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HB

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JOHN WALKER / Department of Health and Social Services

POSITION PAPER

HOUSE BILL 956

"An Act making a special appropriation to the Department of Health and Social Services for a mental health transitional facility in Anchorage; and providing for an effective date."

Federal law defines a transitional facility as:

"A program of transitional half-way house services for mentally ill individuals who are residents of its catchment area and who have been discharged from a mental health facility or would without such services require inpatient care in such a facility." Presently, this sector in the continuum of care for the mentally ill adult and adolescent in Alaska is deficient.

The State Plan and Governor's Mental Health Advisory Council all include such a program as high priority. The Department of Health and Social Services recognizes the need for a transitional facility in Anchorage. The chronic mentally ill require both housing and daily supervision to adjust to their return to the community. The present facilities in Anchorage do not provide either the appropriate environment or adequate daily programming. There is also a need for a transitional facility for emotionally disturbed adolescents.

We have a technical suggestion in terms of form. Since capital expenditures cannot be funded under the auspices of Alaska Statute 47.30.520-620, the Community Mental Health Services Act, any capital portion of the \$450,000 should be funded under Alaska Statute 18.25.010 and be appropriated to Department of Health and Social Services, Division of State Health Planning and Development. Any program portion of the \$450,000 should be funded under the Alaska Statute 47.30.520-620 and appropriated to Department of Health and Social Services, Division of Mental Health and Developmental Disabilities.

There is a statewide need for transitional facilities for the chronically mentally ill and emotionally disturbed adolescents. The Anchorage area provides an excellent pilot arena for a model program due to the presence of the Alaska Psychiatric Institute and the Anchorage Community Mental Health Clinic.

Recommended by:

Verner Stillner
Verner Stillner, M. D., M.P.H.
Director, Division of Mental Health & Developmental Disabilities

Date:

3/18/80

Approved by:

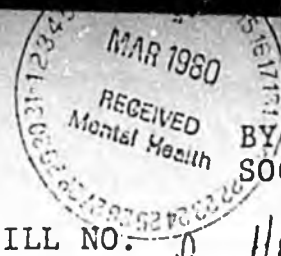
Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health & Social Services

Date:

3/18/80

Funding Information

General Fund \$450,000
Other Funds - 0 -
\$450,000



BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 118 956

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Health and Social Services for a mental health
8 transitional facility in Anchorage; and providing for
9 an effective date."

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

11 * Section 1. The sum of \$450,000 is appropriated from the general fund to
12 the Department of Health and Social Services, division of mental health and
13 developmental disabilities, for a mental health transitional facility in
14 Anchorage.

15 * Sec. 2. The unexpended and unobligated portion of the appropriation
16 made by this Act lapses into the general fund June 30, 1981.

17 * Sec. 3. This Act takes effect July 1, 1980.

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TRANSITIONAL LIVING - A STEP TOWARD INDEPENDENCE

Just as a person's treatment plan must be individualized and based on his/her particular needs, so must a plan for living and housing be individualized. The planning and development of discharge goals should be obtainable, appropriate and started already at the time of admission. Individual needs and wishes provide the basis for planning and development of main discharge goals. One factor that has often been overlooked in treatment planning and for maximizing a client's chances for success in any kind of a rehabilitation program, is an assessment of the quality of the client's residential situation. Two major factors must be considered: (a) The client's current family situation, and (b) The extent to which the residential setting is conducive to rehabilitation. An inadequate and destructive family setting, such as involving excessive dependence on family members, or substandard boarding homes or apartment settings are seen as posing the greatest threat to any successful outcomes. If it is determined that at least for a temporary period a client would make more progress away from a family, or in a separate setting, or as an alternative to hospitalization, a community mental health center should be prepared to offer some alternatives.

Basically, staff should be aware of the possibility that the client may have special needs within the community, including: (1) A residential setting which provides appropriate support and offers the least restrictive environment; (2) A mutually caring relationship with one or more persons; (3) Opportunity for social and recreational activities; (4) Assistance to and education of family and significant others in relation to difficulties they may experience as a result of the client's return to his/her home; (5) Vocational guidance training and assistance in securing and holding a job; (6) Provision for useful daily activities for those who are incapable of holding a regular job; (7) Assistance in taking advantage of services as citizens of their respective communities, e.g., S.S.I. payments, food stamps, housing benefits, etc.; (8) A place to go to or person to call for help in dealing with problems with stress; (9) Medical and psychiatric treatment as necessary, including review and assessment of drug therapy; (10) A coordinator or a therapist to provide linkage between the various service delivery systems and the client to assure the client has access to all the needed services.

This link in services from hospital to community, or as an alternative to hospitalization, is missing in many communities. One of the more recent concepts is the development of a transitional living facility which is designed to fill the gap between the institution and the community, or in providing therapeutic services which do not require hospitalization. This facility is designed as short-term, highly therapeutic, with a basic goal of rehabilitating the client in as little time as possible to resume or begin "normal" community living.

This document is a proposal for the development of a transitional home facility for the Anchorage catchment area. The home will be directed toward people who are experiencing a situational crisis, as well as requiring services which are now offered by the Mental Health Center. The funding required for such a program will involve monies allocated for capital outlay for the purchase, construction or lease of a facility adequate for a maximum of twelve individuals who qualify for this program, as well as money to fund the program, to support operating costs, and staff required to operate a quality program.

All of this would be based on a premise that many of the people who are experiencing the types of situational crises which warrant admission to this program, would be without adequate financial resources to fully pay for these services. As such, we are estimating that the operating cost will require a substantial amount of public money as a means of alleviating admission to a psychiatric hospital, or other residential care facility.

Staff has been asked to provide an overview and to research the needs for transitional housing in Anchorage for citizens who require additional situational support. The professional literature reviewed to date points to the following areas of consideration: (1) There is a serious shortage of facilities nationally to deal with the need for housing coupled with a program to improve coping abilities. (2) Federal and State laws mandate care for this population, but a gap in the system is residential living with supervision present to assist in individuals being discharged from a hospital without adequate situational support, and preventing hospitalization when needs can be addressed in the community with adequate resources. (3) Linking people, programs, and organizations is crucial for effective treatment and is consistent with the continuity of care concept which underlies the NIMH commitment to community support. (4) Need for meaningful evaluation criteria to assure quality community service. (5) Need for a coordinating body with clear lines of communication and minimal administrative detail. (6) Need for exclusion of individuals with active primary problems of substance abuse. (7) Needs assessment conducted by the Municipal Health Commission, by the University of Alaska, and by the Department of Health and Social Services indicate that there is a serious gap in this type of living facility to serve the Anchorage catchment area.

Adequate housing for the emotionally unstable is a national problem dating back for generations. The advent of psychotropic drugs in the 1950's and the process for deinstitutionalization and acceleration of the community psychiatry movement in the 1960's appear to be major factors affecting the declining acceptance of state mental hospitals as a means for dealing with consumers' lack of support systems in the community. Many of the needs of the acute and chronic "mental patient" are absorbed by the core of the community--family, friends, schools, clergy, community services, professional boarding homes, foster care, independently operated

hotels, apartments and the hospitals. This core has varying levels of commitment, skill, and understanding to assist the individuals with transitional coping needs. Even on the professional end of the spectrum, there is a limited milieu for observation of structured living and monitored progress outside of the hospital. Consequently, the hospital, primarily A.P.I., is inundated with people needing situational support, not necessarily inpatient psychiatric care.

The following is a perception of factors affecting the potential resident population we are addressing: Dysfunctional precursors such as distorted perception of events; inadequate situational and emotional support; inadequate coping abilities and symptoms of mental illness lead to a stressed, potential resident. This potential resident then exhibits such things as dysfunctional attempts at stabilization, loss of motivation, crisis to crisis lifestyle, substance abuse, legal encounters, marginal existent transient lifestyle, agency bouncing, community bouncing, exhaustion of community resources, stressed family, friends and community, and in general, needs not being met. This inability to cope with and relate to the community leads to request for hospitalization and regression to institutionalization.

Stress is an inherent factor of life. The population that is being spoken of does not exhibit the wherewithall of adequate stress management. The theoretical causes or enhancers of this inability to cope are numerous and will not be explored here. Rather, we will look at the interventions and education which can be utilized to assist people with coping needs. The need for, and at times the number of, support systems that this population utilizes to compensate for this inability to cope, is at times a stress source in and of itself defining an imperative need for coordination. The individual's ability to coordinate and to cope with living at the highest potential is the goal. A transitional residence program would provide a base where staff with adequate theoretical knowledge and experience could assist a resident in assessing what coping skills they are lacking to achieve and maintain maximum functioning in the community.

At present there are few statistics available to document the need for this facility in Anchorage. In consultation with planning agencies, and in a review of the various documents and assessments that have variously been done, the need seems evident. The consensus of professionals in the area is that such a facility is desperately needed.

The residential transitional home that we are addressing here is thought to be a short-term facility. Short-term is defined as a maximum single stay of up to a 90-day period of time. This seems like a reasonable period in which an assessment of the individual needs and linkages in the community could be achieved. In some cases, an additional 90-day stay could be recommended. The acceptance criteria for such a facility would be as follows: (1) Age 19 or over. (2) Primary problem of

emotional instability and not other related issues. (3) Inadequate or no support system. (4) Inability to cope with stressful events. (5) Needing coordination of services. (6) Capable of functioning without constant direct supervision. (7) Accepting of and willing to participate in the contract agreed upon with screening person and staff as well as residents. (8) Not imminently dangerous to self or others. (9) Engaged in a therapeutic relationship or willing and able to engage in such. (10) As an alternative to 24-hour inpatient hospital care.

During the resident's stay, growth will be facilitated by: (1) Community meetings, peer supported feedback, decision-making and problem-solving. Here plans for residence managing will occur, including disciplinary actions, allocation of chores for housekeeping, maintaining, purchasing, group therapy, etc. (2) The therapeutic community environment milieu will focus on interaction between members, not intrapsychic content of individual. (3) Group therapy, emotional interdependence, nature of living situation, and review of individual's plan, action, support and confrontation. (4) Individual or conjoint sessions with significant others as necessary. Program framework would undoubtedly have included a preventative approach to self-care, educational resources, community classes, stress management, recreation and physical fitness, nutrition--whatever else is possible or necessary. Complete details of the program will be addressed in the policy and procedures manual.

This facility would receive residents from numerous community areas. The channels that would be utilized to determine acceptance would be as follows: (1) Potential residents would demonstrate need for situation support and express a desire to explore the options and initiate change. (2) Referee consults with staff as part of pre-discharge planning, identifies status as medically and psychiatrically cleared for discharge without adequate situation support; (3) Potential resident is then interviewed by the staff; (4) Following the interview and screening, if the facility is suitable for the potential resident's needs, expectations and responsibilities of potential resident and the facility will be discussed, and if agreed upon, a treatment plan will be initiated.

Linkages within the community for a resident of this facility is imperative. Therefore, due to the nature of the environment of this facility and the individual housed therein, the communication between the facility, the resident and the following community resources must be open, collaborative and responsive: (1) Community consumers; (2) Division of Vocational Rehabilitation; (3) A.P.I., Community Hospital, Community Services; (4) Adult Basic Education; (5) Work and recreational resources; (6) Social Security, Alaska State Housing Authority, Food Stamps, and other supportive services; (7) Police and legal department systems; (8) Substance abuse programs; (9) Emergency services; (10) Community professionals.

In looking at quality assurance for such a facility, it appears that formal evaluation criteria is one of the major areas lacking in documentation of published literature. Due consideration in this area will need to be given. At present, it seems reasonable to measure the following areas:

(1) The resident

- (a) Initial resident's assessment of needs and goals
- (b) Monthly formal monitoring evaluation
- (c) Termination evaluation with report regarding status of goal attainment. Appropriateness of services, follow-up availability.

(2) Staff

- (a) Regular supervision and evaluation program
- (b) Six-month review of overall operation of program
- (c) Yearly evaluation with input from referral sources; follow-up on prior residents and staff recommendations
- (d) Two-year evaluation of needs for program changes, funding, referral criteria and other major overall program changes.

It appears that a transitional facility of this nature would be far less expensive than a hospital stay, and a much more favorable and healthier choice for the individual in terms of residing in the community. Hopefully, in the future some arrangements in terms of assisting residents in moving toward semi-independent or apartment living would be the next feasible step for those on the higher end of dysfunctioning continuum. Utilizing data from the ongoing assessment of the resident while in the facility, appropriate referrals to family, friends, boarding home, etc., within the community could be made with the clear understanding of the individual's needs and growth potential.

The emphasis should be on incorporating the facility into an already existing neighborhood. This facility would involve the necessity of meeting the existing codes required by the Municipality of Anchorage, as well as the State of Alaska, in addition to any Federal NIMH or JCHA standards which are warranted. The facility itself would be adequate in terms of square footage to meet zoning requirements per individual, as well as adequate fire, health and other code and zoning requirements. We visualize this facility as housing a maximum of twelve clients with a hoped for average of about eight. This would involve sleeping and cooking facilities adequate to cover the maximum number of clients in the program, as well as leisure and recreation areas such as a TV and recreational room.

Other budgetary items necessary would be to support the program involving money for equipment and supplies of an ongoing nature. This would include funds for capital improvement and upkeep; funds for acquisition; funds for fixed costs such as electricity, gas, telephone and salaries of staff and purchase of equipment which would be necessary for the proper operation of the program. A vehicle should be provided which can be used by the staff to provide transportation for clients, either on a full or part time basis, or in a shared arrangement with another part of the program.

Staffing pattern would include: (a) One full time resident manager who would be required to be on the premises 24 hours a day, five days a week; (b) A part-time cook who would also serve as dietician in arranging for and supervising preparation of at least two meals per day; (c) A part-time or backup manager who will work on weekends and serve as backup to the resident manager; (d) A professional staff person who would do most of the screening, provide the group therapy; provide the liaison with a variety of community agencies; maintain the records; and provide the follow-up.

In 1955, well over half a million people resided in state and county hospitals. The latest data shows that this population has now been reduced by more than half or about 200,000 people. This decrease has been accompanied by a rise to over a million people who now reside in a community nursing homes which have grown in number and now house a large proportion of these former patients. There are many residents currently in nursing homes, however, who are not in need of this type of expensive care, yet inadequate boarding homes or slum hotels offer no solution either. In reviewing the literature concerning those best equipped to initiate a transitional living program, there seems to be general agreement that this type of living should be an extension of the community mental health service.

Research also seems to point to a special need and special attention must be given to the type of community which is to be home to the residents of this facility. This is particularly true in regard to community mores and sociocultural variables.

Residents of this home should not be an instrument of social reform, but rather should be a part of an existing community which is most nearly representative of the clients who will be living in the facility.

A second factor that becomes increasingly apparent is that this facility must not be seen as simply a convenient place to house a patient when the emergency or chronic wards are overcrowded in the institution. We will use special care that this facility not become a dumping ground for all those who have no other place.

The third major pitfall to avoid is in reference once again to the host agency. Several instances have shown that the likelihood of success is considerably less where private agencies try to develop programs by themselves without entire community support. Of vital necessity is the support of other service providers. If agencies operate in an isolated fashion, very likely there will be a narrow concentration of similar clients when a mix of clients is much more desirable.

In conclusion, it must become apparent to all that a major value underlying all programs is that those who are suffering from mental disabilities have the same right as anyone else to live in a type of environment which affords a quality of life conducive to self-realization and growth. Since a transitional facility offers relative anonymity to the residents and presents less cause for community fears, they have many advantages not often realized by other residential modalities such as boarding homes. Chief among such advantages is the avoidance of stigma-prone situations brought about in conspicuous community living arrangements, such as large residential care facilities or large hotels. The whole concept of normalization seems to become increasingly apparent in this endeavor.

TRANSITIONAL LIVING FACILITY

PROPOSED BUDGET

Facility Acquisition	400	
	\$300,000	
Equipment and furniture	40,000	
Transportation	10,000	
Food and consumable supplies	21,000	
Utilities	2,000	
Insurance	<u>2,000</u>	
		\$375,000
Staff:		
Resident manager - Salary and fringes	\$ 20,000	
Asst. and backup manager - sal. & fringes	12,000	
Cook and aide	12,000	
Professional staff - screening, therapy, etc.	<u>29,000</u>	
		<u>\$ 73,000</u>
Miscellaneous		\$448,000
		<u>2,000</u>
Estimated Total		\$450,000

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Ch. 7 SUPPLEMENTAL SECURITY INCOME 42 § 1381

SUBCHAPTER XVI—SUPPLEMENTAL SECURITY INCOME FOR AGED, BLIND, AND DISABLED

Library References

Social Security and Public Welfare C.J.S. Social Security and Public Welfare § 241. § 73.

§ 1381. Statement of purpose; authorization of appropriations

For the purpose of establishing a national program to provide supplemental security income to individuals who have attained age 65 or are blind or disabled, there are authorized to be appropriated sums sufficient to carry out this subchapter.

Aug. 14, 1935, c. 531, Title XVI, § 1601, as added Oct. 30, 1972, Pub. L. 92-603, Title III, § 301, 86 Stat. 1465.

Historical Note

Codification. A prior section 1381, Act Aug. 14, 1935, c. 531, Title XVI, § 1601, as added July 25, 1962, Pub.L. 87-543, Title I, § 141(a), 76 Stat. 197, authorized appropriations for grants to states for aid to the aged, blind, or disabled, and for medical assistance for the aged. See section 801 of this title.

Effective Date. Section 301 of Pub.L. 92-603 provided in part that this section is to take effect Jan. 1, 1974.

Continuation of Federal Financial Participation in Experimental, Pilot, or Demonstration Projects Approved Before Dec. 31, 1973, for Period On-And-After Dec. 31, 1973, Without Denial or Reduction on Account Of Subchapter XVI Provisions; Waiver of Subchapter XVI Restrictions for Individuals; Federal Payments of Non-Federal Share as Supplementary Payments. Subchapter provisions without effect on Federal Financial Participation in Experimental, Pilot, or Demonstration Projects approved before Oct. 1, 1973, for period On-And-After Dec. 31, 1973, see section 11 of Pub.L. 93-233, Dec. 31, 1973, 87 Stat. 658, set out as a note under section 1315 of this title.

Administrative Activities After Jan. 1, 1974, Closing Out Such Activities. Pub. L. 93-233, § 19(b), Dec. 31, 1973, 87 Stat. 674, provided that: "Notwithstanding the provisions of section 301 of the Social Security Amendments of 1972 [enacting this subchapter], the Secretary of Health, Education, and Welfare shall make payments to the 50 States and the District of Columbia after December 31, 1973, in accordance with the provisions of the Social Security Act [this chapter] as in effect prior to January 1, 1974, for (1) activities carried out through the close of December 31, 1973, under State plans approved under title [subchapter] I, X, XIV, or XVI, of such Act [this chapter], and (2) administrative activities carried out after December 31, 1973, which such Secretary determines are necessary to bring to a close activities carried out under such State plans."

Puerto Rico, Guam, and Virgin Islands. Enactment of provisions of Pub. L. 92-603, eff. Jan. 1, 1974, not applicable to Puerto Rico, Guam, and the Virgin Islands, see section 303(b) of Pub.L. 92-603, set out as a note under section 301 of this title.

Legislative History. For legislative history and purpose of Pub.L. 92-603, see 1972 U.S.Code Cong. and Adm.News, p. 4980.

Library References

United States § 85. C.J.S. United States § 123.

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Code of Federal Regulations

Determination and evidence.

Age, see 20 CFR 416.801 et seq.

Student regularly attending school, see 20 CFR 416.1060 and 416.1081.

Eligibility requirements for benefits under program, see 20 CFR 416.203 to 416.505.

General policy statements for program, see 20 CFR 416.101 to 416.120.

Reporting requirements under program, see 20 CFR 416.701 et seq.

Notes of Decisions

t. State or local regulation or control

No language in either the federal or state Supplemental Security Income related legislation requires or indeed suggests a total preemption of state and local responsibility by the federal government. *Fuller v. Nassau County Dept. of Social Services*, N.Y.Sup.1974, 352 N.Y.S.2d 978.

Although provision was made in 1973 state legislation for the Supplemental Security Income takeover of the current

needs of aged, blind and disabled New Yorkers previously met by state disbursement, the basic duty of care, as imposed by McKinney's N.Y. Constitution and McKinney's N.Y. Social Services Law, remained in the state and local agencies; in specific terms, there still remained state responsibility for special need grants, social services, and medical assistance to the aged, blind and disabled; that is, the federal responsibility was primary but not exclusive. *Id.*

§ 1381a. Basic entitlement to benefits

Every aged, blind, or disabled individual who is determined under part A to be eligible on the basis of his income and resources shall, in accordance with and subject to the provisions of this subchapter, be paid benefits by the Secretary of Health, Education, and Welfare.

Aug. 14, 1935, c. 531, Title XVI, § 1602, as added Oct. 30, 1972, Pub. L. 92-603, Title III, § 301, 86 Stat. 1465.

Historical Note

Codification. A prior section 1602 of Act Aug. 14, 1935, c. 531, Title XVI, as added July 25, 1962, Pub.L. 87-543, Title I, § 141(a), 76 Stat. 198, and amended Oct. 13, 1964, Pub.L. 88-650, § 5(b), 78 Stat. 1078; July 30, 1965, Pub.L. 89-97, Title II, § 221(d) (3), Title IV, § 403(e), 79 Stat. 358, 418; Jan. 2, 1968, Pub.L. 90-248, Title II, §§ 210(a) (5), 213(a) (4), 241 (d), 81 Stat. 890, 898, 917, formerly classified to section 1382 of this title, set forth the required contents of state plans for aid to the aged, blind, or disabled, and for medical assistance for the aged. See section 802 of this title.

Effective Date. Section 301 of Pub.L. 92-603 provided in part that this section is to take effect Jan. 1, 1974.

Puerto Rico, Guam, and Virgin Islands. Enactment of provisions of Pub. L. 92-603, eff. Jan. 1, 1974, not applicable to Puerto Rico, Guam, and the Virgin Islands, see section 303(b) of Pub.L. 92-603, set out as a note under section 301 of this title.

Legislative History. For legislative history and purpose of Pub.L. 92-603, see 1972 U.S. Code Cong. and Adm. News, p. 4989.

§ 1382. Eligibility
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(a)(1) Each aged, bli
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(B) whose resour
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shall be an eligible indiv

(2) Each aged, blind,
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(B) whose resou
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see 20 CFR 418.203 to 418.206.
8.101 to 418.120.
18.701 et seq.

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provided in part that this section
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Enactment of provisions of Pub.
03, eff. Jan. 1, 1974, not applicable
to Rico, Guam, and the Virgin
see section 303(b) of Pub.L. 92-
out as a note under section 301
title.

ative History. For legislative
and purpose of Pub.L. 92 (92), see
S.Code Cong. and Adm.News. p.

PART A—DETERMINATION OF BENEFITS

§ 1382. Eligibility for benefits—Definition of eligible individual

(a)(1) Each aged, blind, or disabled individual who does not have an eligible spouse and—

(A) whose income, other than income excluded pursuant to section 1382a(b) of this title, is at a rate of not more than \$1,752 (or, if greater, the amount determined under section 1382f of this title) for the calendar year 1974, or any calendar year thereafter, and

(B) whose resources, other than resources excluded pursuant to section 1382b(a) of the title, are not more than (i) in case such individual has a spouse with whom he is living, \$2,250, or (ii) in case such individual has no spouse with whom he is living, \$1,500,

shall be an eligible individual for purposes of this subchapter.

(2) Each aged, blind, or disabled individual who has an eligible spouse and—

(A) whose income (together with the income of such spouse), other than income excluded pursuant to section 1382a(b) of this title, is at a rate of not more than \$2,628 (or, if greater, the amount determined under section 1382f of this title) for the calendar year 1974, or any calendar year thereafter, and

(B) whose resources (together with the resources of such spouse), other than resources excluded pursuant to section 1382b(a) of this title, are not more than \$2,250,

shall be an eligible individual for purposes of this subchapter.

Amount of benefits

(b)(1) The benefit under this subchapter for an individual who does not have an eligible spouse shall be payable at the rate of \$1,752 (or, if greater, the amount determined under section 1382f of this title) for the calendar year 1974 and any calendar year thereafter, reduced by the amount of income, not excluded pursuant to section 1382a(b) of this title, of such individual.

(2) The benefit under this subchapter for an individual who has an eligible spouse shall be payable at the rate of \$2,628 (or, if greater, the amount determined under section 1382f of this title) for the calendar year 1974 and any calendar year thereafter, reduced by the amount of income, not excluded pursuant to section 1382a(b) of this title, of such individual and spouse.

Determination of eligibility and application

Benefits under this subchapter shall be determined for each month of a calendar year if the initial application is made on or before the first day of such month. If the initial application is made after the first day of such month, benefits shall be payable for such month if the applicant is eligible on the first day of such month.

Application shall be considered to be made on the first day of the month in which it is made.

Determination of gross income

In any case in which the gross income of an individual for a calendar year is determined under this subchapter, the gross income of such individual for such year will be considered to be the gross income of such individual for such year for purposes of this subchapter.

Individuals

Paragraph (B), no person shall be considered to be receiving benefits under this subchapter for purposes of this subchapter throughout such month he is receiving such benefits.

For his eligible spouse in a hospital, extended care facility receiving payment for such spouse) under a State plan, the benefit under such plan for such month shall be payable for such month.

Year (reduced by the amount of any income not excluded pursuant to section 1382a(b) of this title) in the case of an individual who does not have an eligible spouse.

of the applicable rate of reduction and the rate of reduction (by income not excluded) in the case of an individual who does not have an eligible spouse. If only one of them is in the United States, the rate of reduction shall be the rate of reduction applicable to the individual in the United States for such month; and

(iii) at a rate not in excess of \$600 per year (reduced by the amount of any income not excluded pursuant to section 1382a(b) of this title) in the case of an individual who has an eligible spouse, if both of them are in such a hospital, home, or facility throughout such month.

(2) No person shall be an eligible individual or eligible spouse for purposes of this subchapter if, after notice to such person by the Secretary that it is likely that such person is eligible for any payments of the type enumerated in section 1382a(a)(2)(B) of this title, such person fails within 30 days to take all appropriate steps to apply for and (if eligible) obtain any such payments.

(3)(A) No person who is an aged, blind, or disabled individual solely by reason of disability (as determined under section 1382c(a)(3) of this title) shall be an eligible individual or eligible spouse for purposes of this subchapter with respect to any month if such individual is medically determined to be a drug addict or an alcoholic unless such individual is undergoing any treatment that may be appropriate for his condition as a drug addict or alcoholic (as the case may be) at an institution or facility approved for purposes of this paragraph by the Secretary (so long as such treatment is available) and demonstrates that he is complying with the terms, conditions, and requirements of such treatment and with requirements imposed by the Secretary under subparagraph (B).

(B) The Secretary shall provide for the monitoring and testing of all individuals who are receiving benefits under this subchapter and who as a condition of such benefits are required to be undergoing treatment and complying with the terms, conditions, and requirements thereof as described in subparagraph (A), in order to assure such compliance and to determine the extent to which the imposition of such requirement is contributing to the achievement of the purposes of this subchapter. The Secretary shall annually submit to the Congress a full and complete report on his activities under this paragraph.

Individuals outside United States; determination of status

(f) Notwithstanding any other provision of this subchapter, no individual shall be considered an eligible individual for purposes of this subchapter for any month during all of which such individual is outside the United States (and no person shall be considered the eligible spouse of an individual for purposes of this subchapter with respect to any month during all of which such person is outside the United States). For purposes of the preceding sentence, after an individual has been outside the United States for any period of 30 consecutive days, he shall be treated as remaining outside the United States until he has been in the United States for a period of 30 consecutive days.

Individuals deemed to meet resources test

(g) In the case of any individual or any individual and his spouse (as the case may be) who—

(1) received aid or assistance for December 1973 under a plan of a State approved under subchapter I, X, XIV, or XVI of this chapter,

(2) has, since December 31, 1973, continuously resided in the State under the plan of which he or they received such aid or assistance for December 1973, and

(3) has, since December 31, 1973, continuously been (except for periods not in excess of six consecutive months) an eligible individual or an eligible spouse with respect to whom supplemental security income benefits are payable,

the resources of such individual or such individual and his spouse (as the case may be) shall be deemed not to exceed the amount specified in subsections (a)(1)(B) and (a)(2)(B) of this section during any period that the resources of such individual or individuals and his spouse (as the case may be) does not exceed the maximum amount of resources specified in the State plan, as in effect for October 1972, under which he or they received such aid or assistance for December 1973.

Individuals deemed to meet income test

(h) In determining eligibility for, and the amount of, benefits payable under this section in the case of any individual or any individual and his spouse (as the case may be) who—

(1) received aid or assistance for December 1973 under a plan of a State approved under subchapter X or XVI of this chapter,

(2) is blind under the definition of that term in the plan, as in effect for October 1972, under which he or they received such aid or assistance for December 1973,

(3) has, since December 31, 1973, continuously resided in the State under the plan of which he or they received such aid or assistance for December 1973, and

(4) has, since December 31, 1973, continuously been (except for periods not in excess of six consecutive months) an eligible individual or an eligible spouse with respect to whom supplemental security income benefits are payable,

there shall be disregarded an amount equal to the greater of (A) the maximum amount of any earned or unearned income which could have been disregarded under the State plan, as in effect for October 1972, under which he or they received such aid or assistance for December 1973, and (B) the amount which would be re-

quired to be disregarded application of this subsection. Aug. 14, 1935, c. 531, Title XV, § 92-603, Title III, § 301, Pub.L. 93-66, Title II, § 4(b)(1), Pub.L. 93-233, §§ 4(b)(1), 1974, Pub.L. 93-368, § 6(a)

Codification. A prior section Aug. 14, 1935, c. 531, Title XV, as added July 25, 1962, Pub. L. 87-141(a), 76 Stat. 109, as amended Oct. 13, 1964, Pub.L. 88-450, Stat. 1078; July 30, 1965, Pub. L. 89-221(d) (3), Title IV, 79 Stat. 358, 418; Jan. 2, 1968, Pub. L. 90-248, Title II, §§ 210(a) (5), 241(d), 81 Stat. 806, 898, 917, 1972, Pub.L. 92-603, Title IV, § 406(d), 407(d), 410(d), 413(d), 1488, 1489, 1491, 1492, set forth the required contents of state plans for the aged, blind, or disabled, and for medical assistance for the aged. § 402 of this title.

1974 Amendment. Pub.L. 93-368, § 6(a)(1)-(4), inserted "(or, if the amount determined under this title)" immediately after subsection (a)(1)(A) and "§ 2,028" in subsection (a)(2)(A).

1973 Amendment. Subsec. (h)(1), Pub.L. 93-233, § 4(b)(1), "§ 1,752" for "\$1,680".

Pub.L. 93-66, § 210(a), substituted "§ 1,500".

Subsec. (a)(2)(A), Pub.L. 93-66, § 4(b)(2), substituted "\$2,028".

Pub.L. 93-66, § 210(b), substituted "\$2,520" for "\$2,340".

Subsec. (b)(1), Pub.L. 93-66, § 210(b)(1), substituted "\$1,752" for "\$1,500".

Pub.L. 93-66, § 210(a), substituted "§ 1,500" for "\$1,560".

Subsec. (b)(2), Pub.L. 93-66, § 210(b)(2), substituted "\$2,028" for "\$2,340".

Pub.L. 93-66, § 210(b), substituted "\$2,520" for "\$2,340".

Subsec. (g), Pub.L. 93-66, § 210(g), incorporated existing provisions designated as cl. (1), added cl. (2), and substituted "1973" for "1972".

Subsec. (h), Pub.L. 93-66, § 210(h), incorporated existing text.

quired to be disregarded under section 1382a of this title without application of this subsection.

Aug. 14, 1935, c. 531, Title XVI, § 1611, as added Oct. 30, 1972, Pub. L. 92-603, Title III, § 301, 86 Stat. 1466, and amended July 9, 1973, Pub.L. 93-66, Title II, § 210(a), (b), 87 Stat. 154; Dec. 31, 1973, Pub.L. 93-233, § 4(b)(1), (2), 18(d), (e), 87 Stat. 953, 968; Aug. 7, 1974, Pub.L. 93-368, § 6(a), 88 Stat. 421.

Historical Note

Definition. A prior section 1382, Act Aug. 14, 1935, c. 531, Title XVI, § 1602, as added July 25, 1962, Pub.L. 87-543, Title I, § 141(a), 76 Stat. 198, and amended Oct. 13, 1964, Pub.L. 88-650, § 5(b), 78 Stat. 1078; July 30, 1965, Pub.L. 89-97, Title II, § 221(d) (3), Title IV, § 403(e), 79 Stat. 358, 418; Jan. 2, 1968, Pub.L. 90-204, Title II, §§ 210(a) (5), 213(a) (4), 80 Stat. 806, 809, 917; Oct. 30, 1972, Pub.L. 92-603, Title IV, §§ 405(d), 406(d), 407(d), 410(d), 413(d), 86 Stat. 1460, 1460, 1491, 1492, set forth the required contents of state plans for aid to the aged, blind, or disabled, and for medical assistance for the aged. See section 1382 of this title.

1974 Amendment. Pub.L. 93-368, § 6(a)(1)-(4), inserted "(or, if greater, the amount determined under section 1382f of this title)" immediately after "\$1,752" in (a)(1)(A) and (b)(1) and substituted "1,680" in subsecs. (a)(2)(A) and (b)(2).

1973 Amendments. Subsec. (a)(1)(A). Pub.L. 93-233, § 4(b)(1), substituted "\$1,752" for "\$1,680".

Pub.L. 93-66, § 210(a), substituted "\$1,680" for "\$1,752".

Subsec. (b)(2)(A). Pub.L. 93-233, § 4(b)(2), substituted "\$2,628" for "\$2,520".

Pub.L. 93-66, § 210(b), substituted "\$2,520" for "\$2,310".

Subsec. (b)(1). Pub.L. 93-233, § 4(b)(1), substituted "\$1,752" for "\$1,680".

Pub.L. 93-66, § 210(a), substituted "\$1,680" for "\$1,560".

Subsec. (b)(2). Pub.L. 93-233, § 4(b)(2), substituted "\$2,520" for "\$2,310".

Pub.L. 93-66, § 210(b), substituted "\$2,310" for "\$2,100".

Subsec. (g). Pub.L. 93-233, § 18(d), incorporated existing provisions in text designated as cl. (1), added cls. (2) and (3), and substituted final December 31, 1973 for "1972".

Subsec. (h). Pub.L. 93-233, § 18(e), incorporated existing text in provisions

designated as cls. (1) and (2), added cls. (3) and (4), redesignated former cls. (1) and (2) as items (A) and (B), and in item (A) inserted phrase "under which he or they received such aid or assistance for December 1973".

Effective Date of 1974 Amendments. Section 1(c) of Pub.L. 93-335, July 8, 1974, 88 Stat. 291, provided that amendments by section 1(a) and (b) of Pub.L. 93-335 to section 8(a)(1), (2), (b)(1)-(3) and (c) of Pub.L. 93-233, Dec. 31, 1973, 87 Stat. 953, set out as notes under section 1382e of this title and sections 112c, 1431 and 2012 of Title 7, Agriculture, shall be effective July 1, 1974.

Effective Date of 1973 Amendments. Section 4(b) of Pub.L. 93-233 provided that amendment of subsecs. (a)(1)(A) and (b)(1) by section 4(b)(1), of subsecs. (a)(2)(A) and (b)(2) by section 4(b)(2), and of provisions set out as a note hereunder by section 4(b)(3) of Pub.L. 93-233, shall be effective with respect to payments for months after June 1974.

Section 210(c) of Pub.L. 93-66, as amended by Pub.L. 93-233, § 4(a)(1), Dec. 30, 1973, 87 Stat. 953, provided that: "The amendments made by this section [to subsecs. (a)(1)(A), (2)(A), (b)(1), (2) of this section] shall apply with respect to payments for months after December 1973."

Effective Date. Section 301 of Pub.L. 92-603 provided in part that this section is to take effect Jan. 1, 1974.

Federal Program of Supplemental Security Income; Supplemental Security Income Benefits for Essential Persons; Definitions of Qualified Individual and Essential Person. Section 211 of Pub.L. 93-66, as amended by Pub.L. 93-233, § 4(a)(2), (b)(3), Dec. 31, 1973, 87 Stat. 953, provided that:

"(a)(1) In determining (for purposes of title XVI of the Social Security Act [this subchapter], as in effect after December 1973) the eligibility for and the amount of the supplemental security income benefit payable to any qualified

If the Secretary after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

- (1) that the plan has been so changed as to impose any residence or citizenship requirement prohibited by section 1332(b) of this title, or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or
 - (2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 1332(a) of this title to be included in the plan;
- the Secretary shall notify such State agency that further payments will not be

§ 1355. Definitions

Section was repealed effective Jan. 1, 1974, by Pub.L. 92-603, Title III, § 303(a), (b), Oct. 30, 1972, 86 Stat. 1484, except with respect to Puerto Rico, Guam, and the Virgin Islands. Therefore, as to Puerto Rico, Guam, and the Virgin Islands, section 1405 of the Soc. Sec. Act (this section) continues to apply as follows:

§ 1355. Definitions

For the purposes of this subchapter, the term "aid to the permanently and totally disabled" means money payments to, or (if provided in or after the third month before the month in which the recipient makes application for aid) medical care in behalf of, or any type of remedial care recognized under State law in behalf of, needy individuals eighteen years of age or older who are permanently and totally disabled, but does not include any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases. Such term also includes payments which are not included within the meaning of such term under the preceding sentence, but which would be so included except that they are made on behalf of such a needy individual to another individual who (as determined in accordance with standards prescribed by the Secretary) is interested in or concerned with the welfare of such needy individual, but only with respect to a State whose State plan approved under section 1352 of this title includes provision for—

- (1) determination by the State agency that such needy individual has, by reason of his physical or mental condition, such inability to manage funds that making payments to him would be contrary to his welfare and, therefore, it is necessary to provide such aid through payments described in this sentence;
- (2) making such payments only in cases in which such payments will, under the rules otherwise applicable under the State plan for determining need and the amount of aid to the permanently and totally disabled to be paid

SUBCHAPTER XVI—SUPPLEMENTAL SECURITY INCOME FOR AGED, BLIND, AND DISABLED

§ 1381. Statement of purpose; authorization of appropriations

Puerto Rico, Guam, and Virgin Islands. Enactment of section 1001 of the Social Security Act (this section) by Pub.L. 92-603, eff. Jan. 1, 1974, was not applicable to Puerto Rico, Guam, and the Virgin Islands. See section 303(b) of Pub.L. 92-603, set out as a note under section 301 of this title. Therefore, as to Puerto

Rico, Guam, and the Virgin Islands, that payments will be limited to categories under or parts of the State plan not affected by such failure) until he is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until he is so satisfied he shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).
Aug. 14, 1935, c. 531, Title XIV, § 1404, as added Aug. 28, 1950, c. 809, Title III, pt. 5, § 351, 64 Stat. 555, and amended 1953 Reorg. Plan No. 1, § 1 5, 8 eff. Apr. 11, 1953, 18 F.R. 2053, 67 Stat. 631; Jan. 2, 1969, Pub.L. 90-248, Title II, § 215, 81 Stat. 918.

(and in conjunction with other income and resources), meet all the need of the individuals with respect to whom such payments are made;

(3) undertaking and continuing special efforts to protect the welfare of such individual and to improve, to the extent possible, his capacity for self-care and to manage funds;

(4) periodic review by such State agency of the determination under paragraph (1) to ascertain whether conditions justifying such determination still exist, with provision for termination of such payments if they do not and for seeking judicial appointment of a guardian or other legal representative, as described in section 1311 of this title, if and when it appears that such action will best serve the interests of such needy individual; and

(5) opportunity for a fair hearing before the State agency on the determination referred to in paragraph (1) for any individual with respect to whom it is made.

At the option of a State (if its plan approved under this subchapter so provides), such term (1) need not include money payments to an individual who has been absent from such State for a period in excess of ninety consecutive days (regardless of whether he has maintained his residence in such State during such period) until he has been present in such State for thirty consecutive days in the case of such an individual who has maintained his residence in such State during such period or ninety consecutive days in the case of any other such individual, and (2) may include rent payments made directly to a public housing agency on behalf of a recipient or a group or groups of recipients of aid under such plan.

Aug. 14, 1935, c. 531, Title XIV, § 1405, as added Aug. 28, 1950, c. 809, Title III, pt. 5, § 351, 64 Stat. 555, and amended July 25, 1962, Pub.L. 87-543, Title I, § 159(d), 76 Stat. 207; July 30, 1965, Pub.L. 89-97, Title II, § 221(c), Title IV, § 102(d), 79 Stat. 359, 417; Oct. 30, 1972, Pub.L. 92-603, Title IV, §§ 408(c), 409(c), 86 Stat. 1480, 1491.

§ 1381. Authorization of appropriations
For the purpose (a) of enabling each State, as far as practicable under the

conditions in such State, to furnish financial assistance to needy individuals who are 65 years of age or over, are blind, or are 18 years of age or over and permanently and totally disabled, (b) of enabling each State, as far as practicable under the conditions in such State, to furnish medical assistance on behalf of individuals who are 65 years of age or over and who are not recipients of aid to the aged, blind, or disabled but whose income and resources are insufficient to meet the costs of necessary medical services, and (c) of encouraging each State, as far as practicable under the conditions in such State, to furnish rehabilitation and other services to help individuals referred to in clause (a) or (b) to attain or retain capability for self-support or self-care, there is authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this subchapter. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare, State plans for aid to the aged, blind, or disabled, or for aid to the aged, blind, or disabled and medical assistance for the aged.

§ 1381a. Basic entitlement to benefits

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1. Income maintenance

This provision, which became effective on January 1, 1974, is an income maintenance program for the aged, blind and disabled and has replaced state-administered programs with a new federal program establishing uniform eligibility criteria. *Hannington v. Weinberger*, D.C. D.C.1975, 363 F.Supp. 553.

2. Replacing state programs

This provision does not effect the simple transfer of a public assistance program within a single governmental entity, but rather creates a new federal program which differs substantially from the state programs it allegedly replaced. *Hannington v. Weinberger*, D.C.D.C.1975, 363 F.Supp. 553.

3. Provisional benefits

Benefits accorded by Congress under supplemental security income program for those who began receiving benefits under state-administered programs after June 1, 1973 were merely intended to be provisional and temporary and were only "presumptive" and not intended to give any permanent right to recipients. *Ashby v. Weinberger*, D.C.N.Y.1975, 402 F.Supp. 1203.

Payment of benefits which are clearly defined by Congress as provision 1 and temporary do not support a property interest in permanent supplemental security

§ 1382. Eligibility for benefits

[See main volume for text of (a) to (d)]

Limitation on eligibility of certain individuals

(c) (1) (A) Except as provided in subparagraph (B) and (C), no person shall be an eligible individual or eligible spouse for purposes of this subchapter with respect to any month if throughout such month he is an inmate of a public institution.

Aug. 14, 1935, c. 531, Title XVI, § 1601, as added July 25, 1962, Pub.L. 87-543, Title I, § 141(a), 76 Stat. 167.

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Due process 1/2
State or local regulation or control 1

1/2. Due process

Eligible plaintiffs had right to receive the social security benefits for aged, blind and disabled persons and such entitlements could not be ended without due process and substantial delays in payment thereof constituted deprivation of property. *Andujar v. Weinberger*, D.C.N.Y.1970, 69 F.R.D. 600.

1. State or local regulation or control

The federal supplemental security income program under this subchapter does not effect the simple transfer of a public assistance program within a single governmental entity, but rather creates a new federal program which differs substantially from the state programs it allegedly replaced. *Hannington v. Weinberger*, D.C.D.C.1975, 363 F.Supp. 553.

Income benefits. *Hannington v. Weinberger*, D.C.D.C.1975, 363 F.Supp. 553.

4. Rollback applicants

By amending the original provision to exclude rollback cases from automatic eligibility, Congress put rollback cases into the category of initial applicants. *Hannington v. Weinberger*, D.C.D.C.1975, 363 F.Supp. 553.

Action of the Secretary and the subsequent action of Congress in allowing plaintiffs, who were rollback cases to be treated as presumptively disabled did not change their status from that of initial applicants; rather, it was clear from the regulations, the subsequent congressional enactment, and its legislative history that Congress treated the rollback cases as initial applicants while giving the Secretary discretionary authority to treat them as presumptively disabled. *Id.*

5. Jurisdiction

In view of language of this section relating to payment of benefits by the Secretary to every eligible aged, blind or disabled individual and the regulations, federal district court had jurisdiction under section 1301 of Title 28 relating to compelling an officer of the United States to perform his duty with respect to action by plaintiffs asserting unlawful conduct of Secretary in permitting lengthy delays in the delivery of social security benefits. *Andujar v. Weinberger*, D.C.N.Y.1970, 69 F.R.D. 600.

6. Disability

Under this chapter, elements of proof of disability are objective medical facts and clinical findings, opinions and diagnoses of doctors, subjective evidence of pain and disability testified to by claimant, and claimant's education, work history and age. *Hural v. Mathews*, D.C. Va.1970, 426 F.Supp. 245.

any interested individual a copy of such standards, along with the procedures available in the State to insure the enforcement of such standards and a list of any waivers of such standards and any violations of such standards which have come to the attention of the authority responsible for their enforcement.

(3) Each State shall certify annually to the Secretary that it is in compliance with the requirements of this subsection.

(4) Payments made under this title with respect to an individual shall be reduced by an amount equal to the amount of any supplementary payment (as described in subsection (a)) or other payment made by a State (or political subdivision thereof) which is made for or on account of any medical or any other type of remedial care provided by an institution of the type described in paragraph (1) to such individual as a resident or an inpatient of such institution if such institution is not approved as meeting the standards described in such paragraph by the appropriate State or local authorities.¹

Cost-of-Living Adjustments in Benefits

Sec. 1617. Whenever benefit amounts under title II are increased by any percentage effective with any month as a result of determination made under section 215(i), each of the dollar amounts in effect for such month under subsections (a)(1)(A), (a)(2)(A), (b)(1), (b)(2) of section 1611, and subsection (a)(1)(A) of section 211 of Public Law 93-66, as specified in such subsections or as previously increased under this section, shall be increased by the same percentage (and rounded, when not a multiple of \$1.20, to the next higher multiple of \$1.20), effective with respect to benefits for months after such month; and such dollar amounts as so increased shall be published in the Federal Register together with, and at the same time as, the material required by section 215(i)(2)(D) to be published therein by reason of such determination.

Operation of State Supplementation Programs

Sec. 1618. (a) In order for any State which makes supplementary payments of the type described in section 1616(a) (including payments pursuant to an agreement entered into under section 212(a) of Public Law 93-66), on or after June 30, 1977, to be eligible for payments pursuant to title XIX with respect to expenditures for any calendar quarter which begins—

(1) after June 30, 1977, or, if later,

(2) after the calendar quarter in which it first makes such supplementary payments,

¹ Subsection (e) was added effective October 1, 1977 by section 505(d) of P.L. 94-500.

the Reserve Corps of the Public Health Service prior to July 1, 1960, shall not be included in computing entitlement to or the amount of any monthly benefit under this title, on the basis of his wages and self-employment income, for any month after June 1960 and prior to the first month with respect to which the Civil Service Commission certifies to the Secretary that, by reason of a waiver filed as provided in paragraph (2), no further annuity will be paid to him, his wife, and his children, or, if he has died, to his widow and children, under subchapter III of chapter 83 of title 5, United States Code, on the basis of such service.

(2) In the case of a monthly benefit for a month prior to that in which the individual, on whose wages and self-employment income such benefit is based, dies, the waiver must be filed by such individual; and such waiver shall be irrevocable and shall constitute a waiver on behalf of himself, his wife, and his children. If such individual did not file such a waiver before he died, then in the case of a benefit for the month in which he died or any month thereafter, such waiver must be filed by his widow, if any, and by or on behalf of all his children, if any; and such waivers shall be irrevocable. Such a waiver by a child shall be filed by his legal guardian or guardians, or, in the absence thereof, by the person (or persons) who has the child in his care.

Cost-of-Living Increases in Benefits

(i) (1) For purposes of this subsection—

(A) the term "base quarter" means (i) the calendar quarter ending on March 31 in each year after 1974, or (ii) any other calendar quarter in which occurs the effective month of a general benefit increase under this title;

(B) the term "cost-of-living computation quarter" means a base quarter, as defined in subparagraph (A)(i), in which the Consumer Price Index prepared by the Department of Labor exceeds, by not less than 3 per centum, such Index in the later of (i) the last prior cost-of-living computation quarter which was established under this subparagraph, or (ii) the most recent calendar quarter in which occurred the effective month of a general benefit increase under this title; except that there shall be no cost-of-living computation quarter in any calendar year if in the year prior to such year a law has been enacted providing a general benefit increase under this title or if in such prior year such a general benefit increase becomes effective; and

(C) the Consumer Price Index for a base quarter, a cost-of-living computation quarter, or any other calendar quarter shall be the arithmetical mean of such index for the 3 months in such quarter.

(2)(A)(i) The Secretary shall determine each year beginning with 1975 (subject to the limitation in paragraph (1)(B)) whether the base quarter (as defined in paragraph (1)(A)(i)) in such year is a cost-of-living computation quarter.

(ii) If the Secretary determines that the base quarter in any year is a cost-of-living computation quarter, he shall, effective with the month of June of that year as provided in subparagraph (B), increase—

(I) the benefit amount to which individuals are entitled for that month under section 227 or 228,

(II) the primary insurance amount of each other individual on which benefit entitlement is based under this title (including a primary insurance amount determined under subsection (a)(1)(C)(i)(I), but subject to the provisions of such subsection (a)(1)(C)(i) and clauses (iv) and (v) of this subparagraph), and

(III) the amount of total monthly benefits based on any primary insurance amount which is permitted under section 203 (and such total shall be increased, unless otherwise so increased under another provision of this title, at the same time as such primary insurance amount) or, in the case of a primary insurance amount computed under subsection (a) as in effect without regard to the table contained therein) prior to January 1979, the amount to which the beneficiaries may be entitled under section 203 as in effect in December 1978, except as provided by section 203(a)(6) and (7) as in effect after December 1978.

The increase shall be derived by multiplying each of the amounts described in subdivisions (I), (II), and (III) (including each of those amounts as previously increased under this subparagraph) by the same percentage (rounded to the nearest one-tenth of 1 percent) as the percentage by which the Consumer Price Index for that cost-of-living computation quarter exceeds such index for the most recent prior calendar quarter which was a base quarter under paragraph (1)(A)(ii) or, if later, the most recent cost-of-living computation quarter under paragraph (1)(B); and any amount so increased that is not a multiple of \$0.10 shall be increased to the next higher multiple of \$0.10. Any increase under this subsection in a primary insurance amount determined under subparagraph (C)(i)(II) of subsection (a)(1) shall be applied after the initial determination of such primary insurance amount under that subparagraph¹ (with the amount of such increase, in the case of an individual who becomes eligible for old-age or disability insurance benefits or dies in a calendar year after 1979, being determined from the range of possible primary insurance amounts published by the Secretary under the last sentence of subparagraph (D)).¹

¹ Clause (II) was amended by sec. 201(g)(1) of P.L. 95-210.

(iii) In the case of an individual who becomes eligible for an old-age or disability insurance benefit, or who dies prior to becoming so eligible, in a year in which there occurs an increase provided under clause (ii), the individual's primary insurance amount (without regard to the time of entitlement to that benefit) shall be increased (unless otherwise so increased under another provision of this title and, with respect to a primary insurance amount determined under subsection (a)(1)(C)(i)(I), subject to the provisions of subsection (a)(1)(C)(i) and clauses (iv) and (v) of this subparagraph) by the amount of that increase and subsequent applicable increases, but only with respect to benefits payable for months after May of that year.²

(iv)(I) In the case of an individual who is entitled to an old-age insurance benefit that is based on a primary insurance amount determined under subsection (a)(1)(C)(i)(I), such primary insurance amount shall not be increased under this subsection for any year before the year in which occurs the first month with respect to which there is payable to such individual all or some part of such benefit after application of the provisions of section 203 relating to deductions on account of work, or, if earlier, the year in which he attains age 65.

(II) In the case of an individual who is entitled to an insurance benefit under subsection (e) or (f) of section 202 that is based on a primary insurance amount determined under subsection (a)(1)(C)(i)(I), such primary insurance amount shall not be increased under this subsection for any year (except as provided in subdivision (III)) before the year in which occurs the first month with respect to which there is payable to such individual all or some part of such benefit after application of the provisions of section 203 relating to deductions on account of work, or, if earlier, the year in which he attains age 65.

(III) Any increase under this subsection which would otherwise be applied to a primary insurance amount except for the provisions of subdivision (II) of this clause, shall apply to such primary insurance amount if, during any month of the year in which the increase occurs, any individual is entitled to a benefit under subsection (d), (g), or (h) of section 202 based on such primary insurance amount, and such primary insurance amount is based upon the wages and self-employment income of a deceased individual.

(IV) No primary insurance amount determined under subsection (a)(1)(C)(i)(I) shall be increased under this subsection for any year during which no individual was entitled to any benefit based thereon under section 202 or 223 for any month of such year.

(V) In any case in which an increase under this subsection which occurs during any year applies to a primary insurance amount deter-

² Clauses (iii), (iv), and (v) were added by sec. 201(g)(2) of P.L. 95-216.

mined under subsection (a) (1) (C) (i) (I), and such an increase occurring in a later year does not apply to such primary insurance amount on account of the provisions of this clause, any such increase which occurs in a later year which is applicable to such primary insurance amount shall be based upon such primary insurance amount as previously increased under this subsection.¹

(v) Notwithstanding clause (iv), no primary insurance amount shall be less than that provided under section 215(a) (1) without regard to subparagraph (C) (i) (I) thereof, as subsequently increased by applicable increases under this section.¹

(B) The increase provided by subparagraph (A) with respect to a particular cost-of-living computation quarter shall apply in the case of monthly benefits under this title for months after May of the calendar year in which occurred such cost-of-living computation quarter, and in the case of lump-sum death payments with respect to deaths occurring after May of such calendar year.

(C) (i) Whenever the level of the Consumer Price Index as published for any month exceeds by 2.5 percent or more the level of such index for the most recent base quarter (as defined in paragraph (1) (A) (ii)) or, if later, the most recent cost-of-living computation quarter, the Secretary shall (within 5 days after such publication) report the amount of such excess to the House Committee on Ways and Means and the Senate Committee on Finance.

(ii) Whenever the Secretary determines that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall notify the House Committee on Ways and Means and the Senate Committee on Finance of such determination within 30 days after the close of such quarter, indicating the amount of the benefit increase to be provided, his estimate of the extent to which the cost of such increase would be met by an increase in the contribution and benefit base under section 230 and the estimated amount of the increase in such base, the actuarial estimates of the effect of such increase, and the actuarial assumptions and methodology used in preparing such estimates.

(D) If the Secretary determines that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall publish in the Federal Register within 45 days after the close of such quarter a determination that a benefit increase is resultantly required and the percentage thereof. He shall also publish in the Federal Register at that time (i) a revision of the range of the primary insurance amounts which are possible after the application of this subsection based on the dollar amount specified in subparagraph (C) (i) (II) of subsection (a) (1) (with such revised primary insurance amounts constituting the

¹ Clauses (iii), (iv), and (v) were added by sec. 201(g) (2) of P.L. 95-210.

increased amounts determined for purposes of such subparagraph (C) (i) (II) under this subsection), or specified in subsection (a) (3) as in effect prior to 1979, and (ii) a revision of the range of maximum family benefits which correspond to such primary insurance amounts (with such maximum benefits being effective notwithstanding section 203(a) except for paragraph (3)(B) thereof (or paragraph (2) thereof as in effect prior to 1979)).¹

(3) As used in this subsection, the term "general benefit increase under this title" means an increase (other than an increase under this subsection) in all primary insurance amounts on which monthly insurance benefits under this title are based.

(4) This subsection as in effect in December 1978 shall continue to apply to subsections (a) and (d), as then in effect, for purposes of computing the primary insurance amount of an individual to whom subsection (a), as in effect after December 1978, does not apply (including an individual to whom subsection (a) does not apply in any year by reason of paragraph (4) (B) of that subsection (but the application of this subsection in such cases shall be modified by the application of subdivision (I) in the last sentence of paragraph (4) of that subsection)). For purposes of computing primary insurance amounts and maximum family benefits (other than primary insurance amounts and maximum family benefits for individuals to whom such paragraph (4) (B) applies), the Secretary shall publish in the Federal Register revisions of the table of benefits contained in subsection (a), as in effect in December 1978, as required by paragraph (2) (D) of this subsection as then in effect.²

¹ Subparagraph (D) was amended by sec. 201(g) (3) of P.L. 95-210.

² Paragraph (4) was added by sec. 201(g) (4) of P.L. 95-210. See Appendix F for law as in effect on December, 1978.

URBAN CITIZEN PARTICIPATION CONFERENCE

MARCH 24-26, 1980

PROPOSED AMENDMENT TO HB 968

Section 1- be repealed and reenacted to read:

1. The basic AFDC Grant be increased by \$100.00 (to \$450.00 for one (1) parent/guardian - one (1) child). The increase for each additional child be raised to \$75.00.
2. C.O.L.A. be based on the National index rate of inflation plus 7% for Alaskan higher cost of living. C.O.L.A. shall become effective July 1 each year with an effective date beginning July 1, 1980.

POSITION PAPER
ON
HOUSE BILL No. 968

"An Act adding a cost-of-living adjustment to maximum benefits paid as Aid to Families with Dependent Children; and providing for an effective date."

This proposed legislation would amend AS 47.25.320 to provide that the maximum monthly payment for families receiving cash assistance under the Aid to Families with Dependent Children (AFDC) program would increase each year by the same percentage increase as is granted under the Social Security Act to Social Security and Supplemental Security Income (SSI) recipients.

Under federal law, needy elderly, blind, and disabled persons receiving SSI assistance have their SSI payments increased each July 1 by the percentage that the national cost-of-living index has increased in the preceding year. Under Alaska statutes, maximum supplemental state payments to Alaska's needy elderly, blind, and disabled increase automatically by this same percentage. This guarantees that these persons will not suffer an inflation-caused erosion in their ability to purchase the basic necessities.

AFDC recipients are not now afforded this protection against inflation increases in costs of necessities. Despite past periodic legislative increases in AFDC payments levels, the Department believes that the present payment maximums are not adequate to meet most AFDC families' basic needs. (A copy of the Department's annual report to the Legislature on AFDC payment adequacy is attached.) We believe that HB 968 provides the most economical means of assuring that AFDC payments become and remain sufficient to achieve the purpose of the program and meet recipient families' needs.

We strongly support the passage of HB 968.

Recommended by:

Rod Betit
Rod Betit, Director
Division of Public Assistance

Date: April 10, '80

Approved by:

Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health & Social Services

Date: 4-11-80

POSITION PAPER/Department of Health & Social Services

STATE OF ALASKA

JAY S. HARMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

POUCH H 01 - JUNEAU 99811

APR 10 1979

Document# 69-80

Honorable Terry Gardiner
Speaker
House of Representatives
Pouch V MS 3100
Juneau, Alaska 99811

Dear Representative Gardner:

AS 47.25.320(c) provides that the Department shall provide the Legislature with "financial data on the Aid to Families with Dependent Children program with special reference to amount of funds required to maintain adequate payments in consideration of changes in the cost of living."

The Fiscal Year 1981 budget submission for the Aid to Families with Dependent Children (AFDC) program provides fiscal data on recent expenditures, the number of persons served, and the average payment made to each family unit. However, the budget documents do not address the question of the adequacy of the payments being made. This report is intended to apprise you of the Department's current assessment of that question.

I. The AFDC Maximum Payment

The current maximum payments specified in AS 47.25.320 are intended to meet the basic needs of dependent children who are deprived of the support and care of one or both parents, and, if necessary, the needs of the one relative with whom they live. These needs include such subsistence items as food, fuel, shelter, and clothing. At the present time, a typical AFDC family consisting of a mother and one child can be paid up to \$350 per month in AFDC funds to enable them to obtain these basic needs.

Federal regulations require that the state exclude all or part of certain kinds of income that AFDC recipients receive when determining their AFDC payment level. The effect of these regulations is that some AFDC families receive more monthly income than other AFDC families. However, we estimate only 10% of the 7564 families who will receive AFDC assistance monthly in FY 81 will have extra income. Thus the vast majority of Alaska's AFDC families exist on a total monthly income equal to the maximum AFDC payment specified by Alaska statute. These monthly income levels depend on family size and are as follows:

<u>Family Size</u>	<u>With Needy Adult Relative</u>	<u>Without Needy Adult Relative</u>
1	---	\$ 150
2	\$ 350	\$ 300
3	\$ 400	\$ 350
4	\$ 450	\$ 450

((\$50 additional for each additional child)

II. Recent Changes in the Maximum Payment

Though no longer in effect, legislation enacted in 1970 established a complex structure of maximum AFDC payments based upon children's ages that was significantly different than that in use now as described above. A mother and one child under 5 received a maximum AFDC payment of \$125 per month, \$150 if the child were between 5 and 12, and \$175 if the child were between 13 and 18.

Effective July 1, 1974, these maximums were again changed to \$250 per month for a mother and one child 12 or under, and \$300 for a mother and a 13 to 18 year old. On July 1, 1975, these standards were again modified by removing any consideration of the child's age and establishing a universal two-person maximum of \$300 with \$50 allowed for each additional child, to a ceiling of \$520 regardless of family size.

The last AFDC payment change was made effective July 1, 1978. The \$520 ceiling for AFDC payment was deleted. The maximum payment for a needy relative and one child was increased from \$300 to \$350, with \$50 continuing to be allowed for each additional child. Whereas, approximately three-fourths of our AFDC caseload includes a needy adult living with one or more children, the effect of this last change in standards was to increase average payments to 75% of all AFDC families by \$50 per family. AFDC children living with a non-needy relative have not received an increase since 7/1/74. The \$50 increment for each additional child has not been changed since 1974.

111. Adequacy of the Current Maximums

Title IV of the Social Security Act, as amended, states that the purpose of the AFDC program is to "encourage the care of dependent children in their own homes or in the homes of a relative by enabling each state to furnish financial assistance and rehabilitation and other services, as far as practicable under the conditions in each state, to needy dependent children and the parents or relative with whom they are living, to help maintain and strengthen family life and to help such relatives to attain or retain capability for the maximum self-support and personal independence consistent with the maintenance of continuing parental care and protection."

The Social Security Act and federal regulation (Title 45) allow the states the freedom to establish their own separate payment levels. They also allow for regional differences in payment levels within a state, if those differences can be supported by objective data. (Alaska has chosen a statewide standard.) Nowhere in these laws or regulations is guidance offered regarding the minimum subsistence level consistent with the purpose of the program.

In Alaska, as in almost all other states, "adequacy" of payments is defined primarily by legislative action. As we view this process, it is an attempt to reach a reasonable compromise among three often conflicting elements: the program purpose, the basic economic needs of the recipient families, and the taxpayer's willingness and ability to provide the funds necessary to maintain needy families intact in dignity and health. Payment levels that are too low to meet legitimate client needs waste the taxpayer's money, for the program cannot then meet its purpose of providing financial support adequate to enable the family to remain together. Payment levels that are too high are wasteful in two senses: they cause unnecessary expenditures, and they encourage unnecessary welfare dependency.

The Department believes that the taxpayer's definition of adequate AFDC payment levels is accurately expressed through the annual administrative and legislative review of the AFDC budget. It is therefore our belief that this report should represent evidence which will help you to define adequacy from the AFDC recipient's point of view.

From the recipient's point of view, we believe that, despite the history of payment increases, AFDC payment levels are presently inadequate to meet most recipient's basic subsistence needs. The evidence supporting this judgement is detailed below.

IV. Measurements of Inadequacy

A. Recipient Reports of Expenses

In 1978, the Legislative Affairs Agency mailed questionnaires to each AFDC recipient, measuring among other things what the AFDC household's expenses were in August 1978. About one third of the households responded, which is in itself a measure of concern about payment levels. While the survey results cannot be considered statistically accurate, they do give some indication of costs of basic subsistence items for AFDC recipients.

A summary of the survey's results are:

	<u>Urban</u>	<u>Rural</u>
Rent or Mortgage	\$ 261	\$ 180
Fuel	\$ 48	\$ 108
Utilities	\$ 47	\$ 76
Food	<u>\$ 182</u>	<u>\$ 272</u>
TOTAL	\$ 538	\$ 636

(Note: Some of the households responding had additional household members who were not receiving AFDC benefits. Therefore the costs reported in the survey may be higher than if the survey had been restricted to households in which all members were AFDC recipients.)

The expenditures listed are now quite old. You do not need to be reminded what effect double-digit inflation and the energy crisis have had on living costs since mid-1978.

These survey results tend to support common knowledge about Alaskan costs of basic necessities, particularly housing costs. The majority of Alaska's AFDC cases reside in urban settings, concentrated in Anchorage, Fairbanks, Juneau and Ketchikan. A cursory survey of available housing in those areas shows that there is inadequate low-income housing available. Minimally-acceptable rental units which can accommodate children, when such units are available, range from \$180 to \$450 per month. Even when the total expense amounts are reduced by the amount of food assistance available through the Food Stamp program, and energy assistance through the Energy Assistance program, the costs of basic necessities exceed many AFDC families maximum monthly grants.

B. Cost of Living Poverty Guidelines

- (1) The U.S. Bureau of Labor Statistics maintains a Cost of Living Index for Alaska which measures relative increases in living costs for Anchorage. On January 1, 1970, the Index was 107.9; on January 1, 1979 the Index was 198.1; and on January 1, 1980, it was 218.2. In these 10 years the cost of living more than doubled, and AFDC benefits for a mother with a young child more than doubled, increasing from \$150 to \$350 per month.

By this measurement, AFDC increases over the years have apparently kept pace with rising costs of living. However, this comparison would indicate that AFDC payment maximums are adequate now only if they were originally adequate in 1970. Absent any convincing information on this question, we leave this to your judgement.

- (2) The U.S. Community Services Administration (CSA) publishes annual poverty guidelines for Alaska. This year's (1980) guidelines have not yet been published, but the 1979 CSA annual gross income poverty levels compared to current annual AFDC maximums as follows:

<u>Family Size</u>	<u>CSA 1979 Farm</u>	<u>CSA 1979 Non-Farm</u>	<u>AFDC With a Needy Adult</u>	<u>AFDC With No Needy Adult</u>
1	4562	5338	-----	1800
2	6023	7050	4200	3600
3	7463	8763	4800	4200
4	8913	10475	5400	4800

Clearly, current AFDC maximums fall well below federally established poverty levels for Alaska.

C. Comparison with Other States

The following payment levels for several states offer a useful comparison which may be indicative of payment adequacy. In our judgement, Alaska's higher costs of necessities were considered in this comparison, Alaska's maximum payment would not compare favorably with those of most other western states.

Maximum payments for AFDC recipients (1979-early 1980 Levels for needy adult-included cases):

	<u>Parent and One Child</u>	<u>Parent and Three Children</u>
Alaska	\$ 350	\$ 450
Oregon	304	456
Washington	339	483
Utah	253	389
Idaho	259	366
California	331	487
Hawaii	390	546

This comparison does not consider extra "special needs" which most states except Alaska grant for various items such as school attendance and supplies, laundry, job interviews, etc. Most listed states except Alaska have lower standards for persons with little or no housing costs.

D. Comparison with Adult Public Assistance

Another possible measurement of adequacy is internal to Alaska's own assistance programs. By state statute, the FY 80 Adult Public Assistance programs (Aid to the Blind, Aid to the Disabled, and Old Age Assistance) provides for a \$414 maximum monthly payment to an individual, and \$608 to a couple. Each year this maximum increases by the percentage amount of the annual national Social Security percentage increase. For FY 81, the \$414 maximum for an individual is expected to increase by 13%, to \$467, while the couple maximum will increase from \$608 to \$687. State statutes thus appear to maintain the striking position that a mother and child can maintain themselves on \$350 a month, but two elderly or disabled adults require \$608 to \$687 a month. Not only are adults likely to be more "established" and therefore have lower expenses for necessities, but particularly the elderly have many more programs available which offer them direct or indirect financial benefits.

E. Comparison with Foster Care Costs

A final point of measurement is also internal to the Department of Health and Social Services. The Department establishes foster care rates each year after holding rate hearings throughout the state. Payments are set on a regional basis, varying by ages of children. Payment rates are set to meet, but not exceed, the direct costs of providing basic necessities and adequate recreational and instructional material to families willing to assume the additional responsibility of a foster child.

For a 30-day month, the Division of Social Services reimburses a foster parent as follows for one child:

<u>Region</u>	<u>Lowest (Age 0-4)</u>	<u>Highest (Age 12 and over)</u>
Northern	\$ 334.00	\$ 442.00
Northwestern	387.00	514.00
Southcentral	291.00	384.00

By comparison, the AFDC program pays \$150 for a single child with no needy adult relative, \$150 maximum for the second child, and \$50 for each additional child.

V. Conclusion

This is the third annual report we have presented to you which has utilized these five basic comparative measures of adequacy. Each year these comparative measures show that Alaska's AFDC families' capacity to meet the costs of the basic necessities of life is diminishing rapidly. To us, there is no longer any question that our AFDC program is unable to fulfill the purposes for which it was designed by federal law and implemented by Alaska statute.

To correct this situation, Governor Hammond has requested legislation be placed before you which would provide for AFDC maximum payment levels to be automatically increased each year by the same percentage our adult programs are increased. This bill, HB 968, would at least guarantee that AFDC recipients will not see their comparative situation worsen each year.

We commend HB 968 to your attention as a workable compromise between the AFDC client's obvious need for adequate aid and the taxpayer's equally obvious desire to support a program which achieves its goals at the lowest possible cost.

Sincerely,

Helen D. Beirne
Commissioner



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
 REGION X
 ARCADE PLAZA BUILDING
 1321 SECOND AVENUE
 SEATTLE, WASHINGTON 98101

*AFDC
 Copy
 (file)*

SOCIAL SECURITY ADMINISTRATION
 BUREAU OF SUPPLEMENTAL
 SECURITY INCOME

March 17, 1980

Mr. Rod Betit, Director
 Division of Public Assistance
 Dept. of Health & Social Services
 Pouch H-07
 Juneau, Alaska 99811

MAR 20 5 05 AM '80
 DEPARTMENT OF
 HEALTH & SOCIAL SERVICES
 DIVISION OF
 PUBLIC ASSISTANCE

Dear Mr. Betit:

We have been advised that the cost of living increase in SSI payments will probably be 13.0 percent. This will raise federal payment standards to \$235.30 for an individual and \$352.90 for a couple. The final figure will be available April 22, and we will relay it to you as soon as it is received.

As soon as possible, please advise us what your new SSI payment standards will be.

Sincerely,

Robert H. Dunn
 Assistant Regional Commissioner
 for Programs

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 968
 Title Annual Cost of Living Increase, Aid to Families with Dependent Children Program
 Requested by House Rules Committee, by request Date March 18, 1980

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Social & Economic Assistance for General Population
 BRU, Program, or Subprogram(s) Affected Assistance Payments (AFDC)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		4047.3				
TOTAL		4047.3				

FUNDING (Thousands of Dollars)

GENERAL FUND		2023.6				
FEDERAL FUNDS		2023.7				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		None				
PART TIME						
TEMPORARY						

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

- I. The FY 81 Aid to Families with Dependent Children (AFDC) budget anticipates that a monthly average of 7,564 recipient families will each receive an average monthly grant of \$343.00 for a total expected AFDC expenditure of 31,133.1 (7,564 x \$343.00 x 12 months).

Title XVI annual percentage increases are determined by the percentage increase in the national cost of living index. At this time, the Social Security Administration estimates this percentage increase for the coming year will be 13.0%. The effect of this proposed legislation would be to increase the average monthly payment to each AFDC family by 13.0%, or \$44.59, beginning July 1, 1980. The maximum monthly payment for the average AFDC family would increase from \$343.00 to \$387.59 (\$343 x 1.13 = \$387.59).

Continued

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

Prepared by: *Gordon Landes* Date: March 18, 1980
 Division/Office: Public Assistance PH: 465-3347
 Department of Health & Social Services

III. ANALYSIS---Continued

Thus the impact of this legislation on the anticipated AFDC expenditures would be an increase of 4,047.3 (7,564 x \$44.59 x 12 months). 50% of this increase, 2023.7 would be federal matching funds.

- II. In the AFDC program the statutory maximum payment levels are also the qualifying standards for entry into the program. This proposal would increase these standards. For example, the maximum countable income an applicant with one child can have and still qualify for AFDC assistance is currently \$350. (This would also be the recipients's AFDC payment if he or she had no other countable income.) A 13.0% increase in the standard would establish a new qualifying limit of \$388.00 for this size family.

It is reasonable to assume that there are Alaskan families who have countable incomes over the current standards but under the higher proposed standards, and to assume that some of these families would choose to apply and would meet all other eligibility factors.

Therefore it is reasonable to assume that the legislation would add new recipients to the anticipated FY 81 caseload. However, there are no factual grounds upon which this assumption can be based. In fact, there is evidence demonstrating that these newly-eligible families are not likely to affect anticipated expenditures:

- (a) Effective July 1, 1978, a statutory amendment increased maximum payment levels and qualifying standards for 75% of AFDC applicants and recipients by \$50.00 per family. There was no sudden increase in the total number of recipients, and the rate of growth in the number of recipients in the twelve months after this change was not significantly changed from the rate of increase in the twelve months preceding this change.
- (b) An annual Social Security cost of living percentage increase has applied to the Adult Public Assistance programs for several years. Each July, the increase in standards and payments has not produced significant changes in the recipient growth rate in those programs.

The Department has no data proving that this legislation will not increase the total number of AFDC recipients, but the recent history of assistance programs does indicate that an increase is unlikely to happen. We are therefore not projecting any additional growth in caseload in AFDC solely as the result of this legislation, nor are we projecting any related increase in expenditures in the Medicaid and Eligibility Determination BRUs.

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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

POUCH H-07
JUNEAU, ALASKA 99811

April 23, 1980

Document# 86-80

The Honorable Thelma Buchholdt
Chairperson, House HESS Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mrs. Buchholdt:

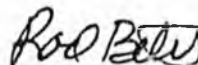
Re: House Bill 968

You have already received copies of our fiscal note on H.B. 968, which adds an annual cost-of-living benefits increase to the Aid to Families with Dependent Children program. That fiscal note was prepared on March 18, 1980. It reflects costs based on the Social Security Administration's preliminary estimate that their annual cost-of-living benefits increase this year would be 13.0%.

However, on Tuesday, April 22, the Social Security Administration issued its final COLA percentage for 1980. This final figure was 14.3%. Social Security Region X officials notified us by telephone of their new percentage and we have used this figure to revise our fiscal note. The revised fiscal note is attached.

Please discard the March 18, 1980 fiscal note. It is no longer accurate.

Sincerely,



Rod Betit
Director

cc: Office of the Governor,
Division of Budget and Management

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 968
 Title Annual Cost of Living Increase, Aid to Families with Dependent Children Program
 Requested by House Rules Committee, by request Date April 23, 1980

II. FISCAL DETAIL

Department of Health and Social Services
 Agency Affected
 Program Category Affected Social & Economic Assistance for General Population
 BRU, Program, or Subprogram(s) Affected Assistance Payments (AFDC)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section..)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		4452.2				
TOTAL		4452.2				

FUNDING (Thousands of Dollars)

GENERAL FUND		2226.1				
FEDERAL FUNDS		2226.1				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

- I. The FY 81 Aid to Families with Dependent Children (AFDC) budget anticipates that a monthly average of 7,564 recipient families will each receive an average monthly grant of \$343.00 for a total expected AFDC expenditures of \$31,133.10 (7,564 x \$343.00 x 12 months).

Title XVI annual percentage increases are determined by the percentage increase in the national cost of living index. The Social Security Administration has determined that this percentage increase for the coming year will be 14.3%. The effect of this proposed legislation would be to increase the average monthly payment to each AFDC family by 14.3%, or \$49.05, beginning July 1, 1980. The maximum monthly payment for the average AFDC family would increase from \$343.00 to \$392.05 (\$343 x 1.43 = \$392.05).

Continued

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

Prepared by: Gordon Landes Date: April 23, 1980
 Division/Office: Public Assistance PH: 465-3347
 Department of Health & Social Services

33-001 (Rev. 12/79)
 Modify by DHSS (11-28-79)

Approval DHSS Mgt. & Bdgt: [Signature] Date: 4-23-80
 Page 1 of 2

III. ANALYSIS---Continued

Thus the impact of this legislation on the anticipated AFDC expenditures would be an increase of 4,452.2 (7,564 x \$49.05 x 12 months). 50% of this increase, 2226.1, would be federal matching funds.

- II. In the AFDC program the statutory maximum payment levels are also the qualifying standards for entry into the program. This proposal would increase these standards. For example, the maximum countable income an applicant with one child can have and still qualify for AFDC assistance is currently \$350. (This would also be the recipients's AFDC payment if he or she had no other countable income.) A 14.3% increase in the standard would establish a new qualifying limit of \$400.00 for this size family.

It is reasonable to assume that there are Alaskan families who have countable incomes over the current standards but under the higher proposed standards, and to assume that some of these families would choose to apply and would meet all other eligibility factors.

Therefore it is reasonable to assume that the legislation would add new recipients to the anticipated FY 81 caseload. However, there are no factual grounds upon which this assumption can be based. In fact, there is evidence demonstrating that these newly-eligible families are not likely to affect anticipated expenditures:

- (a) Effective July 1, 1978, a statutory amendment increased maximum payment levels and qualifying standards for 75% of AFDC applicants and recipients by \$50.00 per family. There was no sudden increase in the total number of recipients, and the rate of growth in the number of recipients in the twelve months after this change was not significantly changed from the rate of increase in the twelve months preceding this change.
- (b) An annual Social Security cost of living percentage increase has applied to the Adult Public Assistance programs for several years. Each July, the increase in standards and payments has not produced significant changes in the recipient growth rate in those programs.

The Department has no data proving that this legislation will not increase the total number of AFDC recipients, but the recent history of assistance programs does indicate that an increase is unlikely to happen. We are therefore not projecting any additional growth in caseload in AFDC solely as the result of this legislation, nor are we projecting any related increase in expenditures in the Medicaid and Eligibility Determination BRUs.

S. L. ...
4/22/80

Name	Address and Phone	Organization/Self	For/Against or Observing
1/ Rod Betit		H&SS	
2/ Gordon Landes	programing AFDC	H&SS	
3/			
4/			
5/			
6/			
7/			
8/			
9/			
10/			
11/			
12/			
13/			

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill 968
 Title Cost of Living Increase, Aid to Families with Dependent Children Program
 Requested by House Rules Committee, by request Date April 29, 1980

II. FISCAL DETAIL

Department of Health and Social Services
 Agency Affected
 Program Category Affected Social & Economic Assistance for General Population; Health;
 BRU, Program, or Subprogram(s) Affected Assistance Payments (AFDC), Medicaid, Elig. Deter.
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		155.0				
200 TRAVEL		3.0				
300 CONTRACTUAL		6.0				
400 COMMODITIES		.6				
500 EQUIPMENT		3.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		15449.1				
TOTAL		15616.7				

FUNDING (Thousands of Dollars)

GENERAL FUND		7825.9				
FEDERAL FUNDS		7790.8				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		6				
PART TIME						
TEMPORARY						

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

III. ANALYSIS

The FY 81 Aid to Families with Dependent Children (AFDC) budget anticipates that a monthly average of 7564 families will each receive an average monthly grant of \$343.00, for a total anticipated AFDC expenditure of 31,133.1 (7564 x \$343.00 x 12 months).

(1) Assistance Payments BRU, AFDC Program:

- (a) Adult Not Included (ANI) Cases: For FY 81, 24.8%, or 1876 of the anticipated 7564 AFDC cases, will consist of children living in the home of non-needy relatives. CSHB 968 calls for granting these cases an automatic annual percentage increase equal to the annual percentage benefits increase in the Social Security and Supplemental Security Income programs. For FY 81, this increase has been established at 14.3%.

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

Prepared by: Gordon Landes Date: April 29, 1980
 Division/Office: Public Assistance PII: 465-3347
 Department of Health & Social Services

This COLA would increase the average payment for Adult Not Included AFDC cases by \$33.21 per case per month, raising their anticipated average payment from \$232.21 to \$265.42 per month.

The cost of the COLA addition to ANI cases would be 747.6. (\$33.21 increase per month x 1876 cases x 12 months = 747.6.)

(b) Adult Included (AI) Cases: CSHB 968 calls for AFDC children living with a needy relative to experience three increases: (1) an increase in basic maximum payment of \$100 per month (from \$350 maximum to \$450 maximum for a household with a parent and one child); (2) an increase in the additional amount for additional children from \$50 to \$75 each; and (3) adding the Social Security annual cost-of-living percentage of 14.3% to all AI cases.

- (1) \$100 Maximum Payment Increase: For FY 81, 5688 cases per month will receive an average monthly payment of \$371.47. CSHB 968 would increase the average payment by \$100 per family. The cost of this provision would be 6825.6 (\$100 increase per month x 5688 cases x 12 months = 6825.6).
- (2) \$75 Child Increment: CSHB would increase the additional maximum payment for second, third, and additional children by \$25, from \$50 to \$75 for each child. The "average" AFDC-AI case consists of 2.81 persons--a mother and 1.81 children. The first child is included in the base payment. Thus the cost of this provision would be 1382.2 (.81 children x \$25.00 increase x 5688 cases x 12 months).
- (3) 14.3% COLA Adjustment: CSHB 968 would add the national cost of living percentage increase of 14.3% after the increased base payment and the child increment increase. The cost of this provision would be 4799.8 (\$371.47 FY 81 average payment + \$100 base increase + \$20.25 child increment increase = \$491.72 average payment x 14.3% x 5688 cases per month x 12 months).

(c) New Cases: In the AFDC program the statutory maximum payment levels are also the qualifying standards for entry into the program. CSHB 968 would increase these standards. For example, the maximum countable income a needy applicant with two children can have and still qualify for AFDC assistance is currently \$400. (This would also be the recipient's AFDC payment if he or she had no other countable income. The provisions of CSHB 968 would establish the new qualifying limit of \$600.00 for this 3-person family.

It is reasonable to assume that there are Alaskan families who have countable incomes over the current standards but under the higher proposed standards, and to assume that some of these families would choose to apply and would meet all other eligibility factors. However, there is no data, either within the past ten years of AFDC program utilization or from any other source that indicates whether new families would enter the program, or if they would, in what numbers.

Nevertheless, the Department believes a growth in families served will occur. Though it is nothing but an unsubstantiated guess, we believe the large increase in standards would attract an additional 800 families in FY 81. These new families are most likely to have an average countable non-AFDC income mid-way between the current and the proposed standards and thus qualify for an average monthly AFDC payment of \$92.13 (2.81 persons per household: \$350 + (.81 x \$50) = \$390.50 current, versus \$514 + (.81 x \$75) = \$574.75. 1/2 of \$574.75 - \$390.50 = \$92.13). This would produce an increased AFDC cost of 884.5 (\$92.13 average payment x 800 cases per month x 12 months).

(d) AFDC BRU Summary

700 Grants:	ANI COLA Increase	=	747.6	
	AI \$100 Base Increase	=	6,825.6	
	AI \$25 Child Increase	=	1,382.2	
	AI COLA Increase	=	4,799.8	
	AI New Cases	=	884.5	
	TOTAL		14,639.7	
			7,319.9	Federal
			7,319.8	State GF Match

(2) Medicaid BRU

If 800 new families enter the AFDC program, they will be automatically eligible for Medicaid services. Approximately 60%, or 1349, of these 2248 persons (2.81 persons/family x 800 families) will use Medicaid services. Each of these 1349 persons will average \$600 in services in FY 81. Total cost to the Medicaid BRU will be 809.4 (1349 x \$600); 404.7 federal funds, 404.7 state general fund match; 700, Grants and Claims.

(3) Eligibility Determination BRU

The addition of 800 new AFDC and Medicaid cases will require additional eligibility staff and services. Additional staff required will be four Eligibility Worker IIs, one Eligibility Worker III supervisor, and one Clerk Typist III. The cost to the Eligibility Determination BRU will be:

100	Personal Services	155.0	
200	Travel	3.0	
300	Contractual	6.0	
400	Commodities	.6	
500	Equipment	<u>3.0</u>	
	TOTAL	167.6	66.2 Federal Match
			66.2 General Fund Match
			35.2 General Fund

Lonnie V. L...

HB

977

6/9/1986

HB 977;
See ~~file~~ H HESS file's on
"STATE HEALTH INSURANCE"

Jeanie Henry

HB

998

Governor's Council for the Handicapped and Gifted
600 University Avenue - Fairbanks, Alaska 99701 Phone: 479-6507

April 18, 1980

Representative Thelma Buchholdt
Pouch V
Juneau, Alaska 99811

RE: HB 998

Dear Representative Buchholdt:

The Governor's Council for the Handicapped and Gifted supports the development of community programs for severely physically handicapped children and adults in need of personal attendant care or other medical/nursing support services.

There are 20 handicapped young adults in the Anchorage area who have been identified as needing these services who presently reside in nursing homes in order to receive services. These individuals could function very well in architecturally barrier-free small group residences or apartments with special home health aides and personal attendants to assist them in caring for themselves. Funding is also needed to provide physical therapy and related services to such individuals who are inappropriately placed in nursing homes at extremely high financial and social cost.

If HB 998 is intended to provide for these individuals we recommend that it be revised to clearly reflect this purpose. By making a simple amendment to existing statute AS 47.80 stating that the definition of developmental disability would be "as amended by a statutory umbrella for P.L. 95-603," services for this population would be provided.

A.S.
47.8.

Thank you for your support of these needed programs and services.

Sincerely yours,

Marsha Buck

Marsha Buck
Council Chairperson

MB:mc



**ALASKA ASSOCIATION
OF
ADMINISTRATORS FOR SPECIAL EDUCATION**



*Bill Hawkins, Vice President
Kotzebue, Alaska 99752*

*James L. Rich, President
2220 Nichols Street
Anchorage, Alaska 99504*

*Noreen Thompson, Secretary
Kodiak, Alaska 99615*

*Sharla Peterson, Executive Board
Peteburg, Alaska 99833*

*Joe Calderera, Executive Board
Bethel, Alaska 99559*

*Marsha Buck, Executive Board
Ketchikan, Alaska 99901*

*Kris Rogers, Executive Board
Soldotna, Alaska 99669*

April 18, 1980

MEMORANDUM:

TO : Representatives Buchholdt, Munson, Chatterton,
Hurlbert, Miles, Barnes and Beirne

FROM: James L. Rich, President

RE : Support of ALTERNATE HB 998

The Alaska Association of Administrators for Special Education is very concerned about alternative living facilities for severely handicapped children and young adults. We strongly support the Orthopedically Handicapped Action Group (OHAG) and their proposal for the construction of a barrier-free facility to house both long term and short term severely orthopedically impaired young adults. The State of Alaska is currently sending many of these individuals out of Alaska for their care. We feel that this solution is both expensive and totally inappropriate. We would hope that the State would seriously consider development of an Alaskan alternative for this group of handicapped individuals.

Therefore, AAASE requests that you support the alternate version of House Bill 998 to develop a residential program for mentally alert young adults who are severely orthopedically handicapped. For the purpose of planning this housing project, it is hoped that you would appropriate seed monies to HB 998 or support inclusion of the seed money request in House Bill 60.

Thank you for your consideration of this proposal.

c.c. AAASE Board Members
Audrey Aanes, Chairperson OHAG

Gary L. Aanes
SRA 1625 E
Anchorage, AK 99507

April 18, 1980

The Honorable Thelma Bucholdt
House of Representatives
State of Alaska
Capitol, Room 112
Juneau, AK 99811

Dear Representative Bucholdt:

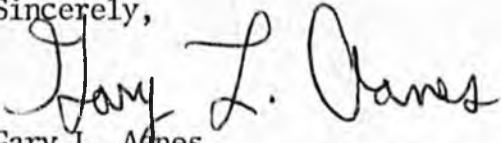
The purpose of this letter is to emphasize my support of House Bill 998. I am delighted to see that you are going to sponsor this bill. It is something that has long been a need in the community and for the state.

I understand there is a possibility that this bill might have been inadvertently directed toward medical care for children rather than severely disabled young adults. Although I do not for a moment denigrate the needs of handicapped children, I do feel that our current need in the rehabilitation community is for more and better services for severely handicapped young adults, many of whom are institutionalized in less than acceptable facilities.

I also heartily recommend favorable action on House Bill 60 to initiate planning and implementation of a residential structure for this above-described population. I feel that the requested funding in House Bill 60 to initiate preliminary planning and eventual implementation of a residential structure for this population is imperative. Most severely physically handicapped young adults in Anchorage are institutionalized in less than adequate facilities. Moving these individuals into an appropriately designed and staffed residential structure will not only enable them to improve their independent living possibilities, but will enable them to seek and obtain gainful employment. This will, in turn, improve their self-concept and image and enable the taxpayers to receive some relief by removing them wholly or partially from public support.

I encourage you to support these two pieces of very needed legislation. I know from personal experience of your dedicated and knowledgeable service to the handicapped community. Thank you very much for considering my recommendations.

Sincerely,


Gary L. Aanes
Chief of Rehabilitation Services

Residential Services Forum
c/o Connie Rawlings
Employment & Training Center
2330 Nichols Avenue
Anchorage, AK 99504

April 18, 1980

The Honorable Thelma Bucholdt
House of Representatives
State of Alaska
Capitol, Room 112
Juneau, AK 99811

Dear Representative Bucholdt:

The Residential Services Forum which is composed of individuals as per the attached sheet supports the intent of House Bill 998. We do recommend that this legislation be directed to mentally alert young adults rather than children as indicated in the present draft of the legislation.

We also support the request for seed money as spoken to in House Bill 60 to initiate action on a residential structure for this population group.

Your support of these two pieces of legislation is encouraged.

If you have questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Constance E. Rawlings". The signature is written in dark ink and is positioned to the right of the typed name.

Chairperson

Kathe F. Parker
SRA Box 1728-L
Anchorage, AK 99507

April 18, 1980

The Honorable Thelma Bucholdt
House of Representatives
State of Alaska
Capitol, Room 112
Juneau, AK 99811

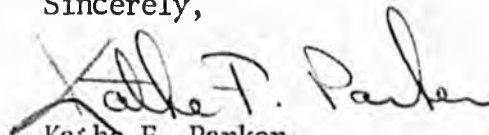
Dear Representative Bucholdt:

I want to express my support of House Bill 998, with some modification of the definition of the population discussed. I feel this legislation should be directed to mentally alert young adults rather than children as outlined in the present draft.

I also endorse the request for seed money as spoken to in House Bill 60 to initiate planning and action on a residential structure for this population. In most circumstances, their housing situations are not conducive to vocational training and placement.

I am hopeful that you will support these two pieces of legislation. If you have any questions or concerns, please contact me at 243-5600.

Sincerely,



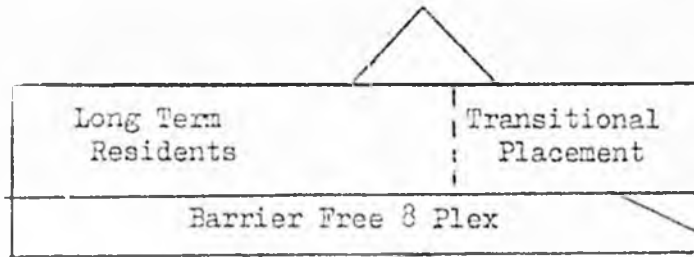
Kathe F. Parker
Assistant Chief of
Rehabilitation Services

:llm

Residential Care Program For
Mentally Alert Young Adults Who Are Severely Orthopedically Handicapped

Referrals From:

- Nursing Homes
- Home of Family
- Rehabilitation Facility
- Out of State Placements



- Independent Living Skills

- Support Services

- Transportation

- Independent Living In Community

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

This is a proposed
bill by Audrey
Aanes

Introduced:
Referred: Health, Education &
Social Services

~~BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE~~

IN THE HOUSE

HOUSE BILL NO. 998

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing a least restrictive residential care program for mentally alert young adults needing continuous medical care."

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

* Section 1. AS 47 is amended by adding a new chapter to read:

CHAPTER 9. RESIDENTIAL CARE PROGRAM FOR YOUNG ADULTS.

Sec. 47.09.010. RESIDENTIAL CARE PROGRAM. There is established in the Department of Health and Social Services a residential care program to provide needed services for mentally alert young adults who require continuous medical care, but who do not need to be kept in a nursing home or hospital. Care for the young adults in this program shall be provided in residential rather than institutional settings.

Sec. 47.09.020. ADMINISTRATION. (a) The department shall administer the residential care program. It shall adopt regulations to provide minimum standards for

- (1) residential care facilities, including accessibility requirements;
- (2) medical services to be provided;
- (3) live-in and day care programs; and
- (4) staff requirements.

(b) within the limits of appropriations made for the purpose, the department may enter into contracts for services with local or state agencies which are able to provide the required residential care for young adults.

Sec. 47.09.030. ELIGIBILITY REQUIREMENTS. (a) To be eligible

for long term services under the residential care program, the young adult must

(1) be at least 18 years of age and under 40 years of age;

(2) be under the care of a physician who diagnoses the young adult's condition as sufficiently serious to warrant consideration for the program;

(3) be in danger of institutionalization or of being placed out of state for purpose of receiving intensive support services;

(4) be diagnosed as having

(A) multiple physical impairment with congenital or acquired defects of the central nervous system or sensory motor systems requiring continued dependency for activities of daily living such as eating, hygiene, grooming, etc. and dependent for chronic or intermittent skilled medical care such as delivery of medications, nursing care, respiratory care, OT, PT, and communication on other rehabilitative measures; as well as impaired use of two or more extremities, causing the individual to be dependent on a wheelchair or other total body mobility device; or

(B) emotional and social adjustment disorders resulting from a significant motor impairment which impedes the person's ability to function normally in society.

(b) To be eligible for short term, transitional services under the residential care program, the young adult must

(1) be at least 18 years of age and under 40 years of age;

(2) be under the care of a physician who diagnoses the young adult's condition as sufficiently serious to warrant consideration for the program;

(3) be significantly motor impaired as to require training in independent living skills and have the potential for community living in less restrictive environment.

Sec. 47.09.040. PROGRAM PLAN (a) In cooperation with the client, the client's legal guardian and the client's physician, a written program plan shall be developed by the department for each young adult accepted for the residential care program.

(b) The plan shall provide for the coordination of all required services. The services to be available as required by each individual's needs shall include

(1) nursing care;

(2) medical care, including any needed treatment by a specialist on a referral, consultative, or on-going basis;

(3) respiratory therapy or devices;

(4) routine and emergency dental care;

(5) nutritional consultation from a trained professional;

(6) communication disorder therapy;

(7) physical and occupational habilitation and rehabilitation therapy and devices;

(8) education;

(9) leisure time activities and opportunities for recreation and socialization in the community;

(10) group or individual psychological counseling;

(11) transportation; and

(12) employment.

(c) A portion of these required services can be provided from state and local agencies having primary responsibility for such services, but the ultimate responsibility for ensuring and coordinating the delivery of all necessary services shall rest with the department.

Sec. 47.09.050. COST. Within the limits of appropriations made for the purpose, the residential care program shall be made available to eligible young adults at no cost or at partial cost. However, medical insurance

benefits available to a young adult shall be used as payment for the young adult's medical treatment under the residential care program.

Sec. 47.09.060. DEFINITION. In this chapter "department" means the Department of Health and Social Services.

ORGANIZATIONAL CHART

Residential Care Program for Mentally Aged Young Adults Needing Continuous Medical Care

DEPARTMENT
OF
HEALTH AND SOCIAL SERVICES

Program Director

Community Liaison
-Independent Living
-Transition
-Occupational Coord.
-Activities

Secretary

Diets

Maintenance

Home Treatment

- Counseling
- Personal & Dietetic
- Medical Consultant
- Nurse Consultant
- Nursing Services
- Recreation/Home Health Aids
- Home Care Nursing Care

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.



REGION X

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ANCHORAGE AREA OFFICE
334 WEST FIFTH AVENUE
ANCHORAGE, ALASKA 99501

March 19, 1980

IN REPLY REFER TO:

10.1HDI

Audrey Aanes, Chairman
OH Interest Group
Wahley Center
2220 Nichols
Anchorage, AK 99504

Dear Ms. Aanes:

We have been directed to provide response to your letter of February 11, 1980 to Mort Leeds of HUD Central Office.

The most viable and workable program for handicapped housing within the National Housing Appropriation is the Section 202 program, which provides direct loan financing. The interest rates for this program at this time are as follows: Interest during construction is 9.0 percent per annum and 8.5 percent per annum thereafter. Each year a specific amount of loan funds for Section 202 is set aside by HUD for use in developing senior citizens' and handicapped housing. There are many more applications than can be funded in each annual appropriation. Therefore the applications are funded on a competitive basis based on their merits, and unsuccessful proposals must be resubmitted annually.

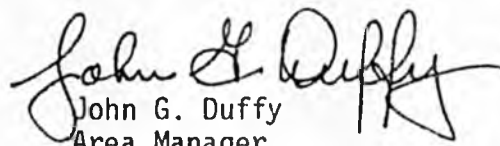
The Anchorage Area Office has not received an allocation of Section 202 funds in FY 1980. If applications are submitted, we may receive some 202 funding in FY 1981. There are also limited discretionary authorities in the office of the Asst. Sec. for Housing.

Included for your information is a copy of HUD 4571.1 Rev. which describes processing procedures for the program. If you wish to prepare an application this handbook will provide most of the information you need, as well as explain HUD processing procedures.

→ Obtaining Section 202 funding is a difficult and complicated process. While we in the Anchorage Office are prepared to render what assistance we can, your organization should be prepared to spend considerable time and funds in preparation of an application. The Department expects and requires demonstration of a long term well-organized commitment from 202 sponsors.

Please address your questions regarding an application to Bill
Arterburn, Multifamily Housing Representative at 271-4177.

Sincerely,


John G. Duffy
Area Manager

cc: Morten Leeds
Office of Independent Living
Seattle Regional Office
Debbie Peaveler

NAKOYIA HEALTH CARE CENTER

A Division Of HEALTH CARE SERVICES - ALASKA, INC.

4895 CORDOVA • POUCH 6617 • ANCHORAGE, ALASKA 99502

March 18, 1980

Audrey Aanes
Orthopedically Handicapped
Interest Group
Whaley Center
2220 Nichols
Anchorage, Alaska 99504

Dear Audrey:

We certainly commend your energy and interest for handicapped individuals in Alaska.

The "severely handicapped, medically fragile, young adults, with average intelligence" do require "skilled" care. Your source of expertise for meeting their needs is the Department of Social Services, Division of Certification and Licensure. With explicit guidelines from the Federal and State regulations for the provision of skilled care, we feel many of your questions will be answered. Unfortunately, it is a financial fact that it is next to impossible to cost-effectively provide care for less than one-hundred patients. You may want to contact Hope Cottage for cost information that may be similar, as they do have group homes.

From your letter you infer that a less restrictive environment is beneficial to "medically fragile, severely handicapped" persons. The only restriction in institutional settings that we are aware of is the reimbursement system that does not allow meeting more than basic physical and mental needs.

As 90% of our patients are Medicaid-funded, we feel that until we can provide basic care for all, we cannot support specialized care for a few.

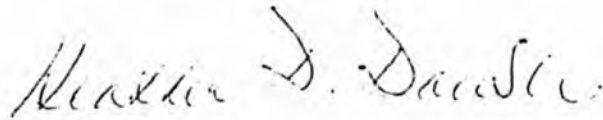
The Nakoyia population, per Computerized Patient Assessment, December 31, 1979 statistics showed that 31% of the patients were less than 60 years of age. We wish you the best of luck in developing "small group home type" skilled care facilities as we agree that some of these patients' psycho-social needs could possibly be better met in smaller living situations.

Audrey Aanes:
Mar. 18, 1980
Page Two

We welcome your visits to Nakoyia and any further need for information
in regards to your project.

Sincerely,

NAKOYIA HEALTH CARE CENTER

A handwritten signature in cursive script, appearing to read "Heather D. Double".

Heather D. Double, R. N.
Director of Rehabilitation Services -
for Donna M. Stephens, Administrator

HDD:mlc

NAKOYIA HEALTH CARE CENTER

A Division Of HEALTH CARE SERVICES - ALASKA, INC.

4895 CORDOVA • POUCH 6617 • ANCHORAGE, ALASKA 99502

March 18, 1980

Audrey Aanes
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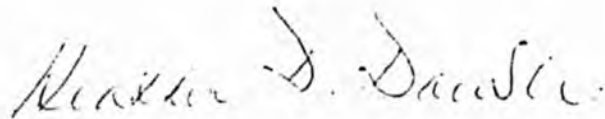
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Mar. 18, 1980
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Heather D. Double, R. N.
Director of Rehabilitation Services -
for Donna M. Stephens, Administrator

HDD:mlc

POSITION PAPER
ON
HOUSE BILL NO. 998

"An Act establishing a residential medical care program for children needing continuous care."

House Bill 998 provides authority to the Department of Health and Social Services to provide directly, or through contracts, needed medical care in a residential setting the certain chronically-ill children. To be eligible for assistance, the child must:

- (1) be under the age of 18 years;
- (2) be diagnosed by a physician as having a covered serious medical condition in need of this type of care;
- (3) be presently residing in, or in immediate need of residing in a hospital or other medical facility in order to receive intensive support medical services; and,
- (4) be suffering from a chronic medical condition listed in Section 47.09.030(4) of the bill.

The Department is responsible for developing a written program plan for each child in cooperation with the child's parents or legal guardian and the child's physician. Subject to the limits of the appropriation, the residential medical care program shall be made available to eligible children at no cost or partial care. The State is required to bill any existing family medical insurance benefits which would cover the costs of care provided under this program.

Overview of this Type of Care in Alaska

Since the bill is primarily focused on the provision of medical services, this level of care would be classed as intermediate or skilled nursing home services, rather than residential care. Residential care is primarily concerned with non-medical support services (such as bathing, dressing) for persons who cannot live independently and are in need of some degree of supervision, but do not require medical or nursing care on a regular basis.

The Department of Health and Services is able to cover such nursing home care for these children through either the Medicaid or General Relief-Medical programs. Currently, the Division of Public Assistance is paying for care for 71 persons aged 18 years of age or younger, at the following facilities:

<u>Nursing Home</u>	<u>No. of Children</u>
Harborview Development Center (Valdez)	33
Hope Cottages (Anchorage)	28
Careage North (Fairbanks)	2
Nakoyia (Anchorage)	6
St. Ann's (Juneau)	<u>2</u>
Total	71

Only two (2) nursing home programs, Harborview and Hope Cottage, in the State have specialized care for children, and these programs are primarily for the developmental disabled with mental handicaps.

Nursing home care in Alaska is very costly, averaging about \$3,000 a month. Most insurance programs do not cover such care. Medicaid currently pays for the costs of care for a significant number of children residing in nursing homes. The State also limits the parental financial responsibility to \$50 a month for children in intermediate care facilities for the mentally retarded.

Currently on a statewide average, nursing homes have an occupancy rate of approximately 70%, leaving 30% of the home's available beds unfilled. The occupancy range of the occupancy rate is from 41% (Careage House in Anchorage) to 100% (Norton Sound Hospital in Nome). (Attachment #1)

Discussion of Issues

1. Clarification of Nursing Home and Residential Care Services - The bill appears to confuse residential care and nursing home care services. Since the bill appears to address the provision of medical services, in lieu of hospitalization, this type of care would be classified as intermediate or skilled nursing care services. It would be helpful for the Committee to consider specification of level of care services to be provided:
 - a. intermediate (ICF) and skilled nursing home (SNF) services;
 - b. residential care services; or
 - c. both intermediate and skilled nursing home services and residential care services.

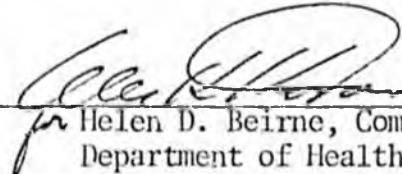
2. Certificate of Need Requirements - In the implementation of this Act, the health care facilities that would provide this service would be subject to the health care facilities certificate of need statute. Each residential medical care facility as proposed would be reviewed in light of the existing facilities and the degree to which appropriate services are being provided or can be provided, and the degree of utilization of these facilities.

- 3. Modification of Existing Programs Rather Than of Construction of New Facilities - Certainly children have special needs and most generally SNF and ICF facilities in the State do not especially tailor their programs to meet these special needs. The Department favors the use of programs that meet children's needs in the least restrictive environment for the children's care, instead of constructing new facilities.
- 4. Expansion of Specified Medical Conditions - The bill presently details rather specifically the chronic conditions that the Department is able to cover under this program. This list of conditions excludes coverages of other chronic conditions that affect children that may require continuous medical care. We would recommend more general language to allow for coverage of needed services for persons with significant disabilities. The Department recommends amending AS 47.80.900(7) to include the federal definition of developmental disability as contained in Title V of P.L. 95-602 (Attachment #2). This amendment would open the range of services as specified in AS 47.20 to this additional population.
- 5. Age Cut-off of 18 years - The Department questions the inclusion of the age of 18 years as a cut-off for services. These children have long-term disabilities and a continuation of services above 18 might be appropriately addressed, as well, in this bill.

Department Position

The Department approves the concept of programs designed to meet the specific needs of the clients, but believes that amendments are necessary to effectively and efficiently implement this concept.

Approved by:



 for Helen D. Beirne, Commissioner
 Department of Health and Social
 Services

4/21/80
(DATE)

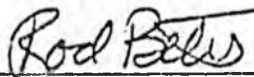
NURSING HOMES

CENSUS: February 29, 1980

	Current Rate		Certified Capacity			Current Occupancy				% Occupancy of Total Beds			
	ICF	SNF	ICF	SNF	Total	Medicaid DPA* Placements		Non-DPA Placements		Current Census	Vacant Beds	Overall	Medicaid
Careage House (Anchorage)	55.00		101**		101	39	0	0	2	41	60	41%	39%
Careage North (Fairbanks)	84.50	'93.00	101		101	58	17	0	1	76	25	75%	74%
Cordova Hospital L.T.C.	135.68		8		8	5	1	0	0	6	2	75%	75%
Ketchikan Hospital L.T.C.	73.31		48		48	38	0	0	0	38	10	79%	79%
Nakoyia (Anchorage)	103.00	125.00	116**	100	216	95	54	0	6	155	61	72%	69%
Norton Sound Hosp. L.T.C. (Nome)	100.00		6**		6	6	0	0	0	6	0	100%	100%
Petersburg Hosp. L.T.C.	51.30	57.00	12		12	7	0	2	2	11	1	92%	58%
South Peninsula Hosp. L.T.C. (Homer)	108.00		4		4	3	0	0	0	3	1	75%	75%
St. Ann's (Juneau)	126.56		45		45	26	3	1	0	30	15	67%	64%
Valley Hospital L.T.C. (Palmer)	104.85		6		6	3	0	0	0	3	3	50%	50%
Wrangell Hospital L.T.C.	75.00	82.50	14		14	13	0	0	1	14	0	100%	93%
Wesleyan (Seward)	52.00		64		64	49	0	0	7	56	8	88%	77%
Kodiak Hospital L.T.C.	100.00		19**		19	11	0	0	0	11	8	58%	58%
TOTAL			544	100	644	353	75	3	19	450	194	70%	60%

ICF Certified Capacity means that all beds are certified for both SNF and ICF unless otherwise noted.

- * includes GR Medical placements
- ** beds are certified for ICF only
- *** includes V.A., private pay & insurance


 Rod Betit, Director
 Division of Public Assistance

3/19/80
 Date



Current
STATUTE

(1) "council" means the Governor's Council for the Handicapped and Gifted created by sec. 30 of this chapter;

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

(3) "facilities for persons with handicaps" means publicly or privately operated facilities, or specified portions of facilities, designed primarily for the delivery of services to these persons; the term includes but is not limited to residential facilities;

(4) "habilitation" means education or training for the handicapped to enable them to function better in society;

(5) "least restrictive setting" means a residential or other setting for meeting the needs of a handicapped person which requires the least amount of restriction of personal liberty by enabling the person to function in as normal an environment as possible and to live as normally as possible, within the limitations of the handicap;

(6) "person with a handicap" means a person with a developmental disability as defined in (7) of this section or a person who is hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically or otherwise health impaired, or who has a specific learning disability; the term includes but is not limited to "exceptional children" as defined in AS 14.30.350(1) and AS 47.20.050(1);

(7) "person with a developmental disability" means a person having a disability which

(A) is attributable to

(i) mental retardation, cerebral palsy, epilepsy, or autism;

(ii) any other condition found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to impairment resulting from mental retardation; or

(iii) dyslexia resulting from a disability described in (i) or (ii) of this subparagraph; and

(d) constitutes a substantial handicap to the person's ability to function normally in society;

(8) "residential facility" means a publicly or privately operated facility which provides 24-hour care for four or more persons with handicaps, excluding family, foster family, or adoptive homes;

(9) "substantial handicap" means a disability which prevents or substantially impedes the person's participating in and benefiting from the social, economic, educational, recreational, or other opportunities generally available to peers in the community who are not similarly handicapped.

Current
Federal

→ Definition of "Developmental Disability" as defined in Title V of Public Law 95-602

The term "developmental disability" means a severe, chronic disability of a person which--

- (A) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (B) is manifested before the person attains age twenty-two;
- (C) is likely to continue indefinitely;
- (D) results in substantial functional limitations in three or more of the following areas of major life activity; (i) self-care, (ii) receptive and expressive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic sufficiency; and
- (E) reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 998
Title "Residential Medical Care for Children"
Requested by House HESS Date April 21, 1980

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
Program Category Affected Developmental Disabilities
BRU, Program, or Subprogram(s) Affected Grants and Contracts

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		579.2	859.6	945.5	1040.1	1144.1
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		579.2	859.6	945.5	1040.1	1144.1

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		579.2	859.6	945.5	1040.1	1144.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

- The bill does not specifically address the construction of new facilities. Since the Department believes that the redirection of programs in existing facilities would be the most cost-effective approach to the problem, we have not included any cost for construction of buildings.
- The only privately run facility in the state for this age population is Hope Cottage. The daily rate at Hope Cottage presently for this type of care is \$130 per day.
- The population to be served is estimated to be 10 individuals in Anchorage and 5 individuals in Fairbanks.
- Inflation in future years is 10%.

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

Prepared by: *Deborah Behr* D. Behr Date: 4/21/80
XXXXXXXXXX/Office: Commissioner *MAJ* PH: 3030

5. Implementation of the program would require promulgation of regulations and the issuance of a contract in accordance with the State administrative policies. We estimate this will necessarily delay the implementation of first year of the project, such that only a 9-month appropriation will be needed.

FY 81 Calculations:

<u>Anchorage</u> 10 children	X	<u>FY 80 Rate + Inflation</u> \$143	X	<u>9 Mos. of Svc.</u> 270 days	=	<u>Total</u> \$386,100
<u>Fairbanks</u> 5 children	X	<u>FY 80 Rate + Inflation</u> \$143	X	<u>9 Mos. of Svc.</u> 270 days	=	<u>Total</u> \$193,050
				Grand Total		\$579,150

FY 82 Calculations:

<u>Anchorage</u> 10 Children	X	<u>FY 81 Rate + Inflation</u> \$157	X	<u>Days</u> 365	=	<u>Total</u> \$573,050
<u>Fairbanks</u> 5 children	X	<u>FY 81 Rate + Inflation</u> \$157	X	<u>Days</u> 365	=	<u>Total</u> \$286,525
				Grand Total		\$859,575

HB

1007

POSITION PAPER on
HOUSE BILL NO. 1007

For an Act entitled: "An Act relating to comprehensive health planning."

House Bill No. 1007 amends existing statute AS 18.07 to comply with amendments to the National Health Planning and Resources Development Act, as incorporated in PL 96-79, signed into effect October 4, 1979. Such amendments are required of all states wishing to participate in and receive funding under the Public Health Service Act, the Community Mental Health Centers Act, the comprehensive Alcohol Abuse Act and Alcoholism Prevention, Treatment and Rehabilitation Act and the Drug Abuse Office and Treatment Act of 1972. Alaska receives an estimated \$5.6 million annually under the four above-named acts.

The purpose of the National Health Planning Act is to encourage consumer and provider involvement at both the local and the state level in planning for and implementing a health care system in Alaska that provides equitable access to quality care at reasonable costs. This process requires the development of local health plans which are incorporated into a State Health Plan; this document is to serve as a guide to the Governor and the Legislature for health policy development and resource allocation.

The incorporation of Article 2 as a new section within AS 18.07 amends the State's existing certificate of need program to bring it into conformance with the new federal requirements outlined in Section 1532 of PL 96-79. The primary additions to this section fall in three categories: major medical equipment, health maintenance organizations and coverage of rehabilitation facilities. Each of these issues is addressed in detail below:

Major Medical Equipment

Section 1527(e) adds a requirement for certificate of need review of major medical equipment costing in excess of \$150,000 which will be used for inpatients regardless of its location. Major medical equipment located outside of a health care facility may be exempt from the review if: 1) the sponsor notifies the state agency in writing of intent to purchase such equipment; and 2) the state agency determines that the equipment will not be used for inpatients.

The purpose of this provision is to close a "loophole" which would allow a physician to purchase major medical equipment for a health care facility and thereby avoid the requirement for a certificate of need. Although this provision is required to be in effect in each state, its impact will not be significant in Alaska, since Alaskan physicians generally rely upon hospitals to provide such equipment.

Health Maintenance Organizations

Section 1527 has been amended to exempt certain health maintenance organizations (HMOs) which have enrollment of at least 50,000 from certificate of need review. The impact of this provision is not expected to be significant since there are no such HMOs in Alaska.

Rehabilitation Facilities

Section 1527 has been amended to include rehabilitation facilities as facilities subject to certificate of need review. Rehabilitation facility is defined to mean inpatient or outpatient facilities which are operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of medical and other services which are provided under competent professional supervision. This provision will bring a few facilities under review which previously had not been required to obtain certificate of need.

The amendments to the national planning law, as incorporated in P.L. 96-79 and addressed by reference in House Bill No. 1007 also modify the planning process, strengthen the role of a Governor in approval and use of the State Health Plan and introduce organizational changes within the planning boards and advisory committees. These modifications are highlighted on the attached chart; specific backup material can be found in a more extensive position paper on this matter.

Recommended by: Phoebe A Lindsey Approved by: [Signature]
Phoebe Lindsey Helen D. Beirne
Director Commissioner

Date: April 29, 1980 Date: May 1, 1980

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 1007
 Title Amendment to AS 18.07 "Comprehensive Health Planning"
 Requested by Dept of Health and Social Services Date 4-25-80

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Health
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL Fiscal impact is described in Analysis Section below.

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This fiscal note reflects the results if legislation is not passed to enable the State Health Planning & Development Agency (SHPDA) to carry out its full responsibilities under the "Health Planning & Resources Development Amendments of 1979" (Public Law 96-79). P.L. 96-79 significantly revises Title XV and XVI of the Public Health Service (PHS) Act, enacted by the "National Health Planning & Resources Development Act of 1974 (Public Law 93-641). Consequently, amendment to AS 18.07, which adopted P.L. 93-641 provisions, is necessary to adopt the revisions in P.L. 96-79. If the SHPDA is not fully empowered by State statute by January 1, 1981 to conduct the "State Program" mandated by the amended Title XV of the PHS Act, the SHPDA designation agreement with the Federal government will either be terminated, or the SHPDA designation agreements made conditional for one year and the designation then withdrawn. This fiscal note depicts the effects of the withdrawal of "full designation of the State Health Planning & Development Agency (SHPDA) and reversion to "conditional" designation for the period 1-1-81 - 12-31-81, followed by termination of the SHPDA designation agreement. The impact on Federal funding would be as follows based upon the current level of \$5.6 million in Federal grants involved throughout the State as described in the attached listing of grantees and grants.

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

Prepared by: Paul A. Sunday Date: April 29, 1980
 Division/Office: _____ PH: _____
 Department of Health & Social Services

<u>Period</u>	<u>Federal Funds Forfeited</u>	<u>Total Esti- mated Forfeiture</u>
1-1-81 - 12-31-81	25%	\$1.4 million
1-1-82 - 12-31-82	50%	2.8 million
1-1-83 - 12-31-83	75%	4.2 million
1-1-84 -	100%	5.6 million