities in providing their own public health services, and would like to register our nonsupport of House bill 207 related to local public health service administration in unorganized boroughs. We feel that the quality of medical care in unorganized boroughs would diminish with passage of this bill; the record of excellence established by State agencies seems unsurpassable, and any changes in the current status with regard to bush preventive medicine measures seems only likely to reduce the level of service provided to residents of these areas. Municipalities, however, seem more capable of providing both funding and local expertise, and we would, therefore, urge passage of House bill 206 which allows this to transpire.

We hope you will carefully consider our recommendations when evaluating testimony regarding passage of these bills.

Sincerely,



Richard F. Buchanan, M.D.  
Chairman, Bush Medicine Committee  
of Alaska State Medical Association.

RFB:dly

cc David Beal, M.D.  
cc Robert Fraser, M.D.  
Director, Division of Public Health  
State of Alaska

LEGISLATIVE RECOMMENDATIONS  
OF THE  
CITIZEN'S PARTICIPATION CONFERENCE

February 23-24, 1977

Juneau, Alaska

SOCIAL SERVICE DELIVERY

High Priority

- SB 54 "An act relating to adoption assistance for hard to place children in foster homes".
- SB 106 Children's Laws and related Judicial proceedings
- HB 63 Guardians of incapacitated persons

AMENDMENTS: (1) That no agent of Social Service be granted guardianship with the exception of relatives who may be employed as such.  
(2) That a yearly review of guardianship be required.

Moderate Priority

- HB 193 Child Care Licensing

Other Recommendations

- (1) That a state-wide investigation into foster care be initiated due to alleged incidents of child abuse.  
(2) That a state resolution be passed supporting the Indian Children Act (SB 3777) in Congress.

STATEMENT OF THE CPC COMMITTEE ON HEALTH AND SOCIAL SERVICES IN REGARD TO HB 206 AND 207:

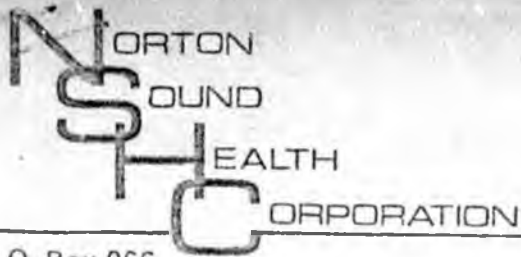
The CPC Committee on Health and Social Services has resolved that the effective delivery of public health services is an activity of crucial importance to the health, safety and well being of all residents of Alaska. The committee also feels that the decentralization of the actual delivery of health services is a key element in accomplishing this goal and should be afforded the highest possible priority.

However, the present level of available health services throughout the State is woefully inadequate.

Therefore, although it supports the general concept of decentralization embodied in HB 206 and 207, the Committee on Health and Social Services recommends a "Do not pass" on both bills because the statutory framework for health care delivery which they create inadequately addresses the following considerations:

1. The 90% grant provision is inadequate and would tend to inhibit the incentive of the municipalities to seek local control;
2. The 50% grant provision for new or expanded programs is also inadequate and this increased burden could not be met by many of the rural municipalities. It would consequently decrease the ability of the local community to expand or initiate needed health services;
3. There needs to be the stipulation and clarification of the type and degree of technical assistance provided for the municipalities;

4. A provision should be included to allow for the escalation of grant support in conjunction with the rise in costs;
5. HB 207 contains a 6,000 population requirement that is an unnecessary obstacle for the decentralizing of health services in districts not served by local governments, and it should be decreased.



Delegate of Alaska Federation of Natives

P. O. Box 966

Nome, Alaska 99762

443-2261

February 18, 1977

Representative Al Nakak  
Pouch V  
Juneau, Alaska 99801

Dear Representative Nakak:

Norton Sound Health Corporation would like to take a position on the proposed Bill regarding local health services to be introduced at the request of the Governor. The act is entitled "An Act Related to Contract for local Health Services."

The Bill provides for the election of local Public Health Service Area Boards. The Board Members are to be elected at large by qualified voters.

The problem we have is that the election of another Board dealing with health matters for a small population with limited resources creates a potential for disagreement, and fragmentation. This Board would have authority only over Public Health matters such as Public Health Nursing and possibly sanitation services. It would seem more appropriate to utilize an existing Health Board that is representative of the people in the region to enable comprehensive health planning.

There are already several Health Boards doing planning and trying to coordinate efforts. These include the Health Systems Agency Board for the region, also the Native Health Board in addition to the local Health Corporation Boards.

The proliferation of boards in the bush, many of which are very narrowly focused, is a problem. We recently ascertained that the citizens of White Mountain (about 125 people) are eligible to sit on about 39 boards and committees. When one realizes that about 50% of this population is adolescent and makes allowances for adults unable to meaningfully participate on a board it becomes apparent how fragmented things are becoming.

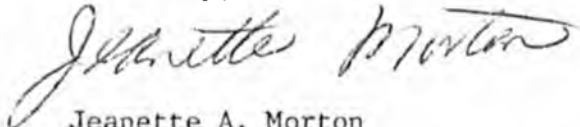
Our suggestion is to allow a board already existing that represents the citizens of the region to contract for services from the State, rather than create a new board for a limited scope of work. As the legislation is proposed the Corporation could contract with the local Board of Health but the local Board might also develop a limited scope of service itself or it may contract with another agency.

The argument for the election of the new board is that part of the services to be contracted have regulatory function. Our suggestion is

that the state retain the regulatory function to itself and allow the corporations to contract for services. With health resources limited it would seem we need to look for a comprehensive coordinated delivery system rather than separate components that may duplicate and fragment health care.

If we can answer any questions or clarify any position please contact us. We would be very interested in hearing from you the status of the bill and any comments you might have.

Sincerely,

A handwritten signature in cursive script that reads "Jeanette Morton". The signature is written in dark ink and is positioned above the typed name.

Jeanette A. Morton  
Director of Health Care Services

JAM/dh

DEPARTMENT OF HEALTH AND ENVIRONMENTAL PROTECTION  
MUNICIPALITY OF ANCHORAGE

March 9, 1977

TESTIMONY PRESENTED BY ROBERT A. "BERT" HALL BEFORE THE HESS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

Mr. Chairman, members of the House HESS Committee, my name is Bert Hall; I am the Director of the Department of Health and Environmental Protection for the Municipality of Anchorage.

We have been studying very carefully House Bills 206 and 207 and have accomplished some analysis of the potential impacts, both positive and negative, of that legislation upon the Municipality. Our prime concern is obviously with H.B. 206 since, by definition, we would be excluded from consideration under H.B. 207.

The testimony we offer today, especially any statistics, are intended to be preliminary in nature with dollar figures used only for illustrative purposes. We are attempting to document some accurate reflection of the history of our past experiences in joint funding public health services in the Anchorage area.

Let me begin by stating that we believe that there needs to be established a formal and equitable system for the orderly delegation of state authority to municipalities and for the authorization of grants to local governments to assist in providing public health services. We agree with the stated purpose - to provide and safeguard the health of the general public. However, if our understanding of the system suggested in H.B. 206 as it would apply to the Municipality of Anchorage is accurate, then we have some real problems endorsing the legislation without amendment.

Since the Municipality of Anchorage has the only history of joint governmental funding of public health services in Alaska, perhaps it would be helpful to review briefly our past experiences.

As early as 1926 the City of Anchorage employed a sanitarian and a nurse to look after some of the health and sanitation problems for the community. Over the years various combinations of efforts by the city and adjacent utility districts with assistance from the Territory and the State have maintained an agency to provide public health services.

For about ten years the Greater Anchorage Area Borough Health Department operated as a district agency serving Anchorage and the metropolitan area technically under State authority, and financed by a combination of local, State and Federal funds. A succession of health officers brought variations in emphasis, but for the most part the services included general sanitation and public health nursing.

The assumption of health powers by the Borough in 1964 brought no significant changes in services for several years, though steadily the local agency grew in experience and assumed many responsibilities once carried almost wholly by the State. Even yet the Department lacks some of the most important services such as: Laboratory, Child Guidance, Nutrition and Health Education. Of these only laboratory services are available through the Southcentral Regional Laboratory operated by the State Department of Health and Social Services.

The Department of Health and Environmental Protection's responsibilities include the full scope of health powers, including environmental, since no other official agency of local government has such powers assigned.

"The scope of health is considered to be a state of complete physical, mental and social well being, and not merely the absence of disease or infirmity". This definition has been adopted by the World Health Organization, the American Public Health Association, The Alaska Public Health Association, and by most official health agencies throughout the Country. The practical boundaries of health functions assumed by Federal, State and local official and voluntary agencies are more often defined by limits of resources and recognized needs than by definition of public health which states that "public health includes those services and functions which the people can better provide for themselves collectively rather than as individuals". This definition also implies that as needs change services change to meet them.

As noted above the Department of Health Environmental Protection has grown and has assumed many of the State's public health responsibilities. In recognition of the assumption of these State responsibilities the State gave the Department in fiscal year 1970-71 the amount of \$265,000. Included in this amount was \$125,000 for Alaska Crippled Children's Association and Alaska Retarded Citizen's Association thus leaving \$140,000 for public health services. The \$125,000 for ACCA and ARCA was for the provision of

exceptional children's programs. The \$140,000 was for the provision of communicable disease control, vital statistics collection, environmental sanitation, health education, promotion of individual health and collection and preparation of laboratory samples.

We, the local health authority were expected to accomplish many specific tasks, including the following:

- We would provide immunizations for all citizens without charge,
- We would perform chest x-rays,
- We would provide diagnostic consultation for TB and for venereal diseases,
- We would accomplish epidemiological investigations where appropriate.

In the environmental health area;

- We would inspect public facilities: eating and drinking establishments, grocery stores, bakeries, etc.; housing and mobile home communities, schools, hospitals, nursing homes, swimming pools, etc.
- We would respond to complaints and public nuisances,
- We would deal with most matters of pollution, especially water and sewer.

To promote individual health;

- We would provide for visits of the Public Health Nurse in the home,
- We would conduct family planning clinics,
- We would conduct classes for expectant parents and run well child clinics,
- We would provide consultation to child care centers.

Additionally, we would provide certain limited laboratory services, and the services of the physician.

All of these and many more would be provided in the basis of total health needs.

When the first contract was signed in 1970, it was agreed that the State support would allow for the provision by the Municipality of a proportionally greater amount of services than would have been provided if no contract or grant existed.

It should be pointed out that there was little rhyme nor reason regarding the dollar amount included. The contract instead was a document intended to legally transfer the line item budget amount.

For the next fiscal year, 1971-72, the contract was renegotiated to a total amount of \$500,000, \$140,000 was earmarked for ACCA and ARCA, the exceptional children's programs... \$100,000 was dedicated to environmental health and \$260,000 to public health. The total amount budgeted for these services by the Municipality for that period was \$1,391,000. The State's share of that budget was therefore, 25.9%. It is my belief that that contract was the first sincere attempt to share reasonable costs.

I have studied all of the contracts since 1971. All are basically the same; all use the same words, all have the same conditions, all have the same scope - and unfortunately all have the same dollar amount.

Meanwhile, the population of Anchorage has grown about 50%, services have been expanded to meet the recognized needs; inflation has eaten away at the purchasing power or service delivery capability of the \$360,000 we received from the State for the provision of the public health services described above.

Attached is a graph which illustrates the growth of the true costs and shows also the level of State support.

The true cost of delivering public health services in Anchorage for the present year is \$2,930,170. The Municipality is receiving \$335,430 in other revenue. The State is still contributing \$360,000 which means that its share is now only 13.9%. If the 1971-72 proportion of State investment was interpolated to today's budget then the State would be paying \$754,000 for its share of public health services and a total of \$894,000, recognizing that the \$140,000 was legislatively intended for passthrough projects.

House Bill 206 provides under Section 18.10.031(1) for a grant to a Municipality in an amount equal to 90% of the State budget for public health services furnished by a municipality in that fiscal year; the same level of basic grant support shall be provided in subsequent fiscal years. In order to get this grant the Municipality must only agree to maintain the same level of public health services as furnished by the Department in the fiscal year preceding application for the grant. There is also a hold harmless clause which we cannot interpret.

Under House Bill 206, will the State be willing to go 90% of the true cost of delivering public health services in Anchorage or is it the intent of the State to continue paying the Municipality \$360,000 as provided under Section 18.10.031(d)? Herein lies our major problem with the legislation.

Up until this time the Municipality of Anchorage has provided the public health services in the Anchorage area which are the historic delegated responsibility of the State. The State, through House Bill 206 would contract with local governments and under H.B. 207 create health entities to contract with where no local government exists for the delivery of public health services. In other areas of the State the local residents will only have to pay 10% of the true cost of the delivery of public health services; H.B. 207 provides that where local governments do not exist federal monies can be used to match the State contribution.

Today in Anchorage, the local taxpayers directly pay for 86.1% of the cost of providing public health services as well as their share of State taxes. The people in other communities are not directly paying for any public health services.

In essence, we are questioning whether or not the base figure which would be used to calculate a 90% support for 1980, and would be reflected in all future years, bears any relationship to the true costs as would be the case elsewhere in the State.

Another major concern is the potential disincentive that may be built into the Bill. If a local government knew that it would get 50% support for a new program a few years down the road, why expand services for less support? Someone might even conclude that local autonomy might not be worth spending 85%-90% of the costs with local funds when the basic services could be provided by the State at 100% support if no agreement existed.

A final concern relates to the lack of a clear mechanism for providing for State support of any dramatic increase in needs which comes into being with little warning. In a similar vein, there appears to be no opportunity for passing along any major availability of new health dollars that may come to the State from one source or another.

Thank you.

THOUSANDS

1,600

1,400

1,200

1,000

800

600

500

400

EXPENSES RELATING TO  
NURSING, SANITATION & MEDICAL CARE ONLY

HEALTH CONTRACT

66-9

67-12

70-1

71-2

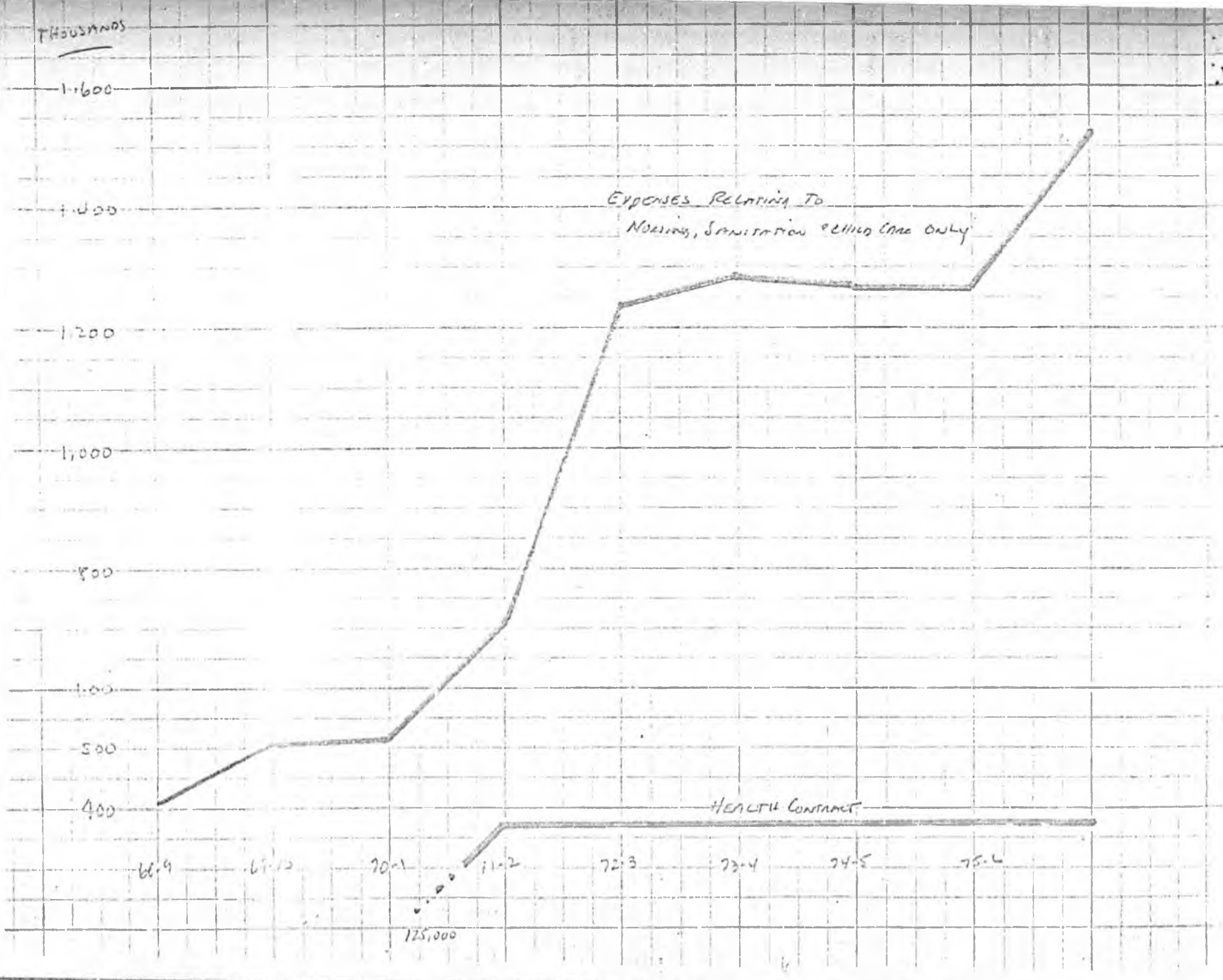
72-3

73-4

74-5

75-6

125,000



April 14, 1977

Representative Alfred C. Naknek  
District 22  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Naknek:

We have been informed by Lois Jund that House Bill 206 and 207 is likely to have difficulty in committee and could use as much support as possible. We basically support these two bills but wish some modification from the present form.

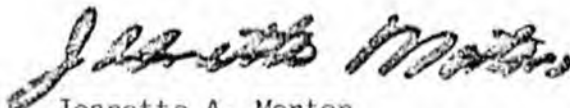
House Bill 207 requires the election of a local board who may in turn sub-contract with a regional health corporation. There is, however, nothing in the bill from preventing the board in providing the services itself, thus again, creating two agencies providing basically the same services to the same population. This is the situation presently in our district with Norton Sound Health Corporation providing services and the State Public Health Nurses providing services to the same population. This creates fragmentation of patient care.

We recommend that the State be allowed to contract directly with the health corporation bypassing an intermediate board. The attorney general states they cannot contract the Public Health Nurses regulatory powers. We therefore recommend that the State retain this regulatory powers but contract for services.

The other possibility might be for the State to recognize the regional health corporation board as a local health board. It may be that the board would have to meet certain requirements to insure broad representation.

Please call if there is any questions or if it is anticipated that the bills will be coming before the committees for hearing.

Sincerely,



Jeanette A. Morton  
Director  
Health Care Services

JM:da

HOUSE BILL 207

RECOMMEND:

1. The State should be allowed to contract directly with the Health Corporations bypassing an intermediate board.
2. The State retain the regulatory powers of the Public Health Nurses but contract for the services avoiding duplication of services.
3. The State recognize the Regional Health Boards as local health boards.

DEPARTMENT OF HEALTH & SOCIAL SERVICES

SUPPORTIVE INFORMATION SHEET

HB 206 - Public Health Services in Municipalities

HB 207 - Contracts for Local Health Services

1. WHAT IS THE PURPOSE OF THE LEGISLATION?

This legislation permits the orderly delegation of authority and responsibility of specific public health functions from the Department of Health & Social Services, to local public health districts or municipalities voluntarily requesting the responsibility.

2. IS THIS LEGISLATION AN ATTEMPT TO DECENTRALIZE SPECIFIC PUBLIC HEALTH FUNCTIONS THAT ARE NOW IN EXISTENCE OR TO PROVIDE A MEANS TO DECENTRALIZE FUTURE PUBLIC HEALTH FUNCTIONS?

The purpose is to decentralize both present and future public health functions handled by the department. It is in direct response to the increased consumer interest and the wish of local communities to become more involved in public health programs and decisions which affect their local public health care.

3. ARE THE RESPONSIBILITIES OF THE PUBLIC LAW 93-641 HEALTH SYSTEMS AGENCIES THE SAME AS THOSE FOR THE HEALTH DISTRICTS CREATED UNDER THIS ACT?

Health Systems Agencies have a responsibility for health planning, resource development, and for review of plans submitted by the health districts. They are not responsible for the implementation and delivery of public health services.

The local public health service area boards have the overall responsibility for the delivery of public health services. This also includes determining the need, developing a plan for submission to the health systems agency and overseeing the implementation of the public health service area plan.

4. WHAT IS THE MEANING OF THE TERM BASIC PUBLIC HEALTH SERVICES?

Basic public health services refer to the basic elements (public health nursing and environmental health) which fulfill the minimum requirements of preventive public health services, which may be carried out at the local level.

HOUSE BILL 207

RECOMMEND.

1. The State should be allowed to contract directly with the Health Corporations bypassing an intermediate board.
2. The State retain the regulatory powers of the Public Health Nurses but contract for the services avoiding duplication of services.
3. The State recognize the Regional Health Boards as local health boards.

HB

290

Department of Health and Social Services  
Position Paper  
House Bill 290

Section I. House Bill 290, creating a Hospital and Health Care Center fund within the Department of Public Works is in conflict with AS 18.20.140 - AS 18.25.120 which provides that the Hospital and Medical Facility Construction program will be administered by the Department of Health and Social Services. The intent of the statute is clearly stated in Section 18.25.030 and Section 18.25.080. These sections are quoted as follows:

Section 18.25.030 states it is the intent of sections 10 - 30 of this chapter to provide financial aid to municipalities, communities and associations for which an attempt at complete financing by themselves of a necessary project would entail great hardship. It is also intended that the department utilize the money authorized under sections 10 - 30 of this chapter so far as can be arranged to assist the municipalities, communities and associations in matching funds with the federal government under applicable federal law for hospital assistance.

Section 18.25.080 states it is the intent of sections 70 - 110 of this chapter to assist communities and areas in developing and improving health service facilities by the purchase, construction, renovation, or establishment of hospitals, health centers, or clinics, or quarters for personnel, and the purchase of furnishings, supplies and equipment and making the other expenditures necessary to carry out the purpose of sections 70 - 110 of this chapter. Assistance is to be given in areas which would otherwise be denied adequate facilities, because the taxable values are limited in scope and an attempt at total community financing of a project would cause hardship or prevent its realization. It is also intended that the department utilize the money authorized under sections 70 - 110 of this chapter so far as can be arranged to assist municipalities in matching funds with the federal government under federal law.

All of the Federal construction programs administered by the Department of Health and Social Services have complex developmental, accounting and reporting requirements. To have State matching funds administered by another Department would seriously jeopardize project development and construction.

The department administers the following Federal Hospital and Medical Facilities Construction programs:

1. Title XVI of P.L. 93-641, the Health Planning and Resource Development Act. This Act replaced the Hill-Burton Construction program.
2. The Developmental Disabilities Services and Facilities Construction Act. (P.L. 91-517)
3. The Community Mental Health Centers Construction Act. (P.L. 88-164)

4. Section 232 of National Housing Act (Long Term Care Facility Construction Loans).
5. Section 242 of National Housing Act (Hospital Construction Loans).
6. Farmers Home Administration (Hospital Loan Program).
7. Economic Development Administration and Indian Health Service Funds.

The Bill confines itself to hospitals and health care projects owned by or to be constructed by municipalities or the State. No mention is made of facilities owned or constructed by nonprofit organizations. The department feels that a construction fund for hospitals and medical facilities should include nonprofit as well as public facilities.

Section 1 (a) line 10

The words Department of Public Works should be changed to read Department of Health and Social Services

Section 1 (c) should be changed to read

All facilities shall be built in accordance with applicable Federal construction regulations, State and Local building codes including the obtaining of required permits. The Commissioner of Health and Social Services shall provide the project sponsor with a copy of any Federal Regulations and State Building Code applicable to the project.

Section 2 (a) and (b) should be deleted

This section is not applicable to projects administered by the Department of Health and Social Services

Section 3 should be deleted

This section is not applicable to Department of Health and Social Services projects as payment procedures have been established.

Section 4 should be deleted

Technical assistance is provided to all project sponsors by personnel of the Department of Health and Social Services and in the case of Federally assisted projects, by the staff of the regional office of Facilities Engineering and Construction.

Section 5 (a) should be changed to read

Title acceptable to the department to a suitable project site shall be vested in the owner of the facility before work is begun on the site.

Section 5 (b) should be deleted

Maintenance of a health facility should be the responsibility of the owner.

The department supports House Bill 290 with the above changes.

**POSITION PAPER / Department of Health and Social Services**

Recommended by: Lois M. Jurek  
Coordinator  
Office of Planning & Research

Date 3/10/77

Approved by: Lois M. Jurek, Acting  
Commissioner  
Department of Health and  
Social Services

Date 3/16/1977

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

STATE OFFICE BUILDING

POUCH SA - JUNEAU 99811

March 22, 1977

The Honorable Charles H. Parr  
Chairman  
House Health, Education and  
Social Services Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, Alaska

Re: House Bill No. 290

Dear Mr. Parr:

House Bill No. 290, an Act creating the hospital and health care center fund, was introduced in the House on March 1, 1977 and was referred to the House Health, Education and Social Services and Finance Committees.

For the consideration of the House Health, Education and Social Services Committee, I am enclosing a Fiscal Note prepared by Mr. Jim Edenso, Deputy Commissioner, Department of Revenue, Juneau concerning the proposed legislation.

Very truly yours,



R. D. Stevenson  
Special Assistant

cc: The Honorable Steve Cowper  
Chairman  
House Finance Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, Alaska

Jim Edenso  
Deputy Commissioner  
Department of Revenue  
Juneau, Alaska

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 290  
 Title An act creating the hospital and health care center fund  
 Requested by Swanson, Eliason, Malone, Osi and Parr Date 3/1/77

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected General Government  
 Budget Request Unit(s) Affected Treasury Management

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		15.8	15.8	15.8	15.8	15.8
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		.1	.1	.1	.1	.1
500 EQUIPMENT		.8				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		16.7	15.9	15.9	15.9	15.9

FUNDING (Thousands of Dollars)

GENERAL FUND		16.7	16.7	16.7	16.7	16.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This notes enumerates a portion of the fiscal impact of HB 290 upon Treasury Management, specifically the need to add clerical staff if HB 290 becomes law. Potential loss of investment income, while real, is entirely dependent upon market conditions and is not calculable.

Every sale of State bonded debt is a composite of numerous authorizations, one of which could be for the construction of hospital and health care centers. Sale proceeds are presently commingled for investment purposes, and are accounted for under the State Bond Construction Fund. Income from the investment of sale proceeds is used for the payment of debt service.

The subject Act would require the segregation of bond sale proceeds into separate funds, and the return of income to the fund in which principal is deposited. Segregation of proceeds would preclude commingled investment and prevent the Department of Revenue from obtaining the most favorable rates available. Segregation would further increase the accounting task exponentially, and would require the addition of staff.

IV. DATE March 18, 1977 PREPARED BY Jim Edenso  
 AGENCY Department of Revenue  
 PHONE 465-2350  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

MINUTES OF HOUSE

HEALTH, EDUCATION & SOCIAL SERVICES COMMITTEE

March 18, 1977

The meeting was called to order by Chairman Parr at 3:05 p.m.

Those present: Parr, Nakak, Cotten, Ose, Bennett, Beirne, and Mr. Phillips came in later.

Absent: Chatterton, Buchholdt.

Chairman Parr announced the first order of business would be HB 290 and asked Mr. Swanson to speak on his bill.

*HB 290*

Mr. Swanson asked to discuss 291 first and then 290. Said HB 291 is a bond issue that is a partial bond issue that the Governor just vetoed the whole bond issue out of the program last year and there was a multitude of projects in it which included a lot of alcoholic centers and alcohol money and he felt if they stayed strictly with a bond issue that dealt with health versus a self-imposed sickness, that this bond issue would have a better chance of moving. Said he held it sacred and dear to him to protect the people that can't help being sick where he doesn't have a lot of feeling about people that are sick with a self-imposed sickness. Said the bill he has proposed deals strictly with people that are unfortunate enough to get sick and the facilities to take care of them. Said the Fairbanks bond issue last year called for \$300,000 for the addition on their family service center, the Cordova Health and family service center called for \$300,000, the Sitka Community Hospital addition was 3 million dollars, the Nenane Health Center and family service center was \$200,000 and this year he added Tok Health and Family Service Centers for \$200,000. The Bethel Health and Social Services was in there last year for 1 million dollars and the Ketchikan General Hospital Island View Manor wing was in for a million and a half. Said he would suggest an amendment that item No. 5, the Tok Health and Family Service Center be eliminated. Said he had put the Tok facility in another piece of legislation and is already in the budget so far.

Mr. Swanson said he was extremely interested in a health and family service center and felt a facility of this kind, especially for small communities that were large enough where they could get a physicians assistant to serve these places. Felt the money spent for this type of facility would be well spent.

Mr. Swanson then spoke on 290. Said he introduced the bill for 1 reason, where there is a health and family service center approved in a bond issue. On page 2, (c) on line 1, said (after reading the whole section) that he deliberately put that in to specifically put some local control in allowing this grant money to go to a community or municipality. He told the committee and gave an example of what happens to a small project that goes to a community in the area of a school building in the transfer of funds. He said last year they gave 1 million 50 thousand dollars for a school at Anderson and enacted a piece of legislation that governed the transfer of those moneys and allowed the Dept. of Public Works to promulgate all the rules and regulations and gave a brief rundown of what it cost the City of Anderson before they got the money. Mr. Swanson said he would make a copy of the facts he gave and make it available to the committee.

Mr. Ose asked if there was personnel to operate the buildings after they are finished. Mr. Swanson felt a mutual agreement could be worked out with the cities.

Mr. Swanson said he wanted to address both bills because they were companion measures. Mr. Parr said "but 290 could be passed and a different bonding bill could go through for health facilities."

Mr. Swanson hoped that what is on the books today and the transfer of these grants be taken, regardless of the REAA, and apply this philosophy to them -- could save 30 - 40 percent of the money that is going to be wasted in paper shuffling.

Dr. Beirne asked why Mr. Swanson wanted all the buildings to be built by the DPW instead of leaving it up to the municipalities. Mr. Swanson said the bill addresses itself to that by mutual agreement in that the municipality can assume all of the responsibility of building the facility. (line 13, page 2).

Next to testify was Mr. Richard Holden, Deputy Commissioner of Public Works. Said it was the Dept's position that this money is going to the wrong dept. Felt it should be going to Dept. of Health & Social Services. He said they were the people statutorily charged with this responsibility. He said he thought Mr. Edenso had problems with the constitutionality of a dedicated GO Bond fund as outlined in the bill, and presumably if the fund were to be created in the Dept. of Health & Social Services, it would be the responsibility of the Dept. of Transportation and Public Facilities to construct such projects unless using the previous statute (SB 398 of the last session). The Commissioner of that Dept. wanted to grant funds to a local political subdivision to assume local control. Said they have been running into quite a number of problems in granting funds to REAA's and although some of the district superintendent in the REAA's dispute this,

Mr. Holden didn't think it was necessarily that the Dept. of Public Works was over bearing. He said the numbers Mr. Swanson quoted show a misconception on the part of the people who gave him those numbers. He said the numbers he quoted came from a budget prepared by the Dept. of P.W. assuming it would do the design and construction of the Anderson school. Said since the funds were granted to the Upper Railbelt School District, those funds he quoted should be spent by the school district to assure that quality design and quality construction is maintained. Said he thought the Supt. who gave Mr. Swanson those numbers assumed that the Dept. of PW was going to charge him for running his architect.

Mr. Parr asked that in a case under 398 where the municipalities was going to build a building, there is no charge from Public Works. Mr. Holden said there is a charge. If the facility as contained in this bill is owned by the State, then it is a duty of the Dept. which is otherwise responsible for designing construction to insure that the building is built properly. To that extent, the Dept. would insure that the grantee would be properly equipped to administer a design. That it was properly equipped to administer construction.

Said normally when the DPW or its successor agency builds things of this kind, they are built by hiring a private firm to design and a private contractor to construct. Obviously it is a state building.

Mr. Holden said the Dept. had another problem with the bill, Page, 2, Sec. (c) line 4,--Said it seemed to the Dept. that a responsible local government agency which was willing to assume control of the construction project could send off to the Uniform Building Code people and buy their own code. On line 11, instead of saying the Dept. shall provide he felt it should read the Dept. may. Page 3, line 3. Compensation for that assistance has to come from projects, said they don't have funds to provide the assistance. Said they would have to charge a project budget to the tune of 1 - 1 1/2 percent. Said line 7 they had a problem with also.

Mr. Parr asked Mr. Holden if he was objecting to the wording of Sect. 5 of the bill. Mr. Holden said he wasn't objecting to the language as laid out here but procedurally there are lots of problems particularly until the land claims is settled.

Mr. Parr said he read section 5 to mean that unless the Dept is satisfied that there is clear title to the land, nobody can put the first concrete block down. Mr. Holden said this was what they wanted.

Mr. Holden felt that they should be the lead agency.

Mr. Parr asked Mr. Holden where in the bill he got the indication that the Dept. is the one to decide whether or not there should be a hospital. He said the way he understood the intent of the bill was that the legislature appropriated money on a bond issue and the voters had ratified it. The voters have

said

/there will be a hospital or health care facility. Said he didn't understand Mr. Holden's point because the voters have already decided whether there should be one. Mr. Holden said Mr. Swanson stated that illnesses he was funding for here, people who were physically sick. He said his point was that they aren't now equipped to decide whether the plans that came in were for clinic or alcoholism center. Said the DPW doesn't know that when they look at plans. Mr. Parr felt if it was their responsibility to build state buildings it was their responsibility to have the people to decide this. Mr. Holden said normally what happens is the funds for the specific program purpose are vested in the Dept. which is equipped to handle this.

Next to testify was Mr. Jim Edenso, Deputy Commissioner for the Department of Revenue. He said his Dept. opposes HB 290. He said in its current form it is attempting to establish precedent which does not exist in the current management policy of the state Dept. of Revenue and also for Administration. He said Sec. 1, (b), line 26 on page 1. the objections they had to that is that the act creates a separate bond construction fund for the proceeds of hospital and health care authorizations. A separate bond is not necessary to properly account for the proceeds of general obligation bond sales and establishes a dangerous precedent. He said bond proceeds are invested in on a co-mingle basis by the Dept. of Revenue. He said segregation of these proceeds into separate funds would preclude co-mingle investment and prevent the Dept. of Revenue from obtaining the best return available on management of such funds. He felt there were some constitutional problems with the bill. He said he believes the state constitution prohibits the dedication of funds. He said his recommendation to the Governor should this bill pass would be to veto the bill on the strength of the inclusion of paragraph (b) Sec. 1 on the first page.

Mr. Parr asked what money is being talked about in investing here? Are we talking about drawing some kind of interest on that money until we would pay a contractor? Mr. Edenso said that was correct, the money they were referring to would be obtained from a bond sale based upon the position of the voters in the state and any bond resolution that they pass on.

Next to testify was Lois Jund, Deputy Commissioner of Health and Social Services. Said she wasn't going to testify as to the constitutionality of this bill. She said they don't really feel this legislation is necessary, and gave a little background. Said the proposed bill is actually in conflict with the statute on the book (AS 18.20.140 through AS 18.25.120) which provides that the hospital and medical facilities construction program will be administered by the Dept. of Health & Social Services.

She said there was a reason for this in that hospital construction standards tie in very closely with certification and licensing which is also under the Dept.'s jurisdiction and also with medical facilities planning. She said at the present time under the present statutes, the Dept. of Health and Social Service can do just about everything that is in HB 290. Said they do provide technical assistance on all projects under the Aid to Communities. The only they don't do is have a fund and she just heard that is somewhat unconstitutional so she doesn't feel there is a great necessity for the bill. She said one of the reasons it goes through their Dept. is so that they can take advantage of Hill Burton Construction funds. She said Public Works has really constructed very few of these facilities. She said in most instances the municipalities themselves have hired their own architects and enginners.

There was discussion as to whether the purpose of the bill was to cause expeditious procedures in order to get these health care facilities in the various locations. There was also discussion about the lack of state responsibilities to provide emergency care throughout the state, such as along the highway.

Mrs. Jund said she wondered if they were aware of the present statute, actually 2 statutes, Sec. 18.20.080 with attendant regulations which provides for hospital construction. Said they also have regulations on nursing homes 7 AAC 12.020. She said the other statute is assistance for community health facilities. She further stated that the Department is very actively working on emergency medical services for various communities.

Next to testify was Sharron Osborn who gave a little background on the EMS situation in Alaska. Said most of the money has been federal money and that money is earmarked for planning, not implementation. Said they have a statewide plan going in now that is developed at the regional level. So this year they will be getting implementation money. Said she would be glad to make the plan available which is presently being prepared and should be finalized the 1st week in April.

The bills were held over and no action was taken on them.

Mr. Parr said he had received a note from the Speaker about the confirmations and he read the list he had received that were assigned to the Hess Committee. Said he felt it was the committee's feeling that we would only interview the Regent's candidates and Mr. Bennett was interested in the Nursing Home Administrators. Said he felt it was a waste of time and money in having some of the people come down to be interviewed when it wasn't necessary. Said he would suggest

on the professional ones, that he would be happy to write a letter to the associations and asked if the nominee had their concurrence.

The meeting adjourned at 4:30 p.m.

HB

291

HOUSE BILL 291

"An Act providing for the issuance of general obligation bonds in the amount of \$6,500,000 for the purpose of paying the cost of constructing and equipping hospitals and health and family care centers; and providing for an effective date."

The Department of Health and Social Services has analyzed the projects enumerated in House Bill 291 individually, as set forth below. Although the Department recommends deleting entirely some of the projects proposed, it also recommends increasing other appropriations to provide adequate funds for constructing and equipping the facilities deemed necessary. The amended total, as proposed by the Department, would be \$7,670,000.

In addition, the Department recommends deleting the reference to the "Department of Public Works" in line 24, page 1. The justification for this recommendation may be found in the Department's position paper on House Bill 290.

1. Fairbanks Health and Family Service Center (\$300,000):

This project should be deleted as a discussion with the Fairbanks City Manager indicates that the City funded and has completed the needed addition to the health center.

2. Cordova Health and Family Service Center (\$300,000):

This project should be deleted as the City of Cordova has recently modernized its hospital and included space for a health and family service center within the facility.

3. Sitka Community Hospital (\$3,000,000):

The original estimate for this project was \$8,000,000. Funding to be as follows:

Federal Funds	\$	700,000
State Bond Funds		4,970,000
Local Funds		<u>2,330,000</u>
Total	\$	8,000,000

The Department does not have federal funds available for this project. Although Congress did appropriate some construction funds for the 1977 fiscal year, the funds are being held by the Department of Health, Education and Welfare and their release appears doubtful. Should the funds be released, the amount the State would receive is also unknown, but indications are that Alaska would not receive its total \$1,000,000 entitlement. If the federal funds are not allocated to the States, the total funds needed for the Sitka project would be \$5,670,000. It is recommended there should be further

communications with representatives of the community regarding this project. It has been reported to the Department that the community is not interested in replacement of the hospital at this time.

4. Nenana Health and Family Service Center (\$200,000):

As the City of Nenana is located on a main highway and the distance to the nearest medical facility is approximately 60 miles, the Department strongly supports the construction of this facility. In view of its location on the highway and the emergencies that will be encountered, the Department recommends that the estimated construction cost be increased to \$300,000 to provide the needed facility plus equipment.

5. Tok Health and Family Service Center (\$200,000):

This is a community owned facility staffed by the Tanana Valley Physicians Clinic in Fairbanks. Utilization of the clinic is steadily increasing due to Alcan highway traffic and increased utilization by patients from surrounding villages. The U.S. Coast Guard has moved twenty-five personnel and families to Tok who will depend on the clinic for medical care. The existing clinic building is inadequate for the volume of medical care being handled and adequate space is not available for emergencies and treatment of serious multiple injuries. The Department recognizes the importance of medical care being readily available to the residents of the Tok area, but is concerned about establishing a precedence by the State providing facilities for private profit-making organizations.

6. Bethel Health and Social Services Facility (\$1,000,000):

This project should be deleted as a new public health center has recently been completed and a prematernal home now under construction is nearing completion.

7. Ketchikan General Hospital and Island View Manor Nursing Home Wing (\$1,500,000):

The Department is currently working with the City of Ketchikan Hospital personnel and the project architect in developing plans for the modernization of this facility. Funds amounting to \$1,000,000 were appropriated by Chapter 132 SLA 1974 for modernization of the nursing home wing. No funds were appropriated for modernization of the hospital although modernization would increase efficiency and improve patient care. The Department strongly supports the increase in funds for this project.

Subject to the above changes, the Department supports House Bill 291.

Recommended by: Franklin Swartz  
Coordinator, Office of Planning  
and Research

3/16/77  
Date

Approved by: Lis M. Jund  
Commissioner, Department of Health  
and Social Services

3/16/1977  
Date

HB

296



Official Business

# Alaska State Legislature

House of Representatives

Committee on

Health, Education & Social Services

Pouch V  
State Capitol  
Juneau, Alaska 99811

## MEMORANDUM

TO: Members of the HESS Committee  
FROM: Rocky Plotnick  
DATE: January 18, 1978  
SUBJECT: HB 296

During the 1977 session HB 341 was passed and the wording is identical to HB 296 EXCEPT the definitions. Currently, Alaska Law covers physicians, nurses, and persons certified by a hospital as competent to take blood samples. HB 296, which we are considering today, would specify chiropractors, dental hygienists, dentists, dispensing opticians, optometrists, pharmacists, physical therapists, podiatrists, psychologists, psychological associates, and hospitals. I have included copies of HB 341 (AS 09.65.095), the definitions for current law, (AS 08.64 and AS 08.68), and the definitions for HB 296, (AS 09.55.560 (1) ). If enacted, the wording of HB 296 will have to be changed.

establishes by a preponderance of the evidence that the provider has failed to inform the patient of the common risks and reasonable alternatives to the proposed treatment or procedure, and that but for that failure the claimant would not have consented to the proposed treatment or procedure.

(b) It is a defense to any action for medical malpractice based upon an alleged failure to obtain informed consent that

(1) the risk not disclosed is too commonly known or is too remote to require disclosure;

(2) the patient stated to the health care provider that he would undergo the treatment or procedure regardless of the risk involved or that he did not want to be informed of the matters to which he would be entitled to be informed;

(3) under the circumstances consent by or on behalf of the patient was not possible; or

(4) the health care provider after considering all of the attendant facts and circumstances used reasonable discretion as to the manner and extent that the alternatives or risks were disclosed to the patient because he reasonably believed that a full disclosure would have a substantially adverse effect on the patient's condition. (§ 37 ch 102 SLA 1976)

Effective date. — Section 51, ch. 102, SLA 1976, makes this section effective May 29, 1976, in accordance with AS 01.10.070(c).

Editor's note. — Section 47, ch. 102, SLA 1976, provides: "Sections 33 — 38 of this

Act apply to all causes of action for medical malpractice which have not been filed in a court of this state before the effective date of this Act."

Sec. 09.55.560. Definitions. In §§ 530 — 560 of this chapter

(1) "health care provider" means a chiropractor licensed under AS 08.20; a dental hygienist licensed under AS 08.32; a dentist licensed under AS 08.36; a nurse licensed under AS 08.68; a dispensing optician licensed under AS 08.71; an optometrist licensed under AS 08.72; a pharmacist licensed under AS 08.80; a physical therapist licensed under AS 08.84; a physician licensed under AS 08.64; a podiatrist; a psychologist and a psychological associate licensed under AS 08.86; and a hospital as defined in AS 18.20.130, including a governmentally owned or operated hospital;

(2) "board" means an arbitration board established under § 535 of this chapter;

(3) "panel" means an expert advisory panel established under § 536 of this chapter. (§ 37 ch 102 SLA 1976)

Effective date. — Section 51, ch. 102, SLA 1976, makes this section effective May 29, 1976, in accordance with AS 01.10.070(c).

Editor's note. — Section 47, ch. 102, SLA 1976, provides: "Sections 33 — 38 of this Act apply to all causes of action for medical

POSITION PAPER

ON

HOUSE BILL NO. 296

"An act relating to the civil liability of health care providers."

House Bill 296 amends AS 09.65 - Miscellaneous Provisions of the Code of Civil Procedure by adding a new section providing health care providers protection against civil or criminal action liability suits arising out of battery for taking a blood sample. The new section stipulates the two governing conditions; namely, that the sample is taken at the request of a police officer with proper authority, and that excessive or unreasonable force was not used.

Hospital and medical laboratories are frequently requested by enforcement officers or the courts to take blood samples for legal purposes, especially for blood alcohol or drug determinations. The blood specimen is then submitted to another laboratory for analysis. In the provision of this service as a collector of a blood sample, the health care provider under present law is liable to civil suit. As a consequence, many of the health care providers are reluctant to cooperate with the authorities in taking a blood sample for legal purposes.

A recent court decision in the "Lower 48" ruled that the health care provider could not be made liable in a civil or criminal action arising out of battery if there was a court order or if the requesting arresting officer had a search warrant and if there was no use of excessive or unreasonable force. Health care providers in Alaska could therefore quote the precedent decision in the event of a criminal or civil action suit, but this would consume considerable time and effort as the suit would have to be brought into court.

Enactment of House Bill 296 would give statutory recognition to the protection of the health provider in this specific area and would prevent many time-consuming nuisance suits.

There will be no fiscal impact upon the Department of Health and Social Services if House Bill 296 is enacted.

The Department of Health and Social Services supports this legislation.

Recommended by: Frank P. Pauls 3/14/77  
Frank P. Pauls, Dr. Ph. Date  
Acting Director  
Division of Public Health

Approved by: Francis S. L. Williamson 3/17/77  
Francis S. L. Williamson Date  
Commissioner  
Department of Health & Social Services

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL  
JUNEAU 99811

JAY S. HAMMOND, GOVERNOR

March 10, 1977

Representative Charles H. Parr  
Chairman  
Committee on Health, Education and  
Social Services  
Alaska House of Representatives  
Pouch V  
Juneau, Alaska 99811

Re: House Bill 296

Dear Mr. Parr:

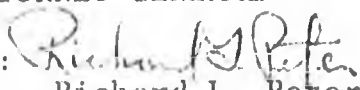
On looking over House Bill 296 which has been referred to your committee I notice that the title refers only to civil liability of health care providers, while section 1 mentions "civil or criminal" action.

Therefore to comply with Article II, Section 13 of the State Constitution and AS 24.30.020 which require that "the subject of each bill . . . be expressed in its title", we suggest that Page 1, Line 6 be amended to insert "and criminal" between "civil" and "liability".

Thank you for your consideration.

Sincerely,

AVRUM M. GROSS  
ATTORNEY GENERAL

By:   
Richard L. Peter  
Assistant Attorney General

RLP:jf

The 1977 amendment, effective May 18, 1977, in subsection (a), added "Except as provided in this section" to the beginning of the subsection, substituted "a municipality" for "an incorporated borough, city, or other public corporation of like character," and deleted "or for an injury to the rights of the plaintiff arising from some act or omission of the unit of local government" from the end of the subsection. In subsection (b), the amendment substituted "A municipality" for "An incorporated borough, city or other political subdivision" at the beginning of

the subsection and substituted "it" for "the incorporated borough, city or other political subdivision" at the end of the subsection. The amendment also rewrote subsection (c) and added subsections (d) and (e).

**Editor's note.** — Section 4, ch. 37, SLA 1977, effective May 18, 1977, provides: "This Act applies to all legal actions filed after the effective date of this Act."

**Legislative committee reports.** — For report on ch. 19, SLA 1975 (FCCS HCSSB 53), see 1975 House Journal, p. 144. For report on ch. 215, SLA 1975 (HCS CSSB 257 am FCC), see 1975 House Journal, p. 1455.

**Sec. 09.65.090. Civil liability for emergency aid.** (a) A person at a hospital or any other location who renders emergency care or emergency counseling an injured, ill, or emotionally distraught person who reasonably appears to the person rendering the aid to be in immediate need of emergency aid in order to avoid serious harm or death is not liable for civil damages as a result of an act or omission in rendering emergency aid.

(b) This section does not preclude liability for civil damages as a result of gross negligence or reckless or intentional misconduct. (§ 1 ch 32 SLA 1967; am § 1 ch 119 SLA 1971; am § 38 ch 102 SLA 1976)

**Effect of amendment.** — The 1976 amendment, effective May 29, 1976, rewrote subsection (a) and deleted the second sentence of subsection (b) which read "Gross negligence means reckless, wilful, or wanton misconduct."

**Editor's note.** — Section 47, ch. 102, SLA 1976, provides: "Sections 33 — 38 of this Act apply to all causes of action for medical malpractice which have not been filed in a court of this state before the effective date of this Act."

**Sec. 09.65.095. Liability for administration of blood test.** (a) No civil or criminal action arising out of battery may be brought against a health care provider for the act of taking a blood sample if the sample is taken

(1) at the request of a police officer when the arresting officer has a search warrant or court order authorizing the taking of the blood sample; and

(2) without the use of excessive or unreasonable force.

(b) As used in this section,

(1) "health care provider" means a nurse licensed under AS 08.68, a physician licensed under AS 08.64, and a person certified by a hospital as competent to take blood samples;

(2) "hospital" means a hospital as defined in AS 18.20.130(1), including a governmentally owned or operated hospital.

(c) Nothing in this section shall be construed to prohibit recovery of damages incident to the improper or negligent withdrawal of blood. (§ 1 ch 80 SLA 1977)

**Sec. 08.64.170. License to practice medicine or osteopathy.** (a) No person may practice medicine, podiatry, osteopathy or acupuncture in the state unless he is licensed under this chapter, except that

(1) a physician assistant may examine, diagnose or treat persons under the supervision, control, and responsibility of either a physician licensed under this chapter or a physician exempted from licensure under § 370 of this chapter;

(2) a physician-trained mobile intensive care paramedic may render emergency lifesaving service; and

(3) a person licensed under AS 08.33 may perform acupuncture in the regular practice of dentistry, subject to the regulations of the Board of Dental Examiners.

(b) Repealed by § 4 ch 101 SLA 1974.

(c) A chiroprapist practicing in the state on May 16, 1972 is exempt from this section.

(d) A podiatrist practicing in the state on March 26, 1976 is exempt from this section, and shall be issued a license without examination if application is made within one year of the effective date of this act. (§ 35-3-81 ACLA 1949; am § 4 ch 148 SLA 1970; am § 1 ch 5 SLA 1972; am § 1 ch 21 SLA 1974; am §§ 3, 4 ch 101 SLA 1974; am §§ 1, 2 ch 24 SLA 1976)

**Effect of amendments.** — The first 1974 amendment, in subsection (a), substituted "medicine, osteopathy or acupuncture" for "medicine or osteopathy" in the introductory language and added a sentence which has been designated by the revisor as paragraph (3).

The second 1974 amendment designated the provisions of subsection (a) as subsection (a)(1), added paragraph (2) of that subsection, and repealed subsection (b).

The 1976 amendment inserted "podiatry" in the introductory language of subsection (a) and added subsection (d).

**Legislative committee report.** — For report on ch. 5, SLA 1972 (SCS CSHR 34), see 1971 House Journal, pp. 250, 251.

**C.I.S. references.** — 53 C.I.S. Licenses §§ 32 to 39; 70 C.I.S. Physicians and Surgeons §§ 8 to 14.

**Sec. 08.64.180. Application for license.** A person who desires to practice medicine, osteopathy or acupuncture in the state shall apply in writing to the department for a license. (§ 35-3-85 ACLA 1949; am § 1 ch 22 SLA 1960; am § 4 ch 143 SLA 1968; am § 3 ch 77 SLA 1969; am § 2 ch 21 SLA 1974)

**Effect of amendment.** — The 1974 amendment substituted "medicine, osteopathy or acupuncture" for "medicine or osteopathy."

**Legislative committee report.** — For report on ch. 143, SLA 1968 (HB 707), see 1968 House Journal, p. 836.