

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1500 SHESS SB 248 - SB 262 1500

*natives in  
exec branch*

Introduced: 3/6/81  
Referred: State Affairs

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 248

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to equal employment opportunity in  
7 the executive branch of the state government; and  
8 providing for an effective date."

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

10 \* Section 1. FINDINGS AND PURPOSE. (a) There is <sup>evidence</sup> of continued  
11 lack of opportunity for members of Alaska's ~~racial minorities~~ <sup>protected classes</sup> and women to  
12 obtain appointment to and employment in <sup>responsible</sup> positions in the execu-  
13 tive branch of the state government.

*clean up*

14 <sup>equal</sup> In furtherance of the commitment of the state to human rights and  
15 employment opportunity, it is the policy of the state that there shall be  
16 equal opportunity in the employment activities, programs, and decisions of  
17 the executive branch of the state government, and that aggressive measures  
18 are required by executive branch agencies, individually and collectively, to  
19 <sup>provide</sup> ~~ensure~~ equal employment opportunities for all Alaskans in those agencies.

20 \* Sec. 2. AS 44.21.020(9) is amended to read:

21 (9) administer a statewide personnel program, consisting of  
22 [INCLUDING]

23 (A) central personnel services, including but not  
24 limited to [SUCH AS: recruitment, examination, position classifi-  
25 cation, and pay administration; and

26 (B) the equal employment opportunity program estab-  
27 lished in AS 39.28;

28 \* Sec. 3. AS 39 is amended by adding a new chapter to read:

29 CHAPTER 28. EQUAL EMPLOYMENT OPPORTUNITY IN STATE EMPLOYMENT.

1           Sec. 39.28.010. DIVISION OF EQUAL EMPLOYMENT OPPORTUNITY. The  
2 division of equal employment opportunity is established in the Depart-  
3 ment of Administration. The director of equal employment opportunity  
4 shall administer the programs of the division.

5           Sec. 39.28.020. DUTIES OF DIRECTOR. The director shall

6           (1) administer the equal employment opportunity program for  
7 the executive branch of state government;

8           (2) implement state policies with respect to nondiscrimina-  
9 tion in employment, equal employment opportunity, and affirmative  
10 action;

11           (3) develop and implement standards and procedures for the  
12 preparation, timely submission, and review of affirmative action plans  
13 by each department;

14           (4) review and approve affirmative action plans submitted by  
15 each department;

16           (5) monitor employment practices *and personnel actions* of each department to  
17 assure that terms and conditions of employment do not violate affirma-  
18 tive action standards and procedures;

19           (6) ~~enforce equal employment opportunity by filing a legal~~  
20 ~~action against a state officer or employee who violates affirmative~~  
21 ~~action standards and procedures; for purposes of a legal action under~~  
22 ~~this paragraph, the director may employ independent legal counsel not~~  
23 ~~associated with the Department of Law;~~

24           (7) maintain contact with each department, and provide  
25 training to management, supervisors, and employees to improve their  
26 knowledge and understanding of laws prohibiting discrimination in  
27 public employment and affirmative action standards and practices;

28           (8) cooperate with the director of the division of personnel  
29 to assure that the state personnel system operates to assist appointing

1 authorities in each department in meeting affirmative action goals, and  
2 that the policies, practices, and regulations of the personnel system  
3 comply with affirmative action requirements;

4 (9) advise the director of the division of labor relations  
5 on equal employment opportunity matters which pertain to contract  
6 negotiations and the management of the affairs of the division of labor  
7 relations;

8 (10) prepare, adopt, and implement procedures to investigate,  
9 determine, and resolve issues related to affirmative action plans; and

10 (11) prepare the annual affirmative action plan and report  
11 for the executive branch of state government as required by AS 39.28.-  
12 030.

13 Sec. 39.28.030. ANNUAL PLAN AND REPORT. The director shall  
14 prepare the annual plan and annual report. The plan and report shall  
15 be presented to the commissioner of administration, the governor, and  
16 the legislature by January 31 of each year. The annual plan and report  
17 shall include, but is not limited to,

18 (1) a comprehensive plan, establishing goals and objectives  
19 for equal employment opportunity through compliance with affirmative  
20 action standards and procedures;

21 (2) identification of problems and concerns, and of efforts  
22 which have been considered or implemented to address or correct those  
23 problems and concerns;

24 (3) a summary of efforts to eliminate the effects of past or  
25 present discriminatory practices in the terms, conditions, and privi-  
26 leges of employment; and

27 (4) an evaluation of the efforts of the division of equal  
28 employment opportunity, and of the efforts of each state department, to  
29 achieve equal employment opportunity in employment in a department

1 through affirmative action standards and procedures.

2 Sec. 39.28.040. DEFINITIONS. In this chapter,

3 (1) "affirmative action" means a set of specific procedures  
4 to which a department commits itself to secure equal employment oppor-  
5 tunity, including but not limited to the identification and analysis of  
6 problems inherent in the employment of women and members of racial  
7 minorities and an evaluation of the opportunity for employment of  
8 women and members of racial minorities;

9 (2) "department" means a department or agency in the execu-  
10 tive branch of state government;

11 (3) "director" means the director of the division of equal  
12 employment opportunity.

13 \* Sec. 4. AS 44.17 is amended by adding a new section to read:

14 Sec. 44.17.090. RESPONSIBILITY FOR EQUAL EMPLOYMENT OPPORTUNITY.

15 (a) The principal executive officer of each state department is  
16 responsible for the activities, programs, and decisions of that depart-  
17 ment which relate to equal opportunity in employment of persons in that  
18 department.

19 (b) The principal executive officer of each state department  
20 shall

21 (1) prepare, adopt, and implement an equal employment op-  
22 portunity plan for the department, including

23 (A) a comprehensive plan, establishing goals and ob-  
24 jectives for equal employment opportunity through compliance with  
25 affirmative action standards and procedures;

26 (B) identification of problems and concerns, and of  
27 efforts which have been considered or implemented to address or  
28 correct those problems and concerns;

29 (C) a summary of efforts to eliminate the effects of

start  
2.16.3  
AG 17

1 past or present discriminatory practices in the terms, conditions,  
2 and privileges of employment; and

3 (D) an evaluation of the department's efforts to achieve  
4 equal employment opportunity in employment in the department  
5 through affirmative action standards and procedures; and

6 (2) select an official of the department, who is a division  
7 director or holds an equivalent position, and assign that official the  
8 duties of an equal employment opportunity representative to supervise  
9 the development and implementation of the department's affirmative  
10 action program.

11 \* Sec. 5. AS 18.80.060(6) is amended to read:

12 (6) make an overall assessment, at least once every three  
13 years, of the progress made toward equal employment opportunity by each  
14 [EVERY] department of state government, and of the affirmative action  
15 plan for employment in the executive branch of the state government;  
16 the assessment [. RESULTS OF THE ASSESSMENT] shall be included in the  
17 annual report made under AS 18.80.150.

18 \* Sec. 6. This Act takes effect July 1, 1981.  
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# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

March 17, 1981

The Honorable Charles Parr  
Chairman  
Senate Health, Education and Social  
Services Committee  
Room 209 - Capitol Building  
Juneau, Alaska

Dear Senator Parr:

Re: Senate Bill No. 251

Senate Bill No. 251, an Act relating to the membership and responsibility of the Mental Health Fund Advisory Board, was introduced in the Senate on March 9, 1981 and was referred to the Senate Health, Education and Social Services and Finance Committees.

For the consideration of the Senate Health, Education and Social Services Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning the proposed legislation.

Sincerely,



P. D. Stevenson  
Special Assistant

RDS/rdh

cc: The Honorable Don Bennett  
The Honorable M. E. Dankworth  
Co-Chairmen  
Senate Finance Committee

Joseph K. Tonohue  
Deputy Commissioner  
Department of Revenue

Anselm Staack  
Treasury Comptroller  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

SB 251

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 251  
Title Relating to the membership and responsibility of the Mental Health Advisory Fund Board  
Requested by Senate Health, Education & Social Service Date 3/9/81  
and Finance Committees

II. FISCAL DETAIL

Agency Affected Department of Revenue  
Program Category Affected Revenue Collection and Management  
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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL		12.0	13.2	14.5	16.0	17.6
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		12.0	13.2	14.5	16.0	17.6

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		12.0	13.2	14.5	16.0	17.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

This bill adds two public members to the Mental Health Fund Advisory Board. This fund would be composed of monies appropriated to it; no appropriations have been made. The above shows what costs of board meetings, without honorarium, would be where the board active.

If the fund were to become active there would be costs related to administration and management which are not shown here as they would be related to the amount appropriated to the fund and its method of operation.

*Anselm C. Staack*

IV. DATE March 16, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller  
AGENCY Dept. of Revenue/Treasury Division  
PHONE 465-2351  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

S B

254

COMMITTEE REPORT  
SENATE

FURTHER: Finance

3/9/81

x

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

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 254  
Alaska state educational incentive grant program

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

- do pass  do not pass
- do pass with attached amendments(s)  same title
- replace with CS for \_\_\_\_\_  new title
- and recommends \_\_\_\_\_
- AND attaches a "letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
[Signature]  
[Signature]  
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 \_\_\_\_\_  
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[Signature]  
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 \_\_\_\_\_

[Signature]  
 CHAIRMAN

A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate HESS

To: Senate Bill 254 SENATE BILL No. 254

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

PAGE: 7

LINE: 20

change \$3,000 to \$2,500

# STATE OF ALASKA

SB 254 file

JAY S. HAMMOND, GOVERNOR

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH F - STATE OFFICE BUILDING  
JUNEAU, ALASKA 99811  
(907) 465-2854

May 6, 1981

The Honorable Mike Colletta  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

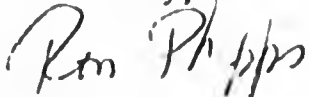
Dear Senator Colletta:

This letter is in response to your request during the hearing for Senate Bill 254, State Educational Incentive Grant Program, concerning the attrition rate of students who have been awarded an SEIG grant.

Since many of the students participating in the SEIG program are attending community colleges, it is appropriate to review their attrition rate for no more than two years. In the fall of 1979, 166 students received an initial grant. In the fall of 1980, 102 (61%) of those students were continuing their education with either a grant or a loan. It is important to note that this compares favorably with attrition rates nationally.

I hope this information is sufficient; however, if you need additional information, please do not hesitate to contact me.

Sincerely,



Ron Phipps  
Director for Academic Planning  
and Research

cc: \ The Honorable Charles H. Parr  
Alaska State Senate

The Honorable Terry Stimson  
Alaska State Senate

The Honorable Tim Kelly  
Alaska State Senate

The Honorable Vic Fischer  
Alaska State Senate

Jane Byers Maynard, Director for Special Programs  
Alaska Commission on Postsecondary Education

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH F - STATE OFFICE BUILDING  
JUNEAU, ALASKA 99811  
(907) 465-2854

January 28, 1981

The Honorable Charles Parr  
Chairman, Senate Health, Education  
and Social Services Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Charlie:

When we talked last week, you had a number of questions regarding the State Educational Incentive Grants (SEIG) Program. The program was established in 1978 by a bill which you sponsored. The bill provided for "need-based" grants of up to \$1,500 to be awarded to Alaskan undergraduate students enrolled full-time at an eligible institution. The funds appropriated by state were at a level sufficient to match federal funds available for these grants.

The appropriation history for the program has been:

<u>Year</u>	<u>Federal</u>	<u>State</u>	<u>Total (in thousands)</u>
1978-79	76.0	76.0	152.0
1979-80	120.4	120.4	240.0
1980-81	169.5	169.5	339.0
1981-82 (budget)	214.0	214.0	428.0

Each year we have awarded all the funds available and have had a large number of eligible persons left without grants. Since this is a need-based program, all applicants must establish their "need level" through the use of a federally-approved need test. All eligible applicants are then placed in a priority with those demonstrating the most need receiving the highest priority. It should be noted that even though this need level may be \$3,000-\$4,000, or more, the maximum award is still \$1,500. Consequently, all applicants this year received the maximum award of \$1,500 each.

Our awarding history has been:

<u>Year</u>	<u>Grants Awarded</u>	<u>Unfunded Applicants</u>	<u>Over-Subscribed Funds</u>
1978-79	193	7	\$ 5.5 (thousand)
79-80	186	23	29.7
1980-81	233	750	1,050.0
1981-82	285	1,000	1,500.0

The Honorable Charles Parr  
January 28, 1981  
Page 2

Two areas warrant close consideration this year. One is the maximum level of \$1,500. This should be raised to \$2,500 to accommodate the truly needy students, and the second is the appropriation level. The more we receive, the more students we can help. The problem is, the federal share will not increase, and, in fact, may decrease, so the increases would need to come directly from the General Fund.

Any consideration you would give to these concerns would be most appreciated.

Sincerely,



Kerry D. Comesburg  
Executive Director

cc: Ms. Jane Maynard  
Director for Special Programs  
Alaska Commission on Postsecondary Education

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT

March 12, 1981

Charlie:

Are you interested in any of this?

Rocky

*yes - hold for  
SB 254  
Thank*

MEMORANDUM

Rocky -  
Please call  
me after  
you've looked  
at this. Thanks,  
Cliff G  
4844

TO: Legislators and staff

FROM: Terry Gardiner

DATE: 24 February 1981

RE: Changes in student loan program to aid vocational students

Vocational education seems to be working in Alaska for motivated students who get the training. This can be best seen in the jump 'n incomes reported by students successfully completing programs at Alaska Skill Center at Seward, the state's only training facility strictly for adult vocational education. Tax returns showed that for FY1979, the pre-training average income for Skill Center students was \$4,247; the post-training average was \$10,023. (For FY1978, the figures were \$3,031 and \$11,972; for FY1977, \$4,755 and \$8,628.)

[Redacted] to help  
[Redacted] Secondary Education, is not helping  
vocational students much. Just over eight per cent (8%) of  
the loans awarded in 1980-1981 were for vocational education  
(22 out of 2,732), reports Dr. Kerry Romesburg, executive  
director of the Alaska Commission on Postsecondary Education. \*\*

Lack of demand for vocational training seems an unlikely explanat for the small number of loans made for this purpose. Bob Booher, director of the Skill Center, reports that the facility maintains a file of between 400 and 600 individuals who wish to attend but are not doing so, and says that at least half of this group cites lack of money as their major problem. In addition, a 1979 survey of adult vocational students in Fairbanks found that 26 per cent felt that the cost of training might prevent them from completing their education.

Factors apparently reducing the number of vocational students, and suggested changes:

1. ~~Lack of awareness~~. Most Alaskans--including many educational professionals--simply don't know that state student

\* Figures provided by the Alaska Department of Revenue to the Skill Center. The Skill Center accounts for less than 25 per cent of all vocational students in Alaska, and the income change for all such students would likely be somewhat less.

\*\* There is some dispute over this figure. Eleanor Brown, director of financial aid at Anchorage Community College, estimates that 450 to 500 vocational students have loans at that institution. There may be a definitional problem here, as some students at community colleges take vocational education courses not to learn job skills, but to improve their personal skills. Romesburg only counts in his 223 students enrolled at vocational institutions, see the skill C

loans are available for vocational education. A respected counselor at a Fairbanks career center says that it took her more than three years on the job before she discovered this.

Suggested changes: More publicity, outreach, and a program name change. Suggested language is being drafted to amend the student loan program to provide for:

a. Increased publicity To make it generally known that student loans are available for vocational students, the commission should arrange for media advertising (radio, TV, newspapers) and the distribution of posters and brochures. These posters and brochures should be available at places frequented by teachers, counselors, and potential vocational students, including secondary schools, colleges and universities, government and private social service agencies.

In addition, the commission should administer a concentrated outreach campaign aimed at disseminating information about the availability of student loans for vocational purposes. The efforts could include itinerant loan information officers, who would travel the state spreading this message (the majority of these officers should be bilingual in English and an Alaska Native language). It could also include contracts with non-profit corporations in the state's various regions which are already engaged in similar counseling activities.

b. Program name change  
Finally, the program's name should be changed from the "Alaska Student Loan Program" to the "Alaska Academic and Vocational Student Loan Program."

2. Inappropriate funding cycle. Both vocational and academic students have been affected by the

funding shortfalls and administrative bottlenecks which have plagued the program the past three years. The program's need to wait each year for the budget to become law before awarding the loans has led to hurried disbursements of funds in the late summer and early fall, so that students can start the beginning of each school year. This process sometimes exhausts the funds between late fall and July, although the program has sought supplementals.

This pattern of disbursement can be bothersome for academic students, but it is much more of a problem for vocational education students. Vocational education programs often don't follow the lockstep September-May school year of colleges, but instead operate on an individualized, year-round, "open entry-open

exit" basis. Moreover, vocational education programs are sometimes tied to specific and immediate short-term needs of industry, requiring a turnaround between loan application and loan award (or rejection) as short as 30 days. Finally, for a number of would-be vocational students delaying a loan may end the possibility they will get the training, either because they won't wait (because of low goal orientation) or can't wait (because of pressing economic circumstances).

Suggested change: Create a forward funding mechanism to avoid shortfalls. SB88 provides such a revolving base for this program. This could allow the spreading out of the disbursements throughout the year instead of the current hurried process, which can be irritating for all students and particularly frustrating for those seeking vocational education.

Romesburg says this legislation would allow a two-week turnaround between loan application and loan decision, and-- depending on the mails and the speed of the student's response-- a 30-day turnaround between application and the time the student receives the funds. The legislative change would dovetail well with a new administrative policy announced by Romesburg, who has pledged to have the commission make lump sum payments of loans awarded to students in short-term vocational programs, as opposed to stretching them throughout the regular year.

As with the publicity campaign suggested in (1), the legislature should determine if the commission needs more staff to implement these changes, particularly the speedy *processing*

M E M O

To: Terry Gardiner

From: Cliff Groh 

Date: ~~28~~ 26 February 1981

Re: Update on vocational education and student loans

I talked to Kerry Romesburg and two of his staff at the commission this morning. They are generally agreeable to our plan as outlined in my memo to you.

Specifics:

1. Romesburg says he will produce the memo on practical aspects of ~~SB88~~ SB88 (forward funding-revolving loan base for student loan program) by Friday (tomorrow). Donna Pegues says that legally the revolving base will not be blown because: a. It has no lapse clause--~~XXXX~~ if the fund is not spent in one year, it doesn't ~~XXXX~~ lapse back into the general fund; b. it calls itself a revolving loan fund--this has legal connotations; and c. it has a revolving base--it should ~~XX~~ get funded by the legislature each year.
2. Romesburg and staff freely concede their current ~~XXXXXX~~ publicity is not only inadequate, but nearly non-existent. The program distributes no ~~XXXXXX~~ literature for either ~~XX~~ academic or vocational students; it counts on word of mouth and the availability of its forms. The ~~XXXX~~ program does not even have a public information officer; its chief loan award officer made one trip this year to publicize it (to ~~XXXXXX~~ Skagway, after the locals requested it ~~XXXX~~). Their main effort now is to visit the statewide counselors' meetings twice a ~~XX~~ year.
3. ~~XX~~ Romesburg is drafting a new plan, with a budget included. It should be ready by Friday morning at the latest. It will include the features ~~XXXX~~ outlined in my memo, with a few added twists. Romesburg envisions thick, heavy posters with tear-out sheets on the bottom; they would be posted in the list we agreed on, plus union hiring halls. He also foresees a letter to all vocational education educators in the state, with brochures enclosed. He'll buy newspaper ads, and will also hit the free media--radio and TV PSAs. He'll also arrange for appearances before voc. ed. classes. ~~XXXXXX~~ *we also liked the idea of conferring for outreach counseling as opposed to holding staff.* We agreed that this program should be sunsetted, probably after two years. What we need is long-term penetration of collective consciousness through ~~XXXXXX~~ an intense short-term informational campaign.

4. [redacted] distinguished the name change, but [redacted] the words "vocational education" at the top of the front of the loan application form. My suggested language would be in big print: "THIS IS AN APPLICATION FORM FOR AN ALASKA STUDENT LOAN. IT WILL PAY FOR ACADEMIC OR VOCATIONAL EDUCATION AND CAN BE USED AT SCHOOLS IN ALASKA OR IN OTHER STATES."

5. Romesburg told me that academic students have some additional state financial assistance besides the loans provided to them, and will likely get more assistance programs this session. ~~Assistance~~ Through a federally promoted half state, half federal program, ~~that~~ truly ~~very~~ needy ~~academic~~ academic students can get free money through the State Incentive Education Grant Program. It's for ~~vocational~~ full-time students only, and it's got a \$1,500 maximum.

SB 254  
\$255

[redacted] Sen. [redacted] wants to increase the state's participation in this program, ~~and~~ increase the grant limits. I need to find out if the legislation has already been introduced.

~~SEN. [redacted]~~ Besides expanding the grants program for academic students, Romesburg said some Senators also want to create a state scholarship program for academic students. It would be based on academic performance and promise (as measured by grades, ~~and~~ SATs, etc.) and would only be available for Alaska universities.



[redacted] if we can't get vocational students included in both these programs. Voc. ed. students used to be able to get grants at the Alaska Skill Center at Seward, but that ~~was~~ a few years ~~ago~~ ago during the ~~war~~ times. The grants are easily administered, and Romesburg and I will meet with voc. ed. people to devise standards of excellence for voc. ed. students so they can ~~also~~ participate in scholarship programs as well.

We need a ~~some~~ <sup>five</sup> point plan for vocational education funding this year. *In order of priority, we should:*

1. Create a revolving loan fund. Clocksin says he wants this bill referred to hb committee, and we need to do it ASAP. I will arrange it as soon as ~~x~~ you and I get a look at Romesburg's memo.
2. Get the money for the vocational student loan publicity and outreach campaign.
3. Fully fund the Skill Center at Seward.
4. Extend the ~~existing~~ grant program to cover voc. ed. students. *we could either create a new one or extend the existing academic student grant program.*

5. Arrange for any scholarship program to cover voc. ed. students.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

**Sec. 14.40.919. Consortia.** All parties that are signatory to a consortium agreement between the University of Alaska and a private university or college must abide by a decision rendered by the commission when disagreements arise or exist between the parties. For purposes of this section and AS 14.40.909(b)(6), "consortium" means a cooperative arrangement between two or more public or private institutions of higher education specified in agreements or memoranda of understanding to permit sharing of facilities, instructional opportunities, and other educational services in such a way that the integrity of each institution party to the consortium is preserved while at the same time the institutions cooperatively plan the academic calendar, scheduling, use of personnel and facilities, and educational programs and offerings to the maximum advantage of the students and faculties of the institutions that are parties to a consortium. (§ 8 ch 246 SLA 1976)

### Article 13. Alaska State Educational Incentive Grant Program.

#### Section

930. Purpose; creation  
 935. Administration  
 940. Distribution of funds  
 945. Eligibility; priority

#### Section

950. Limitation on grants  
 955. Confidentiality of certain information  
 960. Definitions

**Sec. 14.40.930. Purpose; creation.** There is established the Alaska state educational incentive grant program to provide financial assistance to eligible students to enable them to attend, or continue their attendance at, postsecondary educational institutions. Funds appropriated for this program shall be used as matching funds for the state's participation in the federal state student incentive grant program (P.L. 92-318; 20 U.S.C. §§ 1070c — 1070c-3). (§ 1 ch 51 SLA 1978)

**Sec. 14.40.935. Administration.** (a) The educational incentive grant program established under AS 14.40.930 — 14.40.960 shall be administered by the executive secretary of the student financial aid committee under AS 14.40.753 — 14.40.757, subject to review by the committee and to those regulations the committee may prescribe to carry out the purposes of AS 14.40.930 — 14.40.960.

(b) To the extent that they are not in conflict with the provisions of AS 14.40.930 — 14.40.935, the provisions of AS 14.40.751 — 14.40.806 relating to student financial aid are applicable to the grants made under AS 14.40.930 — 14.40.960. (§ 1 ch 51 SLA 1978)

**Sec. 14.40.940. Distribution of funds.** The funds appropriated for the educational incentive grant program shall be allocated to eligible students in accordance with the provisions of the federal state student

incentive grant program and regulations promulgated under AS 14.40.757 and AS 14.40.935. (§ 1 ch 51 SLA 1978)

**Sec. 14.40.945. Eligibility; priority.** (a) A student may apply for an educational incentive grant if he

(1) is a resident of Alaska;

(2) is either

(A) enrolled as a full-time undergraduate student in a degree program in an accredited postsecondary educational institution; or

(B) a person eligible to be admitted to an accredited postsecondary educational institution; and

(3) establishes financial need in accordance with standards for determining financial need adopted by the committee under 20 U.S.C. sec. 1070c-2.

(b) The committee shall, by regulation, establish a system of priority in the selection of recipients of grants under AS 14.40.930 — 14.40.960 under which students from "low income" families or whose incomes are considered "low income" shall be given preference in the award of the educational incentive grants. (§ 1 ch 51 SLA 1978)

**Sec. 14.40.950. Limitation on grants.** (a) No grant made under AS 14.40.930 — 14.40.960 may be in an amount less than \$100 nor more than \$1,500 for each academic year.

(b) A grant awarded under AS 14.40.930 — 14.40.960 may be used by a student only at an accredited postsecondary educational institution. (§ 1 ch 51 SLA 1978)

**Sec. 14.40.955. Confidentiality of certain information.** All information submitted in support of a determination of financial need as provided in this chapter is confidential. However, an applicant may inspect or copy information from his own application, or records relating to his own application, or authorize release of the application or records to designated individuals or organizations. (§ 1 ch 51 SLA 1978)

**Sec. 14.40.960. Definitions.** In AS 14.40.930 — 14.40.960

(1) "resident" means a person who, except for brief intervals, military service, attendance at an educational or training institution, or for absences for good cause shown, has resided in Alaska and who has maintained his domicile in Alaska; domicile is the true and permanent home of a person from which he has no present intention of moving and to which he intends to return whenever he is away;

(2) "undergraduate" means a student who has not completed a baccalaureate, graduate or professional degree. (§ 1 ch 51 SLA 1978)

## Chapter 47. Reg

### Article

1. Diplomas (Repealed)
2. Names of Educational In

**Cross reference.** — As to postsecondary educational see AS 14.48.

### Section

— 60. (Repealed)

**Secs. 14.47.010 —**  
Repealed by § 5 ch

**Editor's note.** — The derived from § 1, ch. 33, SLA

### Article 2. J

### Section

100 — 140. (Repealed)

**Secs. 14.47.100 —**  
Repealed by § 5 ch

**Editor's note.** — The derived from § 2 ch. 44, SLA

## Chapter 48

### Ed

### Section

10. Purposes
20. Authorization and p
30. Exemptions
40. Commission to admin
50. Powers and duties of
60. Minimum standards
70. Authorization to open
80. Agent's permit
90. Fees
100. Bonds
110. Denial

S

B

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55



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B

2

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6

COMMITTEE REPORT

SENATE

3/9/81

FURTHER: None

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

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 256

repealing requirement that person managing or administering an Alaska Pioneers Home be a licensed nursing home administrator

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

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Gallotta

Charles R.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

W. T. ...

Langston ...

Pass until ...

applied for Pioneer Home

Administrator

\_\_\_\_\_

\_\_\_\_\_

Charles R.

CHAIRMAN

erculosis hospital. The factors explaining the standard are as follows:

mental health services are not provided by hospital staff, arranged for these services with agencies or institutions.

mental health consultation and guidance with respect to alcoholic patient, are provided by staff by qualified mental health professionals such as psychiatrists and psychologists.

patients with severe mental disorders have ready access to the services of a qualified psychiatrist.

**Standard; social needs.** A staff member is responsible for direction and supervision of activities related to the needs of all patients, and to the planning and use of community resources to meet these needs. The factors explaining the standard are as follows: The professional personnel, and social work assistants are available to meet the institution's needs. The factors explaining the standard are as follows:

ably, social work direction and supervision are by a qualified person with a master's degree from an accredited school of social work, and related professional experience.

hospital does not have a social worker on the staff, arrangements are made with another institution for overall direction and supervision of hospital social services by a qualified social worker.

director of the service is responsible for the social work assistants related to the needs of individual patients to provide social workers or to non-social work assistants according to their ability or training. Social work assistants provide service training to enable them to perform assigned functions.

social worker familiar with the patient's social needs participates in the patient's care conference.

social service staff effective in utilizing available community resources providing needed services to the patient and his family, and is available for proper community referral and discharge from the hospital.

(g) **Standard; diversionary and recreational services.** A staff person is responsible for arranging for patients appropriate diversionary and recreational activities as an important adjunct to the active treatment program. The factors explaining the standard are as follows:

(1) Preferably, these activities are under the direction of an occupational therapist who is registered by the American Occupational Therapy Association.

(2) Assistants, aides, or volunteers providing these services are directly responsible to a qualified person on the staff and are provided on-the-job training.

(h) **Standard; liaison.** There is a staff person with major responsibility for liaison between the hospital and, in the community in which the patient is to be supervised and treated upon discharge, the official health agency responsible for tuberculosis control and any other agencies or individuals who will be involved in the patient's treatment and follow-up. The factors explaining the standard are as follows:

(1) This person may be an employee of the hospital or an employee of an outside health agency assigned to the hospital for this purpose.

(2) This person is responsible for the administration of a written policy establishing effective lines of communication between the hospital and the official health agency responsible for tuberculosis control in the community and other agencies or individuals who will be involved in the patient's treatment and follow-up.

(3) The policy includes procedures for:

(i) Informing the official health agency of the admission of the patient to the hospital and of the anticipated return of the patient to the community either on discharge or leave from the hospital.

(ii) Assisting the local health agency in obtaining information from the patient on sources of infection and contacts that may have public health significance.

(iii) Transferring to the official health agency and any other agencies or individuals involved in the patient's treatment and follow-up medical and

related information as needed to insure continuity and effectiveness of medical care.

#### Subpart K—Conditions of Participation; Skilled Nursing Facilities

**Authority:** Secs. 1102, 1814, 1832, 1833, 1861, 1863, 1865, 1866, 1871, 49 Stat. 647, as amended, 79 Stat. 294, as amended, 79 Stat. 313-327, as amended, 79 Stat. 331 (42 U.S.C. 1302, 1395f, 1395k, 1395l, 1395x, 1395z, 1395bb, 1395cc, 1395hh).

**Source:** 39 FR 2240, Jan. 17, 1974, unless otherwise noted. Redesignated at 42 FR 52826, Sept. 30, 1977.

#### § 405.1101 Definitions.

As used in this subpart, the following definitions apply:

(a) **Administrator of skilled nursing facility.** A person who:

(1) Is licensed as required by State law; or

(2) If the State does not have a Medicaid program, and has no licensure requirement, is a high school graduate or equivalent, has completed courses in administration or management approved by the appropriate State agency, and has 3 years of supervisory management experience in a skilled nursing facility or related health program; or

(3) If the administrator of a hospital in which there is a hospital-based distinct-part skilled nursing facility, in a State that does not license skilled nursing facility administrators, meets the requirements of § 405.1021(f).

(b) **Approved drugs and biologicals.** Only such drugs and biologicals as are:

(1) In the case of Medicare:

(i) Included (or approved for inclusion) in the United States Pharmacopoeia, National Formulary, or United States Homeopathic Pharmacopoeia; or

(ii) Included (or approved for inclusion) in AMA Drug Evaluations or Accepted Dental Therapeutics, except for any drugs and biologicals unfavorably evaluated therein; or

(iii) Not included (nor approved for inclusion) in the compendia listed in paragraphs (b) (1) (i) and (b) (1) (ii) of this section, may be considered approved if such drugs:

(A) Were furnished to the patient during his prior hospitalization, and

(B) Were approved for use during a prior hospitalization by the hospital's pharmacy and drug therapeutics committee (or equivalent), and

(C) Are required for the continuing treatment of the patient in the facility.

(2) In the case of Medicaid, those drugs approved by the State Title XIX agency.

(c) **Charge nurse.** A person who is:

(1) Licensed by the State in which practicing as a:

(i) Registered nurse; or

(ii) Practical (vocational) nurse who:

(A) Is a graduate of a State-approved school of practical (vocational) nursing; or

(B) Has 2 years of appropriate experience following licensure by waiver as a practical (vocational) nurse, and has achieved a satisfactory grade on a proficiency examination approved by the Secretary, or on a State licensure examination which the Secretary finds at least equivalent to the proficiency examination, except that such determinations of proficiency shall not apply with respect to persons initially licensed by a State or seeking initial qualifications as a practical (vocational) nurse after December 31, 1977; and

(2) Is experienced in nursing service administration and supervision and, in areas such as rehabilitative or geriatric nursing, or acquires such preparation through formal staff development programs.

In the case of skilled nursing facility services in an institution for the mentally retarded or in an institution for those with mental diseases, or a distinct part thereof, a person licensed in another category of health care discipline who has special training in the care of such patients may serve as charge nurse provided that such person is licensed in such category by the State following completion of a course of training which included at least the number of classroom and practice hours in all the nursing subjects included in the program of a State-approved school of practical (vocational) nursing, as evidenced by a report on comparison of the courses in

respective curricula to the State agency by the agency(ies) of the State responsible for the licensure of such personnel. (An institution primarily engaged in the care of the mentally retarded or in the treatment of mental disease cannot qualify as a participating skilled nursing facility under Medicare.)

(d) *Controlled drugs.* Drugs listed as being subject to the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Pub. L. 91-513) as set forth in 21 CFR Part 308.

(e) *Dietetic service supervisor.* A person who:

(1) Is a qualified dietitian; or  
(2) Is a graduate of a dietetic technician or dietetic assistant training program, corresponding or classroom, approved by the American Dietetic Association; or

(3) Is a graduate of a State-approved course that provided 90 or more hours of classroom instruction in food service supervision and has experience as a supervisor in a health care institution with consultation from a dietitian; or

(4) Has training and experience in food service supervision and management in a military service equivalent content to the program in paragraph (e)(2) or (e)(3) of this section.

(f) *Dietitian (qualified consultant).* A person who:

(1) Is eligible for registration by the American Dietetic Association under its requirements in effect on January 1, 1974; or

(2) Has a baccalaureate degree with major studies in food and nutrition, dietetics, or food service management, and 1 year of supervisory experience in the dietetic service of a health care institution, and participates annually in continuing dietetic education.

(g) *Director of nursing services.* A registered nurse who is licensed by the State in which practicing, and has 1 year of additional education or experience in nursing service administration, as well as additional education or experience in such areas as rehabilitative geriatric nursing, and participates annually in continuing nursing education.

(h) *Drug administration.* An act in which a single dose of a prescribed drug or biological is given to a patient

by an authorized person in accordance with all laws and regulations governing such acts. The complete act of administration entails removing an individual dose from a previously dispensed, properly labeled container (including a unit dose container), verifying it with the physician's orders, giving the individual dose to the proper patient, and promptly recording the time and dose given.

(i) *Drug dispensing.* An act entailing the interpretation of an order for a drug or biological and, pursuant to that order, the proper selection, measuring, labeling, packaging, and issuance of the drug or biological for a patient or for a service unit of the facility.

(j) *Existing buildings.* For purposes of ANSI Standard No. A117.1 and minimum patient room size (see § 405.1134 (c) and (e)) in skilled nursing facilities or parts thereof whose construction plans are approved and stamped by the appropriate State agency responsible therefore before the date these regulations become effective.

(k) *Licensed nursing personnel.* Registered nurses or practical (vocational) nurses licensed by the State in which practicing.

(l) *Medical record practitioner (qualified consultant).* A person who:

(1) Is eligible for certification as a registered record administrator (RRA), or an accredited record technician (ART), by the American Medical Record Association under its requirements in effect on the publication of this provision; or

(2) Is a graduate of a school of medical record science that is accredited jointly by the Council on Medical Education of the American Medical Association and the American Medical Record Association.

(m) *Occupational therapist (qualified consultant).* A person who:

(1) Is a graduate of an occupational therapy curriculum accredited jointly by the Council on Medical Education of the American Medical Association and the American Occupational Therapy Association; or

(2) Is eligible for certification by the American Occupational Therapy Association under its requirements in

effect on the publication of this provision; or

(3) Has 2 years of appropriate experience as an occupational therapist, and has achieved a satisfactory grade on a proficiency examination approved by the Secretary, except that such determinations of proficiency shall not apply with respect to persons initially licensed by a State or seeking initial qualifications as an occupational therapist after December 31, 1977.

(n) *Occupational therapy assistant.* A person who:

(1) Is eligible for certification as a certified occupational therapy assistant (COTA) by the American Occupational Therapy Association under its requirements in effect on the publication of this provision; or

(2) Has 2 years of appropriate experience as an occupational therapy assistant, and has achieved a satisfactory grade on a proficiency examination approved by the Secretary, except that such determination of proficiency shall not apply with respect to persons initially licensed by a State or seeking initial qualification as an occupational therapy assistant after December 31, 1977.

(o) *Patient activities coordinator (qualified consultant).* A person who:

(1) Is a qualified therapeutic recreation specialist; or

(2) Has 2 years of experience in a social or recreational program within the last 5 years, 1 year of which was full-time in a patient activities program in a health care setting; or

(3) Is a qualified occupational therapist or occupational therapy assistant.

(p) *Pharmacist.* A person who:

(1) Is licensed as a pharmacist by the State in which practicing, and

(2) Has training or experience in the specialized functions of institutional pharmacy, such as residencies in hospital pharmacy, seminars on institutional pharmacy, and related training programs.

(q) *Physical therapist (qualified consultant).* A person who is licensed as a physical therapist by the State in which practicing, and

(1) Has graduated from a physical therapy curriculum approved by the American Physical Therapy Association, or by the Council on Medical

Education and Hospitals of the American Medical Association, or jointly by the Council on Medical Education of the American Medical Association and the American Physical Therapy Association; or

(2) Prior to January 1, 1966, was admitted to membership by the American Physical Therapy Association, or was admitted to registration by the American Registry of Physical Therapists, or has graduated from a physical therapy curriculum in a 4-year college or university approved by a State department of education; or

(3) Has 2 years of appropriate experience as a physical therapist, and has achieved a satisfactory grade on a proficiency examination approved by the Secretary, except that such determinations of proficiency shall not apply with respect to persons initially licensed by a State or seeking qualification as a physical therapist after December 31, 1977; or

(4) Was licensed or registered prior to January 1, 1966, and prior to January 1, 1970, had 15 years of full-time experience in the treatment of illness or injury through the practice of physical therapy in which services were rendered under the order and direction of attending and referring physicians; or

(5) If trained outside the United States, was graduated since 1928 from a physical therapy curriculum approved in the country in which the curriculum was located and in which there is a member organization of the World Confederation for Physical Therapy, meets the requirements for membership in a member organization of the World Confederation for Physical Therapy, has 1 year of experience under the supervision of an active member of the American Physical Therapy Association, and has successfully completed a qualifying examination as prescribed by the American Physical Therapy Association.

(r) *Physical therapist assistant.* A person who is licensed as a physical therapist assistant, if applicable, by the State in which practicing, and

(1) Has graduated from a 2-year college-level program approved by the American Physical Therapy Association; or

(2) Has 2 years of appropriate experience as a physical therapist assistant, and has achieved a satisfactory grade on a proficiency examination approved by the Secretary, except that such determinations of proficiency shall not apply with respect to persons initially licensed by a State or seeking initial licensure as a physical therapist assistant after December 31, 1977.

(s) *Social worker (qualified consultant)*. A person who is licensed, if applicable, by the State in which practicing, is a graduate of a school of social work accredited or approved by the Council on Social Work Education, and has 1 year of social work experience in a health care setting.

(t) *Speech pathologist or audiologist (qualified consultant)*. A person who is licensed, if applicable, by the State in which practicing, and

(1) Is eligible for a certificate of clinical competence in the appropriate area (speech pathology or audiology) granted by the American Speech and Hearing Association under its requirements in effect on the publication of this provision; or

(2) Meets the educational requirements for certification, and is in the process of accumulating the supervised experience required for certification.

(u) *Supervision*. Authoritative procedural guidance by a qualified person for the accomplishment of a function or activity within his sphere of competence, with initial direction and periodic inspection of the actual act of accomplishing the function or activity. Unless otherwise stated in regulations, the supervisor must be on the premises if the person does not meet assistant-level qualifications specified in these definitions.

(v) *Therapeutic recreation specialist (qualified consultant)*. A person who is licensed or registered, if applicable, by the State in which practicing, and is eligible for registration as a therapeutic recreation specialist by the National Therapeutic Recreation Society (Branch of National Recreation and Park Association) under its requirements in effect on publication of this provision.

[39 FR 2240, Jan. 17, 1974, as amended at 39 FR 35775, Oct. 3, 1974. Redesignated at 42 FR 52826, Sept. 30, 1977]

§ 405.1120 Condition of participation—compliance, with Federal, State, and local laws.

The skilled nursing facility is in compliance with applicable Federal, State, and local laws and regulations.

(a) *Standard: Licensure*. The facility, in any State in which State or applicable local law provides for licensing of facilities of this nature:

(1) Is licensed pursuant to such law, or

(2) If not subject to licensure, is approved by the agency of the State or locality responsible for licensing skilled nursing facilities as meeting fully the standards established for such licensing, and

(3) Except that a facility which formerly met fully such licensure requirements, but is currently determined not to meet fully all such requirements, may be recognized for a period specified by the State standard-setting authority.

(b) *Standard: Licensure or registration of personnel*. Staff of the facility are licensed or registered in accordance with applicable laws.

(c) *Standard: Conformity with other Federal, State, and local laws*. The facility is in conformity with all Federal, State, and local laws relating to fire and safety, sanitation, communicable and reportable diseases, postmortem procedures, and other relevant health and safety requirements.

§ 405.1121 Conditions of participation—governing body and management.

The skilled nursing facility has an effective governing body, or designated persons so functioning, with full legal authority and responsibility for the operation of the facility. The governing body adopts and enforces rules and regulations relative to health care and safety of patients, to the protection of their personal and property rights, and to the general operation of the facility.

(a) *Standard: Disclosure of ownership*. The facility complies with the disclosure requirements of § 420.206 of this chapter.

(b) *Standard: Staffing patterns*. The facility furnishes to the State survey agency information from payroll records setting forth the average numbers and types of personnel (in full-time equivalents) on each tour of duty during at least 1 week of each quarter. Such week will be selected by the survey agency.

(c) *Standard: Bylaws*. The governing body adopts effective patient care policies and administrative policies and bylaws governing the operation of the facility, in accordance with legal requirements. Such policies and bylaws are in writing, dated, and made available to all members of the governing body which ensures that they are operational, and reviews and revises them as necessary.

(d) *Standard: Independent medical evaluation (medical review)*. The governing body adopts policies to ensure that the facility cooperates in an effective program which provides for a regular program of independent medical evaluation and audit of the patients in the facility to the extent required by the programs in which the facility participates (including, at least annually, medical evaluation of each patient's need for skilled nursing facility care).

(e) *Standard: Administrator*. The governing body appoints a qualified administrator who is responsible for the overall management of the facility, enforces the rules and regulations relative to the level of health care and safety of patients, and to the protection of their personal and property rights, and plans, organizes, and directs those responsibilities delegated to him by the governing body. Through meetings and periodic reports, the administrator maintains ongoing liaison among the governing body, medical and nursing staffs, and other professional and supervisory staff of the facility, and studies and acts upon recommendations made by the utilization review and other committees. In the absence of the administrator, an employee is authorized, in writing, to act on his behalf.

(f) *Standard: Institutional planning*. The skilled nursing facility, under the direction of the governing body, prepares an overall plan and budget

which provides for an annual operating budget and a capital expenditure plan.

(1) *Annual operating budget*. There is an annual operating budget which includes all anticipated income and expenses related to items which would, under generally accepted accounting principles, be considered income and expense items (except that it is not required that there be preparation in connection with any budget, and item by item identification of the components of each type of anticipated income or expense).

(2) *Capital expenditure plan*. (i) There is a capital expenditure plan for at least a 3-year period (including the year to which the operating budget described in paragraph (f)(1) of this section is applicable), which includes and identifies in detail the anticipated sources of financing for, and the objectives of, each anticipated expenditure in excess of \$100,000 for items which would, under generally accepted accounting principles, be considered capital items. In determining if a single capital expenditure exceeds \$100,000, the cost of studies, surveys, designs, plans, working drawings, specifications and other activities essential to the acquisition, improvement, modernization, expansion, or replacement of land, plant, building, and equipment are included. Expenditures directly or indirectly related to capital expenditures, such as grading, paving, broker commissions, taxes assessed during the construction period, and costs involved in demolishing or razing structures on land are also included. Transactions which are separated in time but are components of an overall plan or patient care objective are viewed in their entirety without regard to their timing. Other costs related to capital expenditures include title fees, permit and license fees, broker commissions, architect, legal, accounting, and appraisal fees; interest, finance, or carrying charges on bonds, notes and other costs incurred for borrowing funds.

(ii) If the anticipated source of such financing is, in any part, the anticipated reimbursement from title V (Maternal and Child Health and Crippled Children's Services) or title XVIII (Health Insurance for the Aged and

in the tuberculosis hospital. The factors explaining the standard are as follows:

(1) Mental health services are not available from hospital staff, arrangements are made for these services with outside agencies or institutions.

(2) Mental health consultation and guidance, including guidance with respect to the alcoholic patient, are provided to the staff by qualified mental health personnel such as psychiatrist and/or psychologists.

(3) Patients with severe mental disturbances have ready access to the services of a qualified psychiatrist.

(f) *Standard; social needs.* A staff person is responsible for direction and supervision of activities related to the social needs of all patients, and to the mobilization and use of community resources to meet these needs. The number of professional personnel, and nonprofessional social work assistants is sufficient to meet the institution's requirements. The factors explaining the standard are as follows:

(1) Preferably, social work direction and supervision are by a qualified social worker with a master's degree from an accredited school of social work and related professional experience.

(2) If the hospital does not have a qualified social worker on the staff, arrangements are made with another agency for overall direction and continuing supervision of hospital social services by a qualified social worker.

(3) The director of the service assigns responsibilities related to the specific needs of individual patients to professional social workers or to nonprofessional social work assistants according to their ability or training. Nonprofessional social work assistants receive in-service training to enable them to perform assigned functions.

(4) A social worker familiar with the patient's social needs participates in the case review conference.

(5) The social service staff effectively uses available community resources to assist in providing needed services to the patient and his family, and is responsible for proper community referrals upon discharge from the hospital.

(g) *Standard; diversionary and recreational service.* A staff person is responsible for arranging for patients appropriate diversionary and recreational activities as an important adjunct to the active treatment program. The factors explaining the standard are as follows:

(1) Preferably, these activities are under the direction of an occupational therapist who is registered by the American Occupational Therapy Association.

(2) Assistants, aides, or volunteers providing these services are directly responsible to a qualified person on the staff and are provided on-the-job training.

(h) *Standard; liaison.* There is a person with major responsibility for liaison between the hospital and, in the community in which the patient is to be supervised and treated upon discharge, the official health agency responsible for tuberculosis control and any other agencies or individuals who will be involved in the patient's treatment and follow-up. The factors explaining the standard are as follows:

(1) This person may be an employee of the hospital or an employee of an outside health agency assigned to the hospital for this purpose.

(2) This person is responsible for the administration of a written policy establishing effective lines of communication between the hospital and the official health agency responsible for tuberculosis control in the community and other agencies or individuals who will be involved in the patient's treatment and follow-up.

(3) The policy includes procedures for:

(i) Informing the official health agency of the admission of the patient to the hospital and of the anticipated return of the patient to the community either on discharge or leave from the hospital.

(ii) Assisting the local health agency in obtaining information from the patient on sources of infection and contacts that may have public health significance.

(iii) Transferring to the official health agency and any other agencies or individuals involved in the patient's treatment and follow-up medical and

related information as needed to insure continuity and effectiveness of medical care.

#### Subpart K—Conditions of Participation; Skilled Nursing Facilities

**AUTHORITY:** Secs. 1102, 1814, 1832, 1833, 1861, 1863, 1805, 1866, 1371, 49 Stat. 647, as amended, 76 Stat. 294, as amended, 79 Stat. 313-327, as amended, 79 Stat. 331 (42 U.S.C. 1302, 1395f, 1395k, 1395l, 1395x, 1395z, 1395bb, 1395cc, 1395hh).

**SOURCE:** 39 FR 2240, Jan. 17, 1974, unless otherwise noted. Redesignated at 42 FR 52828, Sept. 30, 1977.

#### § 405.1101 Definitions.

As used in this subpart, the following definitions apply:

(a) *Administrator of skilled nursing facility.* A person who:

(1) Is licensed as required by State law; or

(2) If the State does not have a Medicaid program, and has no licensure requirement, is a high school graduate (or equivalent), has completed courses in administration or management approved by the appropriate State agency, and has 3 years of supervisory management experience in a skilled nursing facility or related health program; or

(3) If the administrator of a hospital in which there is a hospital-based distinct-part skilled nursing facility, in a State that does not license skilled nursing facility administrators, meets the requirements of § 405.1021(f).

(b) *Approved drugs and biologicals.* Only such drugs and biologicals as are:

(1) In the case of Medicare:

(i) Included (or approved for inclusion) in the United States Pharmacopoeia, National Formulary, or United States Homeopathic Pharmacopoeia; or

(ii) Included (or approved for inclusion) in AMA Drug Evaluations or Accepted Dental Therapeutics, except for any drugs and biologicals unfavorably evaluated therein; or

(iii) Not included (nor approved for inclusion) in the compendia listed in paragraphs (b) (1) (i) and (b) (1) (ii) of this section, may be considered approved if such drugs:

(A) Were furnished to the patient during his prior hospitalization, and

(B) Were approved for use during his prior hospitalization by the hospital pharmacy and drug therapeutic committee (or equivalent), and

(C) Are required for the continued treatment of the patient in the facility.

(2) In the case of Medicaid, drugs approved by the State Title agency:

(c) *Charge nurse.* A person who:

(1) Licensed by the State in practicing as a:

(i) Registered nurse; or

(ii) Practical (vocational) nurse

(A) Is a graduate of a State-approved school of practical (vocational) nursing; or

(B) Has 2 years of appropriate experience following licensure by waiving a practical (vocational) nurse, and achieved a satisfactory grade on a proficiency examination approved by the Secretary, or on a State licensure examination which the Secretary at least equivalent to the proficiency examination, except that such examinations of proficiency shall apply with respect to persons initially licensed by a State or seeking initial qualifications as a practical (vocational) nurse after December 31, 1977.

(2) Is experienced in nursing supervision and supervision in areas such as rehabilitative or geriatric nursing, or acquires such preparation through formal staff development programs.

In the case of skilled nursing facilities services in an institution for the totally retarded or in an institution for those with mental diseases, or a distinct part thereof, a person licensed in another category of health care discipline who has special training in care of such patients may serve as charge nurse provided that the person is licensed in such category in the State following completion of a course of training which includes at least the number of classroom and practice hours in all the nursing subjects included in the program of a State-approved school of practical (vocational) nursing, as evidenced by a report on comparison of the course

(d) of this section by Pub.L. 92-223 effective Jan. 1, 1972, see section 4(d) of Pub.L. 92-223, set out as a note under section 1396a of this title.

**Effective Date of 1968 Amendment.** Section 248(e) of Pub.L. 90-248 provided in part that amendment of subsec. (b) of this section by such section 248(e) shall be effective with respect to quarters after 1967.

**Legislative History.** For legislative history and purpose of Pub.L. 80-07, see 1945 U.S.Code Cong. and Adm.News, p. 1943. See, also, Pub.L. 90-248, 1967 U.S. Code Cong. and Adm.News, p. 2834; Pub.L. 92-223, 1971 U.S.Code Cong. and Adm.News, p. 2435; Pub.L. 92-603, 1972 U.S.Code Cong. and Adm.News, p. 4099; Pub.L. 93-233, 1973 U.S.Code Cong. and Adm.News, p. 3177.

**§ 1396e. Repealed.** Pub.L. 92-603, Title II, § 287(a), Oct. 30, 1972, 86 Stat. 1457

**Historical Note**

Section, Act Aug. 14, 1935, c. 531, Title XIX, § 1907, as added Jan. 2, 1968, Pub.L. 90-248, Title II, § 232, 81 Stat. 905, created the Advisory Council on Medical Assistance, set forth the composition of the Council, term of membership of the members, and the purposes of the Council, and provided for the compensation of the members.

**Effective Date of Repeal.** Section 287 (b) of Pub.L. 92-603 provided that: "The provisions of subsection (a) [which repealed this section] shall become effective on the first day of the third calendar month following the month in which this Act is enacted [Oct. 30, 1972]."

**§ 1396f. Observance of religious beliefs**

Nothing in this subchapter shall be construed to require any State which has a plan approved under this subchapter to compel any person to undergo any medical screening, examination, diagnosis, or treatment or to accept any other health care or services provided under such plan for any purpose (other than for the purpose of discovering and preventing the spread of infection or contagious disease or for the purpose of protecting environmental health), if such person objects (or, in case such person is a child, his parent or guardian objects) thereto on religious grounds.

Aug. 14, 1935, c. 531, Title XIX, § 1907, as added Jan. 2, 1968, Pub.L. 90-248, Title II, § 232, 81 Stat. 905.

**Historical Note**

**Legislative History.** For legislative history and purpose of Pub.L. 90-248, see 2831.

**§ 1396g. State programs for licensing of administrators of nursing homes—Nature of State program**

(a) For purposes of section 1396a(a)(29) of this title, a "State program for the licensing of administrators of nursing homes" is a program which provides that no nursing home within the State may operate except under the supervision of an administrator licensed in the manner provided in this section.

**Licensing by State agency or board representative of concerned professions and institutions**

(b) Licensing of nursing home administrators shall be carried out by the agency of the State responsible for licensing under the healing arts licensing act of the State, or, in the absence of such act or such an agency, a board representative of the professions and institutions concerned with care of chronically ill and infirm aged patients and established to carry out the purposes of this section.

**Functions and duties of State agency or board**

(c) It shall be the function and duty of such agency or board to—

(1) develop, impose, and enforce standards which must be met by individuals in order to receive a license as a nursing home administrator, which standards shall be designed to insure that nursing home administrators will be individuals who are of good character and are otherwise suitable, and who, by training or experience in the field of institutional administration, are qualified to serve as nursing home administrators;

(2) develop and apply appropriate techniques, including examinations and investigations, for determining whether an individual meets such standards;

(3) issue licenses to individuals determined, after the application of such techniques, to meet such standards, and revoke or suspend licenses previously issued by the board in any case where the individual holding any such license is determined substantially to have failed to conform to the requirements of such standards;

(4) establish and carry out procedures designed to insure that individuals licensed as nursing home administrators will, during any period that they serve as such, comply with the requirements of such standards;

(5) receive, investigate, and take appropriate action with respect to, any charge or complaint filed with the board to the effect that any individual licensed as a nursing home administrator has failed to comply with the requirements of such standards; and

(6) conduct a continuing study and investigation of nursing homes and administrators of nursing homes within the State with a view to the improvement of the standards imposed for the licensing of such administrators and of procedures and methods for the enforcement of such standards with respect to administrators of nursing homes who have been licensed as such.

**Waiver of standards other than good character or suitability standards**

(d) No State shall be considered to have failed to comply with the provisions of section 1396a(a)(29) of this title because the

agency or board of such State (established pursuant to subsection (b) of this section) shall have granted any waiver, with respect to any individual who, during all of the three calendar years immediately preceding the calendar year in which the requirements prescribed in section 1396a(a)(29) of this title are first met by the State, has served as a nursing home administrator, of any of the standards developed, imposed, and enforced by such agency or board pursuant to subsection (c) of this section.

**Definitions**

(e) As used in this section, the term—

(1) "nursing home" means any institution or facility defined as such for licensing purposes under State law, or, if State law does not employ the term nursing home, the equivalent term or terms as determined by the Secretary, but does not include a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, and

(2) "nursing home administrator" means any individual who is charged with the general administration of a nursing home whether or not such individual has an ownership interest in such home and whether or not his functions and duties are shared with one or more other individuals.

Aug. 14, 1935, c. 531, Title XIX, § 1908, as added Jan. 2, 1935, Pub.L. 90-248, Title II, § 236(b), 81 Stat. 908, and amended Oct. 30, 1972, Pub.L. 92-603, Title II, §§ 268(b), 269, 274, 86 Stat. 1451, 1452; Dec. 31, 1973, Pub.L. 93-233, § 18(y)(3), 87 Stat. 973.

**Historical Note**

1973 Amendment. Subsec. (d). Pub.L. 93-233, § 18(y)(3), struck out second sentence reading substantially the same as the first sentence but containing the following additional text reading "other than such standards as relate to good character or suitability if—

"(1) such waiver is for a period which ends after being in effect for two years or on June 30, 1972, whichever is earlier, and

"(2) there is provided in the State (during all of the period for which waiver is in effect), a program of training and instruction designed to enable all individuals with respect to whom any such waiver is granted, to attain the qualifications necessary in order to meet such standards" and also "calendar year" instead of "three calendar years" and reference to "subsection (c) (1) of this section" instead of "subsection (1) of this section".

Subsec. (e). Pub.L. 93-233, § 18(y)(3), redesignated former subsec. (g) as (e).

and repealed prior subsec. (e) relating to authorization of appropriations for fiscal years 1965 through 1972 and to limitation of grants.

Subsec. (f). Pub.L. 93-233, § 18(y)(3), repealed subsec. (f) providing for creation of National Advisory Council on Nursing Home Administration and for its composition, appointment of members, the Chairman, representation of interests, functions and duties, compensation and travel expenses, technical assistance, availability of assistance and data, and termination date of Dec. 31, 1971.

Subsec. (g). Pub.L. 93-233, § 18(y)(3), redesignated former subsec. (g) as (e).

1972 Amendment. Subsec. (d). Pub.L. 92-603, § 268, 274(b), inserted reference to the grant of waivers to individuals who, during all of the three calendar years immediately preceding the calendar year in which the requirements prescribed in section 1396a(a)(29) of this title are first met by the State, have served as

nursing home administrators and substituted "subsection (c) (1)" for "subsection (b) (1)".

Subsec. (g) (1). Pub.L. 92-603, § 268 (b), added ", but does not include a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts" after "Secretary".

Effective Date of 1972 Amendment. Amendment of subsec. (g) (1) of this section by section 268(b) of Pub.L. 92-603 effective on Oct. 30, 1972, see section 268 (c) of Pub.L. 92-603, set out as a note under section 1396a of this title.

Effective Date. Section 236(c) of Pub.L. 90-248 provided that: "Except as otherwise specified in the text thereof (affecting this section and subsec. (a) (29) of section 1396a of this title) the amendments made by this section shall take effect on July 1, 1970."

Legislative History. For legislative history and purpose of Pub.L. 90-248, see 1967 U.S. Code Cong. and Adm. News, p. 2531. See, also, Pub.L. 92-603, 1972 U.S. Code Cong. and Adm. News, p. 4080; Pub.L. 93-233, 1973 U.S. Code Cong. and Adm. News, p. 3177.

**§ 1396h. Offenses and penalties**

(a) Whoever—

(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any application for any benefit or payment under a State plan approved under this subchapter,

(2) at any time knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining rights to such benefit or payment,

(3) having knowledge of the occurrence of any event affecting (A) his initial or continued right to any such benefit or payment, or (B) the initial or continued right to any such benefit or payment of any other individual in whose behalf he has applied for or is receiving such benefit or payment, conceals or fails to disclose such event with an intent fraudulently to secure such benefit or payment either in a greater amount or quantity than is due or when no such benefit or payment is authorized, or

(4) having made application to receive any such benefit or payment for the use and benefit of another and having received it, knowingly and willfully converts such benefit or payment or any part thereof to a use other than for the use and benefit of such other person,

shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(b) Whoever furnishes items or services to an individual for which payment is or may be made in whole or in part out of Federal funds under a State plan approved under this subchapter and who solicits, offers, or receives any—

(1) kickback or bribe in connection with the furnishing of such items or services or the making or receipt of such payment, or

ices shall be deemed to have been furnished to an individual after transfer from a hospital, and he shall be deemed to have been an inpatient in the hospital immediately before transfer therefrom, if he is admitted to the skilled nursing facility (A) within 14 days after discharge from such hospital, or (B) within 28 days after such discharge, in the case of an individual who was unable to be admitted to a skilled nursing facility within such 14 days because of a shortage of appropriate bed space in the geographic area in which he resides, or (C) within such time as it would be medically appropriate to begin an active course of treatment, in the case of an individual whose condition is such that skilled nursing facility care would not be medically appropriate within 14 days after discharge from a hospital; and an individual shall be deemed not to have been discharged from a skilled nursing facility if, within 14 days after discharge therefrom, he is admitted to such facility or any other skilled nursing facility.

**Skilled nursing facility**

(j) The term "skilled nursing facility" means (except for purposes of subsection (a)(2) of this section) an institution (or a distinct part of an institution) which has in effect a transfer agreement meeting the requirements of subsection (l) of this section with one or more hospitals having agreements in effect under section 1395cc of this title and which—

(1) is primarily engaged in providing to inpatients (A) skilled nursing care and related services for patients who require medical or nursing care, or (B) rehabilitation services for the rehabilitation of injured, disabled, or sick persons;

(2) has policies, which are developed with the advice of (and with provision of review of such policies from time to time by) a group of professional personnel, including one or more physicians and one or more registered professional nurses, to govern the skilled nursing care and related medical or other services it provides;

(3) has a physician, a registered professional nurse, or a medical staff responsible for the execution of such policies;

(4)(A) has a requirement that the health care of every patient must be under the supervision of a physician, and (B) provides for having a physician available to furnish necessary medical care in case of emergency;

(5) maintains clinical records on all patients;

(6) provides 24-hour nursing service which is sufficient to meet nursing needs in accordance with the policies developed as provided in paragraph (2), and has at least one registered professional nurse employed full time;

(7) provides appropriate methods and procedures for the dispensing and administering of drugs and biologicals;

(8) has in effect a utilization review plan which meets the requirements of subsection (k) of this section;

(9) in the case of an institution in any State in which State or applicable local law provides for the licensing of institutions of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing;

(10) has in effect an overall plan and budget that meets the requirements of subsection (z) of this section;

(11) supplies full and complete information to the Secretary or his delegate as to the identity (A) of each person who has any direct or indirect ownership interest of 10 per centum or more in such skilled nursing facility or who is the owner (in whole or in part) of any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by such skilled nursing facility or any of the property or assets of such skilled nursing facility, (B) in case a skilled nursing facility is organized as a corporation, of each officer and director of the corporation, and (C) in case a skilled nursing facility is organized as a partnership, of each partner; and promptly reports any changes which would affect the current accuracy of the information so required to be supplied;

(12) cooperates in an effective program which provides for a regular program of independent medical evaluation and audit of the patients in the facility to the extent required by the programs in which the facility participates (including medical evaluation of each patient's need for skilled nursing facility care);

(13) meets such provisions of the Life Safety Code of the National Fire Protection Association (21st edition, 1967) as are applicable to nursing homes; except that the Secretary may waive, for such periods as he deems appropriate, specific provisions of such Code which if rigidly applied would result in unreasonable hardship upon a nursing home, but only if such waiver will not adversely affect the health and safety of the patients; except that the provisions of such Code shall not apply in any State if the Secretary finds that in such State there is in effect a fire and safety code, imposed by State law, which adequately protects patients in nursing facilities; and

(15) meets such other conditions relating to the health and safety of individuals who are furnished services in such institution or relating to the physical facilities thereof as the Secretary may find necessary (subject to the second sentence of sec-

tion 1395z of this title), except that the Secretary shall not require as a condition of participation that medical social services be furnished in any such institution. Notwithstanding any other provision of law, all information concerning skilled nursing facilities required by this subsection to be filed with the Secretary shall be made available to Federal or State employees for purposes consistent with the effective administration of programs established under subchapters XVIII and XIX of this chapter;

except that such term shall not (other than for purposes of subsection (a)(2) of this section) include any institution which is primarily for the care and treatment of mental diseases or tuberculosis. For purposes of subsection (a)(2) of this section, such term includes any institution which meets the requirements of paragraph (1) of this subsection. The term "skilled nursing facility" also includes an institution described in paragraph (1) of subsection (y) of this section, to the extent and subject to the limitations provided in such subsection. To the extent that paragraph (6) of this subsection may be deemed to require that any skilled nursing facility engage the services of a registered professional nurse for more than 40 hours a week, the Secretary is authorized to waive such requirement if he finds that—

(A) such facility is located in a rural area and the supply of skilled nursing facility services in such area is not sufficient to meet the needs of individuals residing therein,

(B) such facility has one full-time registered professional nurse who is regularly on duty at such facility 40 hours a week, and

(C) such facility (i) has only patients whose physicians have indicated (through physicians' orders or admission notes) that each such patient does not require the services of a registered nurse or a physician for a 48-hour period, or (ii) has made arrangements for a registered professional nurse or a physician to spend such time at such facility as may be indicated as necessary by the physician to provide necessary skilled nursing services on days when the regular full-time registered professional nurse is not on duty.

#### Utilization review

(k) A utilization review plan of a hospital or skilled nursing facility shall be considered sufficient if it is applicable to services furnished by the institution to individuals entitled to insurance benefits under this subchapter and if it provides—

(1) for the review, on a sample or other basis, of admissions to the institution, the duration of stays therein, and the professional services (including drugs and biologicals) furnished, (A)

with respect to the medical necessity of the services, and (B) for the purpose of promoting the most efficient use of available health facilities and services;

(2) for such review to be made by either (A) a staff committee of the institution composed of two or more physicians, with or without participation of other professional personnel, or (B) a group outside the institution which is similarly composed and (i) which is established by the local medical society and some or all of the hospitals and skilled nursing facilities in the locality, or (ii) if (and for as long as) there has not been established such a group which serves such institution, which is established in such other manner as may be approved by the Secretary;

(3) for such review, in each case of inpatient hospital services or extended care services furnished to such an individual during a continuous period of extended duration, as of such days of such period (which may differ for different classes of cases) as may be specified in regulations, with such review to be made as promptly as possible, after each day so specified, and in no event later than one week following such day; and

(4) for prompt notification to the institution, the individual, and his attending physician of any finding (made after opportunity for consultation to such attending physician) by the physician members of such committee or group that any further stay in the institution is not medically necessary.

The review committee must be composed as provided in clause (B) of paragraph (2) rather than as provided in clause (A) of such paragraph in the case of any hospital or skilled nursing facility where, because of the small size of the institution, or (in the case of a skilled nursing facility) because of lack of an organized medical staff, or for such other reason or reasons as may be included in regulations, it is impracticable for the institution to have a properly functioning staff committee for the purposes of this subsection. If the Secretary determines that the utilization review procedures established pursuant to subchapter XIX of this chapter are superior in their effectiveness to the procedures required under this section, he may, to the extent that he deems it appropriate, require for purposes of this subchapter that the procedures established pursuant to subchapter XIX of this chapter be utilized instead of the procedures required by this section.

#### Agreements for transfer between skilled nursing facilities and hospitals

(l) A hospital and a skilled nursing facility shall be considered to have a transfer agreement in effect if, by reason of a written agreement between them or (in case the two institutions are under com-

before transfer therefrom, if he is admitted to the skilled nursing facility (A) within 30 days after discharge from such hospital, or (B) within such time as it would be medically appropriate to begin an active course of treatment, in the case of an individual whose condition is such that skilled nursing facility care would not be medically appropriate within 30 days after discharge from a hospital; and an individual shall be deemed not to have been discharged from a skilled nursing facility if, within 30 days after discharge therefrom, he is admitted to such facility or any other skilled nursing facility.

#### Skilled nursing facility

(j) The term "skilled nursing facility" means (except for purposes of subsection (a)(2) of this section) an institution (or a distinct part of an institution) which has in effect a transfer agreement (meeting the requirements of subsection (i) of this section) with one or more hospitals having agreements in effect under section 1395cc of this title and which—

[See main volume for text of (1) to (10)]

(11) complies with the requirements of section 1320a-3 of this title;

(12) cooperates in an effective program which provides for a regular program of independent medical evaluation and audit of the patients in the facility to the extent required by the programs in which the facility participates (including medical evaluation of each patient's need for skilled nursing facility care);

(13) meets such provisions of such edition (as is specified by the Secretary in regulations of the Life Safety Code of the National Fire Protection Association) as are applicable to nursing homes; except that the Secretary may waive, for such periods as he deems appropriate, specific provisions of such Code which, if rigidly applied would result in unreasonable hardship upon a nursing home, but only if such waiver will not adversely affect the health and safety of the patients; except that the provisions of such Code shall not apply in any State if the Secretary finds that in such State there is in effect a fire and safety code, imposed by State law, which adequately protects patients in nursing facilities;

(14) establishes and maintains a system that (A) assures a full and complete accounting of its patients' personal funds, and (B) includes the use of such separate account for such funds as will preclude any commingling of such funds with facility funds or with the funds of any person other than another such patient; and

[See main volume for text of (15)]

#### Utilization review

(k) A utilization review plan of a hospital or skilled nursing facility shall be considered sufficient if it is applicable to services furnished by the institution to individuals entitled to insurance benefits under this subchapter and if it provides—

[See main volume for text of (1)]

(2) for such review to be made by either (A) a staff committee of the institution composed of two or more physicians, (of which at least two must be physicians described in subsection (r)(1) of this section) with or without participation of other professional personnel, or (B) a group outside the institution which is similarly composed and (i) which is established by the local medical society and some or all of the hospitals and skilled nursing facilities in the locality, or (ii) if (and for as long as) there has not been established such a group which serves such institution, which is established in such other manner as may be approved by the Secretary;

[See main volume for text of (3) and (4)]

The review committee must be composed as provided in clause (B) of paragraph (2) rather than as provided in clause (A) of such paragraph in the case of any hospital or skilled nursing facility where, because of the small size of the institution, or (in the case of a skilled nursing facility) because of lack of an organized medical staff, or for such other reason or reasons as may be included in regulations, it is impracticable for the institution to have a properly functioning staff committee for the purposes of this subsection. If the Secretary determines that the utilization review procedures established pursuant to subchapter XIX of this chapter are superior in their effectiveness to the procedures required under this section, he may, to the extent that he deems it appropriate, require for purposes of this subchapter that the procedures established pursuant to subchapter XIX of this chapter be utilized instead of the procedures required by this section.

[See main volume for text of (1)]

#### Home health services

(m) The term "home health services" means the following items and services, furnished to an individual, who is under the care of a physician, by a home health agency or by others under arrangements with them made by such agency, under a plan (for furnishing such items and services to such individual) established and periodically reviewed by a physician, which items and services are, except as provided in paragraph (7), provided on a visiting basis in a place of residence used as such individual's home—

- (1) part-time or intermittent nursing care provided by, or under the supervision of a registered professional nurse;
- (2) physical, occupational, or speech therapy;
- (3) medical social services under the direction of a physician;
- (4) to the extent permitted in regulations part-time or intermittent services of a home health aide, who has successfully completed a training program approved by the Secretary;

[See main volume for text of (5) to (7)]

excluding, however, any item or service if it would not be included under subsection (b) of this section if furnished to an inpatient of a hospital.

(n) Repealed. Pub.L. 90-499, Title IX, § 930(m), Dec. 8, 1968, 94 Stat. 2682

#### Home health agency

(o) The term "home health agency" means a public agency or private organization, or a subdivision of such an agency or organization, which—

[See main volume for text of (1) to (4)]

(5) has in effect an overall plan and budget that meets the requirements of subsection (z) of this section;

(6) meets such other conditions of participation as the Secretary may find necessary in the interest of the health and safety of individuals who are furnished services by such agency or organization; and

(7) meets such additional requirements (including conditions relating to bonding or establishing of escrow accounts as the Secretary finds necessary for the financial security of the program) as the Secretary finds necessary for the effective and efficient operation of the program;

except that for purposes of part A such term shall not include any agency or organization which is primarily for the care and treatment of mental diseases.

Position Paper on House CS for Senate Bill No. 256 (HESS) am H

Nancy  
?

"An Act relating to nursing homes and Pioneers' Homes; and providing for an effective date."

House CS for Senate Bill No. 256 (HESS) am H exempts administrators of hospitals and Pioneer Homes from licensure as nursing home administrators and requires such licensure only for administrators of free standing nursing homes.

Professional licensure of administrators of skilled and/or intermediate care facilities was instituted to ensure that those who had accepted responsibilities for the sick and disabled had a basic knowledge of life safety codes, institutional management and patient care considerations.

In order to meet the State's operational licensure standards for skilled and/or intermediate nursing facilities as outlined in 7 AAC 12.040(d)(B), nursing home administrators must be licensed by the Alaska Nursing Home Administrators Licensing Board.

Federal statutes and regulations require that if a facility or distinct part of a hospital is licensed or formally recognized as meeting state nursing home standards under state law, it must be managed by a licensed nursing home administrator. If this bill is enacted, it may jeopardize federal financial payment for the Medicaid Program and preclude payments to Medicare certified skilled nursing facilities because the change is in conflict with federal statutes and regulations.

Passage of House CS for Senate Bill No. 256 (HESS) am H would be in conflict with existing state regulations and would jeopardize the basic federal funding sources for skilled and/or intermediate care facilities.

Recommended by:

*Phoebe A. Lindsey*  
Phoebe A. Lindsey, Director  
Division of State Health  
Planning & Development

Date:

*May 24, 1982*

Approved by:

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

Date:

*5/25/82*

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. CS for Senate Bill No. 256 (HESS) am H  
 Title "An Act relating to nursing homes and Pioneers' Homes; and ....."  
 Requested by \_\_\_\_\_ Date: May 24, 1982

II. FISCAL DETAIL

Agency Affected Health & Social Services  
 Program Category Affected State Health Planning & Development Agency  
 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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

This bill does not directly impact the Division of State Health Planning and Development.

IV. DATE May 24, 1982 PREPARED BY Phoebe A. Lindsey, Director  
 AGENCY State Health Planning & Development  
 Original: Legislative Finance PHONE 465-3037  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

*pal*  
*JCC*

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care  
Financing Administration

Region X  
MS 701 Arcade Plaza Building  
1321 Second Avenue  
Seattle WA 98101

May 13, 1982

Helen F. Beirne, Ph.D., Commissioner  
Department of Health and Social Services  
Office of the Commissioner  
Pouch H 01  
Juneau, Alaska 99811

Dear Dr. Beirne:

It is our understanding that the State of Alaska is currently debating whether to exempt hospital-based nursing home beds from the requirement of having a licensed nursing home administrator. Per your request, we are providing our comments on this proposed change.

This office is concerned about the proposed change. If enacted, it may jeopardize federal financial payment for the Medicaid Program and preclude payments to Medicare certified skilled nursing facilities because the change is in conflict with federal statutes and regulations.

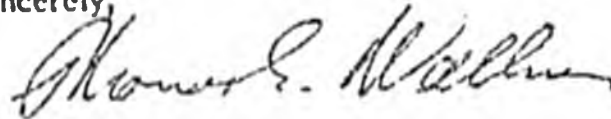
**Section 1861((X9) and (15) of the Social Security Act** define a skilled nursing facility as an institution or a distinct part of an institution (emphasis mine) which is licensed under an applicable state law or is approved by an agency of the state or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing; and meets such other conditions relating to the health and safety of individuals who are furnished skilled nursing care in such institution.

One of the conditions required by **42 CFR 405.1121(e)** is that the governing body appoint a qualified administrator to manage the facility. A qualified administrator is defined in **42 CFR 405.1101(a)** as a person who is licensed as required by State law. This regulation was written with the understanding that **Sections 1902(a)(29) and 1903 of the Social Security Act** require that no nursing home within the State may operate except under the supervision of an administrator licensed in a manner prescribed by **Section 1903(b) - (d)**. **Section 1903(e)** also defines a "nursing home" as an institution or facility defined as such for licensing purposes under State law, or, if State law does not employ the term nursing home, the equivalent terms or terms as determined by the Secretary. This section also defines a nursing home administrator as an individual who is charged with the general administration of a nursing home.

In summary, if a facility or distinct part of hospital is licensed or formally recognized as meeting state nursing home standards under State law, it must be managed by a licensed nursing home administrator under federal statute and regulations.

I hope you find this information useful in making decisions regarding changes in Alaska State law licensing nursing home administrators. Please let me know if you wish further information or have any questions.

Sincerely,



Thomas G. Wallner  
Associate Regional Administrator  
Division of Health Standards and Quality

42 CFR

FILE  
SB 254

Chapter IV—Health Care Financing Administration

§ 431.704

(1) The provisions of paragraphs (a), (b), (c), (g), (h), (i), (m), and (n) of § 431.503 of this subchapter are met;

(2) A monitoring and evaluation plan is in effect by which the State will assure satisfactory performance by the PSRO;

(3) The services and providers subject to PSRO review are identified; and

(4) The review activities performed by the PSRO are not inconsistent with those activities performed for the review of Title XVIII services, including a description of whether and to what extent PSRO determinations will be considered conclusive for payment purposes.

[46 FR 48565, Oct. 1, 1981; 46 FR 54741, Nov. 4, 1981]

EFFECTIVE DATE NOTE: For the effective date of § 431.630, see 46 FR 48554, Oct. 1, 1981.

Subpart N—State Programs for Licensing Nursing Home Administrators

§ 431.700 Basis and purpose.

This subpart implements sections 1903(a)(29) and 1908 of the Act which require that the State plan include a State program for licensing nursing home administrators.

§ 431.701 Definitions.

Unless otherwise indicated, the following definitions apply for purposes of this subpart:

"Agency" means the State agency responsible for licensing individual practitioners under the State's healing arts licensing act.

"Board" means an appointed State board established to carry out a State program for licensing administrators of nursing homes, in a State that does not have a healing arts licensing act or an agency as defined in this section.

"Licensed" means certified by a State agency or board as meeting all of the requirements for a licensed nursing home administrator specified in this subpart.

"Nursing home" means any institution, facility, or distinct part of a hospital that is licensed or formally recognized as meeting nursing home stand-

ards established under State law, or that is determined under § 431.704 to be included under the requirements of this subpart. The term does not include—

(a) A Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Mass.; or

(b) A distinct part of a hospital, if the hospital meets the definition in § 440.10 or § 440.140 of this subchapter, and the distinct part is not licensed separately or formally approved as a nursing home by the State even though it is designated or certified as a skilled nursing facility.

"Nursing home administrator" means any person who is in charge of the general administration of a nursing home whether or not the person—

(a) Has an ownership interest in the home; or

(b) Shares his functions and duties with one or more other persons.

§ 431.702 State plan requirement.

A State plan must provide that the State has a program for licensing administrators of nursing homes that meets the requirements of §§ 431.703 through 431.713 of this subpart.

§ 431.703 Licensing requirement.

The State licensing program must provide that only nursing homes supervised by an administrator licensed in accordance with the requirements of this subpart may operate in the State.

§ 431.704 Nursing homes designated by other terms.

If a State licensing law does not use the term "nursing home," the HCFA Administrator will determine the term or terms equivalent to "nursing home" for purposes of applying the requirements of this subpart. To obtain this determination, the Medicaid agency must submit to the Regional Medicaid Director copies of current State laws that define institutional health care facilities for licensing purposes.

§ 431.705 Licensing authority.

(a) The State licensing program must provide for licensing of nursing home administrators by—

- (1) The agency designated under the healing arts act of the State; or
- (2) A State licensing board.

(b) The State agency or board must perform the functions and duties specified in §§ 431.707 through 431.713 and the board must meet the membership requirements specified in § 431.706 of this subpart.

§ 431.706 Composition of licensing board.

(a) The board must be composed of persons representing professions and institutions concerned with the care and treatment of chronically ill or infirm elderly patients. However—

(1) A majority of the board members may not be representative of a single profession or category of institution; and

(2) Members not representative of institutions may not have a direct financial interest in any nursing home.

(b) For purposes of this section, nursing home administrators are considered representatives of institutions.

§ 431.707 Standards.

(a) The agency or board must develop, impose, and enforce standards that must be met by individuals in order to be licensed as a nursing home administrator.

(b) The standards must be designed to insure that nursing home administrators are—

- (1) Of good character;
- (2) Otherwise suitable; and
- (3) Qualified to serve because of training or experience in institutional administration.

§ 431.708 Procedures for applying standards.

The agency or board must develop and apply appropriate procedures and techniques, including examinations and investigations, for determining if a person meets the licensing standards.

§ 431.709 Issuance and revocation of license.

Except as provided in § 431.714 of this subpart, the agency or board must—

(a) Issue licenses to persons who meet the agency's or board's standards; and

(b) Revoke or suspend a license if the agency or board determines that the person holding the license substantially fails to meet the standards.

§ 431.710 Provisional licenses.

To fill a position of nursing home administrator that unexpectedly becomes vacant, the agency or board may issue one provisional license, for a single period not to exceed 6 months. The license may be issued to a person who does not meet all of the licensing requirements established under § 431.707 but who—

- (a) Is of good character and otherwise suitable; and
- (b) Meets any other standards established for provisional licensure by the agency or board.

§ 431.711 Compliance with standards.

The agency or board must establish and carry out procedures to insure that licensed administrators comply with the standards in this subpart when they serve as nursing home administrators.

§ 431.712 Failure to comply with standards.

The agency or board must investigate and act on all complaints it receives of violations of standards.

§ 431.713 Continuing study and investigation.

The agency or board must conduct a continuing study of nursing homes and administrators within the State to improve—

- (a) Licensing standards; and
- (b) The procedures and methods for enforcing the standards.

§ 431.714 Waivers.

The agency or board may waive any standards developed under § 431.707 of this subpart for any person who has served in the capacity of a nursing home administrator during all of the 3 calendar years immediately preceding the calendar year in which the State first meets the requirements in this subpart.

## § 431.715 Federal financial participation.

No FFP is available in expenditures by the licensing board for establishing and maintaining standards for the licensing of nursing home administrators.

## Subpart O—[Reserved]

## Subpart P—Quality Control

## § 431.800 Medicaid quality control (MQC) system.

(a) *Basis and purpose.* This section establishes State plan requirements for a Medicaid quality control system designed to reduce erroneous expenditures by monitoring eligibility determinations, third-party liability activities, and claims processing.

(See 1992(a)(4) of the Act)

(b) *Definitions.* For purposes of this section—

"Active case" means an individual or family determined to be currently eligible for Medicaid.

"Claims processing error" means FFP has been claimed for a Medicaid payment that was made—

- (1) For a service not authorized under the State plan;
- (2) To a provider not certified for participation in the Medicaid program;
- (3) For a service already paid for by Medicaid; or
- (4) In an amount above the allowable reimbursement level for that service.

"Eligibility error" means that Medicaid coverage has been certified or payment has been made for a recipient under review who—

- (1) Was ineligible when certified or when he received services under the State's plan; or
- (2) Had not met recipient liability requirements when certified eligible for Medicaid; that is, he had not incurred medical expenses equal to the amount of this excess income over the State's financial eligibility level.

"Negative case action" means a Medicaid application that was denied or otherwise disposed of without a determination of eligibility (for instance, because the application was withdrawn or abandoned) or an individual

or family for whom Medicaid eligibility was terminated.

"State agency" means either the State Medicaid agency, or a State agency that is responsible for determining eligibility for Medicaid.

"Third-party liability error" means FFP has been claimed for a Medicaid payment when—

(1) All or part of the medical services should have been paid for by a third party; and

(2) The State failed to meet the requirements of § 431.135 of this subchapter for considering third party liability.

(c) *State plan requirements.* A State plan must provide for operating a Medicaid quality control (MQC) system that meets the requirements of paragraphs (d) through (h) of this section.

(d) *Basic elements of MQC system.* The agency—

(1) Must operate the MQC system in accordance with the policies, sampling methodology, review procedures, and reporting forms and requirements specified in Medicaid quality control manuals issued by HCFA;

(2) Must select statistical samples of both active and negative case actions;

(3) Must review each case in the sample to identify eligibility errors; and

(4) Must review any claims pertaining to each active case to identify erroneous payments resulting from—

- (i) Ineligibility;
- (ii) Recipient understated or overstated liability;
- (iii) Third party liability; and
- (iv) Claims processing errors.

(5) In order to verify eligibility information, must conduct field investigations, including—

- (i) Personal interviews for each case in the active case sample; and
- (ii) Personal interviews for cases in the negative case action sample, to the extent necessary to verify erroneous eligibility determinations; and

(6) Must use 6-month sampling periods, from April through September and from October through March.

(e) *Reporting requirements.* The agency must submit reports to the Administrator, in the form and at the time specified by him, including—



JUNEAU, ALASKA

Alaska State Legislature  
House

*Held 1 day*

MESSAGE TO THE SENATE

Date May 17, 1982

MR. PRESIDENT:

The House has passed SB 256 (repealing the requirement that the person managing or administering an Alaska Pioneers' Home be a licensed nursing home administrator; eff. date) with the following amendment:

HCSSB 256(HESS)amh "An Act relating to nursing homes and Pioneers' Homes; and providing for an effective date."

(34-4)

*Ziegler  
Ehrson  
Parr*

*Emilee Lloyd*  
\_\_\_\_\_  
Chief Clerk of the House



# Alaska State Legislature House

JUNEAU, ALASKA

MESSAGE TO THE SENATE

Date May 17, 1982

MR. PRESIDENT:

*Copy  
M. H. H. H.*

The House has passed SB 256 (repealing the requirement that the person managing or administering an Alaska Pioneers' Home be a licensed nursing home administrator; eff. date) with the following amendment:

HCSSB 256(HESS)amH

"An Act relating to nursing homes and Pioneers' Homes; and providing for an effective date."

(34-4) Sections 3-4 are simply raising the amount of personal money allowable to residents of Pioneer Homes

Section 2 - the definition of Nursing Home (from Senate Bill 11) is an attempt to retain the essence of Fed. health regulations which exempt facilities not licensed separately as a nursing home from having a licensed administrator. However, the Department has a letter from Regional Survey and Health Care funds are under review of this Bill enacted. California, Idaho and Oregon have had similar legislation which will for years and as far as we know still get their Medicaid bucks

(Personally, I think the language is awkward and convoluted!! N)

*Emilio Lloyd*  
Chief Clerk of the House

# MEMORANDUM

# State of Alaska

TO: Phoebe A. Lindsey  
Director  
Division of State Health Planning  
and Development

DATE: May 17, 1982

FILE NO:

TELEPHONE NO: 465-3015

FROM: Dave W. Williams *DW W*  
Chief  
Health Resources Development Section

SUBJECT: Licensure of Nursing Home  
Administrators

I have just called Washington and California regarding each state's requirements for occupational licensure of nursing home administrators.

Lynnell McKnight of Washington says nursing home administrators must be licensed. Requirements are: Two years college and experience in health care business. Prospective nursing home administrators are evaluated individually on a point basis. Hospital administrators who administer a hospital which offers long-term care services as well as acute care services must be licensed as a nursing home administrator.

Marcy Conner of California says nursing home administrators must be licensed. Requirements are: Baccalaureate degree and 1,000 hours training - certain experience may be accepted in lieu of training, but the minimum years experience is five years. Hospital administrators who administer a hospital which offers skilled nursing care as well as acute care are not required to be licensed as a nursing home administrator in order for the facility to receive medicaid payments for skill nursing services.



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

REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

May 20, 1982

The Honorable Robert H. Ziegler, Sr.  
Pouch V, State Capitol Building  
Juneau, AK 99811

Dear Senator Ziegler:

The Alaska State Hospital Association supports the House Committee Substitute for SB 256 (HESS). It, in our opinion, limits the application of this law to the minimum mandated by federal law. Many other states, Washington, Oregon and California, for example, only require nursing home administrator licensure of those facilities which are licensed only and specifically as nursing homes. We believe Alaska should take the same approach to federal compliance.

We believe that the required licensure for anyone serves little, if any, useful purpose. The license requires the taking of an exam and ever after, mailing in the annual licensing fee. There is in the act of mailing a check, no quality of care protection for patients. There are guarantees, however, in the licensing of the facility which occurs annually and any complaint investigations. This is where quality of care for the patient is achieved. We believe this to be a far more meaningful activity.

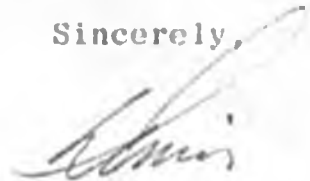
The federal representatives in Region X have raised objections to Alaska doing what two other states in Region X, Oregon and Washington, have done. We find this most unreasonable and inconsistent. It is another attempt by the federal government to goad Alaska into accepting more control than is actually required.

We believe that the use of federal language will cause the same limited application which we support but in a more obtuse fashion. A proposed definition of nursing home is attached, as well as a copy of the federal regulations upon which it is based. The pivotal question is whether skilled nursing wings of acute hospitals are licensed separately.

Senator Ziegler  
Page two

In Alaska they are not. Thus under the federal definition of nursing homes, nursing home administrator licensure is unnecessary. Thank you for your consideration in this matter.

Sincerely,



Dennis L. DeWitt  
President

DLD:bf

cc: Senator Parr  
Senator Eliason

"Nursing home" means any institution, facility or distinct part of a hospital that is licensed as meeting skilled nursing or intermediate care standards established under state law. The term does not include a distinct part of a hospital if the hospital is licensed pursuant to AS 18.20 and the distinct part is not licensed separately as a nursing home by the state even though it is designated or certified as a skilled nursing or intermediate care facility.

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

For: "An Act repealing the requirement that the person managing or administering an Alaska Pioneers' Home be a licensed nursing home administrator; and providing for an effective date."

Senate Bill 256 is in conflict with the intent of AS 08.70.080 which it seeks to amend. Licensure by examination, Section 08.70.120, is to test the applicants' knowledge of the health and safety standards of the state and his/her experience in the practice of health care.

The law seeks to establish quality assurance measurement for the administration of skilled and intermediate care for all Alaskan residents.

Section 08.70.080 should remain unamended, and retain the quality assurance mechanism as a consistent standard for administration of all skilled and intermediate care facilities.

Recommended by:

*Phoebe A. Lindsey*  
Phoebe A. Lindsey, Director  
Division of State Health  
Planning and Development

Date:

March 12, 1981

Approved by:

*Heleen D. Beirne*  
Heleen D. Beirne  
Commissioner

Date:

3/19/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 256  
Title "An Act repealing the requirement that the person managing or administering an\*  
Requested by Dept. of Health & Social Services Date 3/12/81

\* Alaska Pioneers' Home be a licensed nursing home administrator; and providing for an effective date."

II. FISCAL DETAIL

Agency Affected Department of Health & 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER (Specify Fund Source)		0				

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill does not directly impact the Division of State Health Planning and Development

IV. DATE March 12, 1981 PREPARED BY Phoebe A. Lindsey  
AGENCY Division of State Health Planning & Development  
PHONE 465-3037

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named) J. Halverson M&B Approval J. Halverson Date 3/13/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 256 "An Act repealing the requirement that the person  
Title managing or administering an AK Pioneers' Home be a licensed nursing home administrator  
Requested by for Senator Paar Date 3-10-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
Program Category Affected Public Protection  
BRU, Program, or Subprogram(s) Affected Regulation and licensing of professions  
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE 3-10-81 PREPARED BY Marjorie Olland, Regulations Specialist  
AGENCY Division of Occupational Licensing  
PHONE 465-2535  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

PIONEER POSITION PAPER: SB 256 by Sen. Parr

TO: All Igloos & Auxiliarys, Pioneers of Alaska

FROM: Bob Gore, Chairman, Legislative Committee, Past Grand President, Pioneers of Alaska

This Bill is an Act: "Repealing the requirement that the Person managing or administering an Alaska Pioneers Home be a licensed Nursing Home Administrator."

BACKGROUND:

Until the legislative session of 1980, the Governor and the Commissioner of the Department of Administration had the prerogative and discretionary authority to appoint any person they felt was qualified and able to manage or administer an Alaska Pioneers' Home. Those chosen were usually selected for administrative experience and management skills plus an ability to recognize the needs of and cope with the life style of the Elderly Alaskans and Pioneers who had entered a Pioneer Home as their final residence. The Pioneer Home Managers so selected are primarily responsible for the development of the present attitude and character of our Pioneer Homes as "Homes for the Living" as opposed to some of the Private nursing homes, which give the impression of being "Institutions for the Dying" or useless Elderly.

In 1980, believing the 'professionalism' at the management level might benefit the operation of the Pioneer Homes, the Administration and Legislature supported and passed a Bill which became AS 08.70.080, requiring any new Pioneer Home manager or administrator to be the holder of a Nursing Home Administrator's License.

The passage of AS 08.70.080 did not materially affect the management of the Pioneer Homes. Passage did not bring any higher level of professionalism to Home management than had previously existed, as Pioneer Home management requirements and procedures in many areas often exceed the licensing requirements of private nursing homes. Medical professionalism is provided by the Pioneer Homes physicians and nursing staff and by the professional licensing examiners. Because Pioneer Homes are State operated facilities they are subject to the same strict scrutiny as the privately operated nursing homes and it sometimes appears as if the examiners,

PIONEER POSITION PAPER  
SB 256  
Pp. -2-

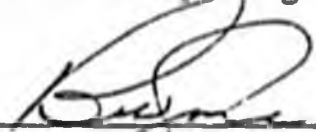
who are usually representatives of the medical profession make certain that the Pioneer Homes comply to the most stringent degree with applicable licensing requirements.

Strict compliance with licensing requirements is a matter of normal procedure with the Pioneer Homes and careful scrutiny by licensing examiners is welcomed by the Department of Administration as a means of guaranteeing and insuring good and professional management of our Pioneer Homes under an operational system employing managers or administrators selected for their administrative experience and managerial skills together with their ability to cope with the needs and demands of the elderly, individualistic Alaskans who reside in our Pioneer Homes.

Rather than benefitting the Pioneer Homes, passage of AS 08.70.080 imposed a possible constraint on the continuance of their present and desirable style of management. Selection of Pioneer Home managers is now limited by this law to those applicants who may possess only the medical and technical knowledge necessary to pass the examination for a nursing home administrators license, but who may very well lack the necessary administrative experience and management skills and who may possibly have no conception of the difference in the life style maintained in the Pioneer Homes and the style and manner in which some of the private nursing homes in Alaska are operated.

Sen. Parr and his co-sponsors on SB256 understand the needs of our Pioneer Homes and passage of this Bill will help to guarantee the continuance of our present operational management methods and provide the best for the well-being of our Pioneer Home residents.

SB 256 has been endorsed by the Pioneers Homes Advisory Board, the Department of Administration and the Legislative Committee for the Grand Igloo of the Pioneers of Alaska. All Pioneers should urge their local legislators to support and work for passage of SB256.



---

R.R. Gore, Past Grand President  
Chairman, Legislative Committee  
Grand Igloo, Pioneers of Alaska

POSITION PAPER  
FOR  
SENATE BILL 256



For: "An Act repealing the requirement that the person managing or administering an Alaska Pioneers' Home be a licensed nursing home administrator; and providing for an effective date."

Senate Bill 256 is in conflict with the intent of AS 08.70.080 which it seeks to amend. Licensure by examination, Section 08.70.120, is to test the applicants' knowledge of the health and safety standards of the state and his/her experience in the practice of health care.

The law seeks to establish quality assurance measurement for the administration of skilled and intermediate care for all Alaskan residents.

Section 08.70.080 should remain unchanged, and retain the quality assurance mechanism as a consistent standard for administration of all skilled and intermediate care facilities.



Recommended by:

*Phoebe A. Lindsey*  
Phoebe A. Lindsey, Director  
Division of State Health  
Planning and Development

Date:

March 12, 1981

Approved by:

*Helen D. Beirne*  
Helen D. Beirne  
Commissioner

Date:

3/19/81



THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 256  
Title "An Act repealing the requirement that the person managing or administering an\*  
Requested by Dept. of Health & Social Services Date 3/12/81

\* Alaska Pioneers' Home be a licensed nursing home administrator; and providing for an effective date."

II. FISCAL DETAIL

Agency Affected Department of Health & 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER (Specify Fund Source)		0				

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill does not directly impact the Division of State Health Planning and Development

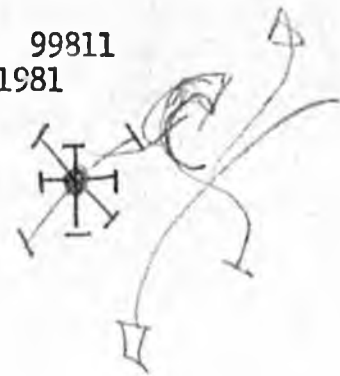
IV. DATE March 12, 1981 PREPARED BY Philip A. Lindsey  
AGENCY Division of State Health Planning & Development  
PHONE 465-3037

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named) Richard Approval Richard Date 3/13/81



Board of Nursing Home Administrators  
 Pouch D  
 Juneau, AK 99811  
 April 14, 1981

The Honorable Charles H. Parr  
 Alaska State Senate  
 Pouch V  
 Juneau, AK 99811



Dear Senator Parr:

The Licensing Board of Nursing Home Administrators has reviewed Senate Bill 256, and feels compelled to make these comments.

At the last session, Section 08.70.080 was amended to grandfather those Pioneer Home administrators who were not licensed at the time. The Director of the Pioneer program, Mr. Vern Perry, assured the House Committee that they supported licensing for new administrators, and under these circumstances the licensing board was pleased to cooperate in grandfathering their existing administrators.



With this in mind, we of the licensing board feel that SB 256 is an unjustifiable attack on the standards of health care in Alaska. The board is committed to setting and maintaining minimum standards for long-term health care administration, in the firm conviction that all Alaskans in long-term care facilities have a right to a consistently high level of care. To intimate that our Pioneers do not enjoy the same rights is reprehensible.

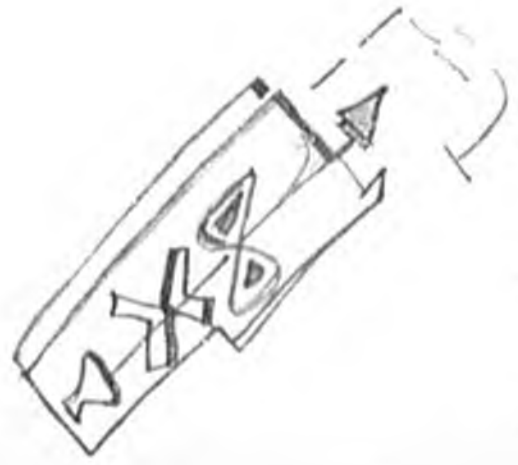
Sincerely yours,  
 BOARD OF NURSING HOME ADMINISTRATORS

Jack W. Buck, Chairman

JWB:lcr

cc: Ms. Barbara Branson ✓  
 Licensing Examiner

merge ✓





# ANN'S NURSING HOME

415 Sixth Street, Juneau AK 99801 (907) 586-3883

March 16, 1981

Mrs. Margie Odland  
Division of Occupational Licensing  
Pouch D  
Juneau, AK 99811

Re: SB 256 by Senator Parr

Dear Mrs. Odland:

Our Pioneers are entitled to the same protection as any other citizens of the State of Alaska. Possibly, by reason of having helped build the state over many years, they are even more entitled. I am puzzled that anyone would see any justice in removing the protection of the licensing requirement for Pioneer Home administrators.

The Licensing Board for Nursing Home Administrators has the responsibility to set minimum requirements of skill and training for administrators. Since these requirements are minimums, it is difficult to understand why administrators of Pioneers could reasonably be exempted. Can anyone argue that Pioneers deserve less than adequate care?

I am opposed to the bill.

Sincerely yours,  
ST. ANN'S NURSING HOME

Jack W. Buck  
Administrator

JWB:lcr

TO Board of Nursing Home Administrators DATE 3-10-81

FROM Ruth V. Roth DATE 3/14/81

FROM Margie Odland, Regulations Specialist  
Division of Occupational Licensing

to Margie Odland, Regulations Specialist  
Div. of Occ. Licensing

REPLY MEMO

State of Alaska

MESSAGE

REPLY

Attached for your review is a copy of SB 256, repealing the requirement that the person managing or administering an Alaska Pioneer's Home be licensed as a nursing home administrator. This office would appreciate receiving any comments you may wish to make concerning this legislation. Please respond on this memorandum, or an attached sheet, and mail to my attention.

Thank you,

*Margie Odland*

I would indeed protest such a bill for to sanction and pass such a bill would say, we want all Nursing Homes, other than Pioneer Homes, run in a very efficient and professional manner, but Pioneer Homes, who cares? I feel Pioneer Homes should set an example for other Homes and we expect of them, we also expect of Pioneer Homes. I have worked in the Sitka Pioneer Home under an Administration that was not professional and under some that were and the Professional Administrator is much, much better. A professional has training in health areas (below)

1 KEEP YELLOW COPY

2 SEND WHITE AND PINK COPIES WITH CARBON INTACT

1 WRITE REPLY

2 DETACH BLUE, KEEP PINK COPY, RETURN WHITE COPY TO SENDER

07 006 Rev. 4/78

thus he/she has some knowledge of the aging process and hopefully has empathy for and understanding of the health/sickness involved in the process. I feel that special understanding/training is needed for such an important position.

Some years ago the Pioneer Homes' Administration was there as a Political appointment and I definitely believe a person's health/life should not be in the hands of politics/politicians.

It takes more than just a body and some brain to run a Nursing Home, Pioneer Home included. We need to take care and not open the administration of our fine State Homes to inept persons.

I know that a "license" does not exclude ineptness but it sets a standard for "quality care".

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 256 "An Act repealing the requirement that the person  
Title managing or administering an AK Pioneers' Home be a licensed nursing home administrator  
Requested by for Senator Paar Date 3-10-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
Program Category Affected Public Protection  
BRU, Program, or Subprogram(s) Affected Regulation and licensing of professions  
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
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400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE 3 10-81

*Margaret Odland*  
PREPARED BY Margaret Odland, Regulations Specialist  
AGENCY Division of Occupational Licensing  
PHONE 465-2535

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

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 256 "An Act repealing the requirement that the person  
Title managing or administering an AK Pioneers' Home be a licensed nursing home administrator  
Requested by for Senator Paar Date 3-10-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
Program Category Affected Public Protection  
BRU, Program, or Subprogram(s) Affected Regulation and licensing of professions  
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

No fiscal impact.

IV. DATE 3-10-81 PREPARED BY Marjorie Odland, Regulations Specialist  
AGENCY Division of Occupational Licensing  
PHONE 465-2535  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

alaska  
state  
hospital  
association

members file

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

REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

President  
Sister Barbara Haase  
Ketchikan General Hospital  
Ketchikan

March 26, 1981

President Elect  
Tom Mangan  
Fairbanks Memorial Hospital  
Fairbanks

Secretary/Treasurer  
Ron Pivovas  
Alaska Hospital & Medical  
Center  
Anchorage

The Honorable Charles H. Parr  
Alaska State Senate  
Pouch V.  
Juneau, Alaska 99811

Immediate Past President  
Al Carlson  
Providence Hospital  
Anchorage

Dear Senator Parr:

Executive Director  
Dennis L. DeWitt  
Juneau

The Alaska State Hospital Association has reviewed Senate Bill 256 and must express to you our concern.

The purpose of licensure for nursing home administrators is two fold. First as a quality of care issue and second to comply with a federal requirement for reimbursement under Title 19 of the Social Security Act. Alaska extended this requirement of licensure to administrators of hospitals which provide long term care and to administrators of Pioneers' Homes in 1980. We presume that the legislature did this as a matter of concern for the quality of care to which all Alaskans are entitled, irrespective of setting.

If as we presume, licensure of an administrator is intended to assist in assuring quality of care, why are persons in Pioneer's Homes not entitled to that benefit. Why should Pioneers have to settle for lesser protections under the law than the legislature feels compelled to require for all other Alaskans.

If the purpose for licensure is only to respond to a federal mandate and the legislature sees such licensure as having no quality of care value, why does SB 256 not exempt all those not required to be licensed for reimbursement purposes under Title 19 of the Social Security Act.

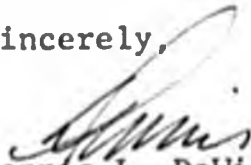
The Alaska State Hospital Association is currently re-examining its position on Nursing Home Administrator licensure and is not prepared to aggressively advocate either position at this time. However, SB 256 somewhat removes the luxury of time

The Honorable Charles H. Parr  
March 26, 1981  
Page two

on this issue. In view of our own evolving position, we feel it is best to error on the side of the patient and must then suggest that the enactment of SB 256 at this time would be inappropriate and not in the best interest of Pioneers.

We would be pleased to discuss this with you at your convenience.

Sincerely,



Dennis L. DeWitt  
Executive Director

DLD/sam

cc: Senate HESS  
Senator Dick Eliason  
Commissioner Hudson  
Commissioner Webber

S

B

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7

SB 253. (cont'd)

Introduced March 9 and referred to Community and Regional Affairs, then to Finance.

Educational  
Incentive  
Grant Program

SENATE BILL NO. 254, by Senators Parr, Kelly and Stimson. Relates to the Alaska State Educational Incentive Grant Program (AS 14.40.930). Amends that section by stating that funds appropriated for this program "may" (presently "shall") be used as matching funds for the state's participation in the federal-state student incentive grant program (P.L. 92-318; 20 U.S.C. s. 1070c - 1070c-s). Rewrites section relating to limitations on grants (sec. 950(a)) by stating that a grant made may not be less than \$100 or more than \$3,000 (presently \$1,500) for an academic year. Provides Act takes effect July 1, 1981.

Introduced March 9 and referred to Health, Education and Social Services, then to Finance.

Appropriation  
(special)  
(ed. incentive  
grant program)

SENATE BILL NO. 255, by Senators Parr, Kelly and Stimson. Makes a special appropriation in the amount of \$1,000,000 to the Department of Education, Alaska Commission on Postsecondary Education for the Alaska state educational incentive grant program. Provides unexpended and unobligated portion of the appropriation lapses into the general fund on June 30, 1982. Provides Act takes effect on the effective date of SB 254, above.

Introduced March 9 and referred to Health, Education and Social Services, then to Finance.

Pioneers' Home  
(except from  
requirements)

SENATE BILL NO. 256, by Senator Parr. Repeals the requirement that the person managing or administering an Alaska Pioneers' Home be a licensed nursing home administrator. Amends AS 08.70.080 (Nursing Home Administrators. License required) by addition of language which states: "This section does not apply to persons engaged in managing, supervising, or administering an Alaska Pioneers' Home under AS 47.25." Provides Act takes effect immediately.

Introduced March 9 and referred to Health, Education and Social Services.

Natural Gas  
Development  
Authority

SENATE BILL NO. 257, by Senator Parr. Repeals the Alaska Gas Pipeline Financing Authority, created in 1978 (sec. 1, chapter 90, SLA 1978) to provide state assistance for the financing of the natural gas pipeline project. Repeals section relating to the issuance of revenue bonds (AS 44.82.090) which allows the state to borrow money and issue revenue bonds up to the principal amount of \$1,000,000,000 to assist in the financing of the project.

--Establishes the Alaska Natural Gas Industrial Development Authority (in place of the Alaska Gas Pipeline Financing Authority), within the Department of Revenue, with a legal existence independent of and separate from the state. Authorizes the authority to issue revenue bonds to finance construction of a plant to condition natural gas.

SB 257, (cont'd)

--Amends the State Bonding Act (AS 37.15) by addition of a new section relating to natural gas conditioning plant revenue bonds, authorizing the issuance and sale of revenue bonds of not more than \$2,000,000,000 to provide money to acquire, construct, equip and install additions and improvements to the gas conditioning plant.

--Amends Title 31, "Oil and Gas" by addition of a new chapter, "35. Natural Gas Conditioning Plant" which authorizes the state to acquire, construct, equip and install additions and improvements to the gas conditioning plant and any facilities associated with it. Provides that the Commissioner of Transportation and Public Facilities has the responsibility to design and construct the plant and improvements to it. Provides that the location of the plant shall be determined, after public hearings, by the Alaska Royalty Oil and Gas Development Advisory Board.

—Provides for lease and operation of the gas conditioning plant by the Commissioner of Natural Resources to a qualified operator by competitive bid. States that bids may be on the basis of a percentage of revenue produced by the plant or a fixed annual rental payment, as determined by the Commissioner. The minimum acceptable bid must be sufficient to pay the debt service on the bonds and to provide the state with a reasonable return on its investment.

Sections added which deal with bonds and funding of the authority include:

AS 44.82.083, "Bonds of the Authority". States that bonds of the authority may be issued ". . .for the purpose of purchasing or otherwise acquiring any obligation issued with respect to the project in any form which is fixed and certain as to terms of repayment and for the establishment of reserves to secure or to pay bonds or notes or interest on bonds or notes and all other costs of the authority incident to and necessary for issuance of bonds or notes. . . .".

AS 44.82.085, "Construction Fund". Sets up a special fund of the state known as the "gas conditioning plant construction fund" "into which shall be paid the proceeds of the sale of the bonds (except accrued interest paid on them, which shall be paid into the bond redemption fund) and other money which is legally provided for the same purposes for which the bonds are authorized. The money in the construction fund shall be used to pay the costs of the project and for incidental costs, including costs of the authorization, issuance and sale of the bonds. . . .To the extent provided in the bond resolution, money in the construction fund may also be used for the payment of interest on the bonds during the period of actual construction, and for a further period, not exceeding one year after the period of construction, as may be provided in the bond resolution. Money in the construction fund may also be transferred to the bond redemption fund. . .to establish a reserve for the payment of the principal of and interest on the bonds. . . .".

SB 257. (cont'd)

AS 44.82.087 "Revenue Fund". Sets up a special fund of the state known as the "gas conditioning plant revenue fund", which is " . . . a trust fund for the uses and purposes provided in this chapter, and into which shall be paid all revenues, fees, charges and rentals derived by the state from the ownership, lease, use, and operation of the gas conditioning plant and all of the facilities and improvements used in connection with it. These revenues, charges, fees, and rentals may not include the proceeds of a state tax or license. . . ." (Further outlines purposes for which monies may be used).

AS 44.82.089, "Redemption Fund". Sets up a special fund of the state, known as the "gas conditioning plant revenue bond redemption fund: "which is a trust fund for paying and securing the payment of the principal of and interest and redemption premium, if any, on the bonds and which shall be at all times completely segregated and set apart from all other funds of the state. . . .The bond redemption fund shall be drawn upon for the purpose of paying the principal of and interest and redemption premium, if any, on the bonds, and the bonds do not constitute a general obligation of the state."

--Outlines bond terms, and states that before selling a series of bonds, the committee shall give notice inviting sealed bids and if satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. The committee may reject bids if they are not satisfactory as to price or responsibility of the bidders. Bonds shall be sold at such a price that the effective interest rate over the life of the bonds does not exceed 10 percent a year with interest payable annually or semiannually. Provides bonds shall mature at the time or times fixed by the committee.

--Following sections deal with bond resolution, enforcement by holder, amounts required for payments, bond negotiability, limitation on issuance of bonds and refunding.

--Repeals and reenacts AS 44.82.160, "Bonds as legal investments for fiduciaries.", by changing section to "Bonds as legal investments". Section as repealed and reenacted reads: "The bonds are legal investments for all banks, trust companies, savings banks, savings and loan associations and other persons carrying on a banking business, all insurance companies and other persons carrying on an insurance and all executors, administrators, trustees, and other fiduciaries. The bonds may be accepted as security for deposits of all funds of the state and its political subdivisions."

--Adds a "statutory construction" clause, and repeals and reenacts definitions relating to the "authority", "bonds", "project", "bond redemption fund", "bond resolution", "committee", "construction fund", "gas conditioning plant" and "revenue fund" to reflect the change to the Alaska Natural Gas Industrial Development Authority, rather than the Alaska Gas Pipeline Financing Authority".

SB 257, (cont'd)

--Other sections relating to the Alaska Gas Pipeline Financing Authority which are repealed include:

sec. 100, Submission of financial and Alaska impact plan.  
 sec. 170, Regulations.  
 sec. 200, Definitions: (3) "entire transmission system";  
 (5) "project sponsor"; (6) "Prudhoe Bay natural gas";  
 (7) "Prudhoe Bay oil"; (8) "Prudhoe Bay reservoir";  
 and sec. 1, Chapter 90, SFA 1978, the "Legislative Findings" section of "An Act creating the Alaska Gas Pipeline Financing Authority; and providing for an effective date."

--Provides the employees of the Alaska Natural Gas Industrial Development Authority are a part of the exempt service, exempt from the provisions of the State Personnel Act.

--Does not provide for an effective date.

Introduced March 9 and referred to State Affairs, Resources, then to Finance.

Appropriation  
 (special)  
 (village water & sewer systems)

SENATE BILL NO. 258, by Senator Ferguson. Makes a special appropriation in the amount of \$200,000 to the Department of Community and Regional Affairs for technical support for the operation and maintenance of village water and sewer systems: \$100,000 for payment as a grant to the Norton Sound Health Corporation to establish and operate a water and sewer technical support office in Nome to provide trained technical support for the operation of village water and sewer systems; \$100,000 for payment as a grant to the Mauneluk Association to establish and operate a water and sewer technical support office in Kotzebue to provide trained technical support for the operation of village water and sewer systems. Provides Act takes effect immediately.

Introduced March 9 and referred to Community & Regional Affairs, then to Finance.

Appropriation  
 (supplemental)  
 (Kotzebue nursing service)

SENATE BILL NO. 259, by the Rules Committee by Request of the Governor. Makes a supplemental appropriation from the general fund to the Department of Health and Social Services, Division of Public Health, to pay the costs of public health nursing services in the Kotzebue area. Provides the unexpended and unobligated part of the appropriation lapses into the general fund on June 30, 1981. Provides Act takes effect immediately.

Introduced March 9 and referred to Health, Education and Social Services, then to Finance.

In his message transmitting the bill, Governor Hammond stated:

Under the authority of art. III, sec. 10, of the Alaska Constitution, I am transmitting a bill which would make a supplemental appropriation to the Department of Health and Social Services (HSS), division of public health.

This appropriation would be used to pay the salaries and associated costs for four nursing positions in Kotzebue. Last year money was appropriated to the department to contract for nursing services in the Kotzebue area. The contract with the Mauneluk Association for a plan

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

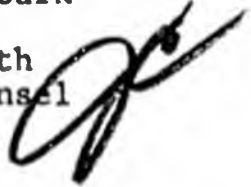
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 8, 1981

SUBJECT: Natural Gas Industrial Development Authority  
(SB 257)

TO: Senator Vic Fischer, Chairman  
Senate State Affairs Committee  
Attn: Robert Roark

FROM: John B. Chenoweth  
Legislative Counsel 

This memorandum recounts and summarizes the content of several conversations among Anselm Staack, Comptroller in the Department of Revenue, Assistant Attorney General Jim Baldwin, and me concerning the above-referenced bill.

Mr. Staack was concerned that the Natural Gas Industrial Development Authority was established and constituted an authority rather than a state corporation by this legislation, while Mr. Baldwin asked whether the entity, constituted as an authority, actually performed any substantive functions which might otherwise be performed by the state bond committee. Mr. Staack's principal concern, I believe, was the degree of control which the state government would continue to enjoy if the entity were established as an authority (with a degree of independence greater than that normally attaching to a state corporation). The law is not particularly clear as to whether an authority is truly more "independent" than a public corporation. Rather than merely relying on the designation, the real distinction arises out of the duties and powers assigned to the entity and, of course, the nature of the membership of the entity's governing body. More significant, perhaps is Mr. Baldwin's concern that, in SB 257, the authority's board is really given little responsibility, while the state bond committee's duties (with respect to issuance of the revenue bonds, their payment, redemption and the like) are significant. Mr. Baldwin suggests that the legislative committee considering the legislation might

Senator Vic Fischer  
Page 2  
May 8, 1981

want to consider eliminating the separate Natural Gas Industrial Development Authority, assigning its responsibilities to, say, a commissioner or commission already established, leaving the "mechanics" of treating with the bonds to the state bond committee, and describing very specific limitations on the assets associated with the gas conditioning facility which would serve as the basis for guarantees of repayment of the revenue bonds. Both points raised are, to my mind, policy considerations for the committee to which Senator Parr, the bill's sponsor, may wish to respond.

In addition, Mr. Baldwin suggested that language appearing in AS 31.35.010 relating to the authorization for the gas conditioning plant be redrafted for purposes of clarity. I concur and suggest:

(a) The state may acquire or construct a gas conditioning plant and any facilities associated with it, equip the plant, and install additions and improvements to the plant and any facilities associated with it.

Finally, Mr. Baldwin urged reconsideration of the provisions of the last sentence of AS 44.82.091(a), page 4, lines 26 - 29 suggesting that the ten percent rate therein specified should be considered an averaged rate of interest for the life of the bonds. I believe the language provided in the bill does as he suggests, but would act on any recommendation which the committee would choose to make in this regard.

JBC:ljb

cc: Senator Charles H. Parr

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

April 7, 1981

The Honorable Vic Fischer  
Chairman  
Senate State Affairs Committee  
Room 205 - Behrends Building  
Juneau, Alaska

Dear Senator Fischer:

Re: Senate Bill No. 257

Senate Bill No. 257, an Act relating to natural gas; establishing the Alaska Natural Gas Industrial Development Authority; and authorizing the authority to issue revenue bonds to finance construction of a plan to condition natural gas and repealing the Alaska Gas Pipeline Financing Authority, was introduced in the Senate on March 9, 1981 and was referred to the Senate State Affairs; Resources and Finance Committees.

For the consideration of the Senate State Affairs Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

RDS/rdh

cc: The Honorable Bettye Fahrenkamp  
Chairperson  
Senate Resources Committee

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

The Honorable Don Bennett  
The Honorable M. E. Dankworth  
Co-Chairmen  
Senate Finance Committee

Anselm Staack  
Treasury Comptroller  
Department of Revenue

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 257

Title Establishing the Alaska Natural Gas Industrial Development Authority, provide for

Requested by the issuance of revenue bonds, repeal Alaska Date 3/9/81

Gas Pipeline Financing Authority

Requested by Senate State Affairs Committee

II. FISCAL DETAIL

Agency Affected Department of Revenue, State Bond Committee

Program Category Affected \_\_\_\_\_

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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

SEE BELOW: SIGNIFICANT POTENTIAL IMPACT EXISTS BUT IS INDETERMINATE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill establishes the Alaska Natural Gas Industrial Development Authority for the purpose of issuing revenue bonds to plan and finance the construction of a plant to condition natural gas. Repeals Alaska Gas Pipeline Financing Authority. Authority (development) allowed to issue and sell up to \$2 Billion in revenue bonds.

This bill is structured to create an organization/agency similar to International Airports which is an agency within DOTPF and is budgeted like any other BRU. The State Bond Committee makes all decisions related to the issuance and sale of revenue bonds. Staff and other operating expenditure requirements would be based on the eventual size and scope of the project.

IV. DATE April 6, 1981

PREPARED BY Anselm C. Stack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

S

B

259

PIONEER POSITION PAPER: SB 256 by Sen. Parr

TO: All Igloos & Auxiliarys, Pioneers of Alaska

FROM: Bob Gore, Chairman, Legislative Committee, Past Grand  
President, Pioneers of Alaska

This Bill is an Act: "Repealing the requirement that the Person managing or administering an Alaska Pioneers Home be a licensed Nursing Home Administrator."

BACKGROUND:

Until the legislative session of 1980, the Governor and the Commissioner of the Department of Administration had the prerogative and discretionary authority to appoint any person they felt was qualified and able to manage or administer an Alaska Pioneers' Home. Those chosen were usually selected for administrative experience and management skills plus an ability to recognize the needs of and cope with the life style of the Elderly Alaskans and Pioneers who had entered a Pioneer Home as their final residence. The Pioneer Home Managers so selected are primarily responsible for the development of the present attitude and character of our Pioneer Homes as "Homes for the Living" as opposed to some of the Private nursing homes, which give the impression of being "Institutions for the Dying" or useless Elderly.

In 1980, believing the 'professionalism' at the management level might benefit the operation of the Pioneer Homes, the Administration and Legislature supported and passed a Bill which became AS 08.70.080, requiring any new Pioneer Home manager or administrator to be the holder of a Nursing Home Administrator's License.

The passage of AS 08.70.080 did not materially affect the management of the Pioneer Homes. Passage did not bring any higher level of professionalism to Home management than had previously existed, as Pioneer Home management requirements and procedures in many areas often exceed the licensing requirements of private nursing homes. Medical professionalism is provided by the Pioneer Homes physicians and nursing staff and by the professional licensing examiners. Because Pioneer Homes are State operated facilities they are subject to the same strict scrutiny as the privately operated nursing homes and it sometimes appears as if the examiners,

PIONEER POSITION PAPER

SB 256

Pp. -2-

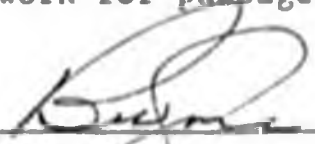
who are usually representatives of the medical profession make certain that the Pioneer Homes comply to the most stringent degree with applicable licensing requirements.

Strict compliance with licensing requirements is a matter of normal procedure with the Pioneer Homes and careful scrutiny by licensing examiners is welcomed by the Department of Administration as a means of guaranteeing and insuring good and professional management of our Pioneer Homes under an operational system employing managers or administrators selected for their administrative experience and managerial skills together with their ability to cope with the needs and demands of the elderly, individualistic Alaskans who reside in our Pioneer Homes.

Rather than benefitting the Pioneer Homes, passage of AS 08.70.080 imposed a possible constraint on the continuance of their present and desirable style of management. Selection of Pioneer Home managers is now limited by this law to those applicants who may possess only the medical and technical knowledge necessary to pass the examination for a nursing home administrators license, but who may very well lack the necessary administrative experience and management skills and who may possibly have no conception of the difference in the life style maintained in the Pioneer Homes and the style and manner in which some of the private nursing homes in Alaska are operated.

Sen. Parr and his co-sponsors on SB256 understand the needs of our Pioneer Homes and passage of this Bill will help to guarantee the continuance of our present operational management methods and provide the best for the well-being of our Pioneer Home residents.

SB 256 has been endorsed by the Pioneers Homes Advisory Board, the Department of Administration and the Legislative Committee for the Grand Igloo of the Pioneers of Alaska. All Pioneers should urge their local legislators to support and work for passage of SB256.



---

R.R. Gore, Past Grand President  
Chairman, Legislative Committee  
Grand Igloo, Pioneers of Alaska

Funding Information  
General Funds \$128,500  
Other Funds -0-  
\$128,500

Introduced: 3/9/81  
Referred: Health, Education &  
Social Services and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 259

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Health and Social Services, division of  
8 public health, and providing for an effective date."

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

10 \* Section 1. The sum of \$128,500 is appropriated from the general fund  
11 to the Department of Health and Social Services, division of public health,  
12 to pay the costs of public health nursing services in the Kotzebue area.

13 \* Sec. 2. The unexpended and unobligated part of the appropriation made  
14 in this Act lapses into the general fund June 30, 1981.

15 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.  
16 070(c).

17  
18 N/A

19  
20 Marcia Hubbard  
4-15-81

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262

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 262  
 Title Alaska National Guard and Naval Militia Benefits  
 Requested by Senators Bradley, Hohman, and Kel'ev Date April 13, 1981

II. FISCAL DETAIL

Agency Affected Administration, Division of Retirement and Military Affairs  
 Program Category Affected Public Protection  
 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N/A	9.0	13.5	18.0	22.5	22.5
<b>TOTAL</b>		<b>9.0</b>	<b>13.5</b>	<b>18.0</b>	<b>22.5</b>	<b>22.5</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		9.0	13.5	18.0	22.5	22.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

(Section 7 only)

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

Total tuition, fees, and books is \$900.00 per year, per student. Assuming 10 students the first year and 5 additional students each year for the next 3 years. Then sustain 25 students per year thereafter.

IV. DATE 13 Apr 1981 PREPARED BY LTC Henry A. Compton  
 AGENCY Military Affairs  
 PHONE 243-0656  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
1 STATE OF ALASKA	203736116.	123383067.	80353047.	233462893.	11.46	2.54	14.00	
2 SOUTH WEST REGION SCHOOL DISTRICT	162831.	259060.	-96239.	1389196.	11.46	-0.51	10.95	
3 ANNETTE ISLAND SCHOOL DISTRICT	77627.	122262.	-44636.	248195.	11.46	-1.33	10.13	
4 BERING STRAITS SCHOOL DISTRICT	273445.	214854.	58591.	671183.	11.46	0.64	12.10	
5 CHATHAM SCHOOL DISTRICT	27275.	46956.	-19081.	83991.	11.46	-1.73	9.73	
6 ALASKA MUNICIPAL LEAGUE	58644.	-69166.	127810.	58679.	11.46	16.07	27.53	
7 VALDEZ, CITY OF	623022.	673367.	-50345.	1803484.	11.46	-0.21	11.25	
8 JUNEAU BOROUGH SCHOOL DISTRICT	1570078.	608791.	961287.	2901289.	11.46	2.45	13.91	
9 MATANUSKA-SUSITNA BOROUGH	896842.	1142070.	-245228.	1789767.	11.46	1.50	12.96	1
10 MATANUSKA-SUSITNA SCHOOL	1703361.	522959.	1180402.	2812745.	11.46	1.50	12.96	1
11 ANCHORAGE BOROUGH SCHOOL	23903095.	10570129.	13332966.	34277081.	11.46	2.87	14.33	
12 COOPER RIVER SCHOOL DISTRICT	141666.	209582.	-67915.	546561.	11.46	-0.92	10.54	
13 UNIVERSITY OF ALASKA	14341436.	13402405.	939031.	23375479.	11.46	0.32	12.78	3
14 HAINES, CITY OF	178145.	172908.	5237.	276748.	11.46	0.14	11.60	
15 KENAI, CITY OF	785725.	1080274.	-294549.	1509530.	11.46	-1.44	10.02	
16 NORTH STAR BOROUGH	1866065.	2358119.	-492054.	4522041.	11.46	0.50	11.96	4
17 NORTH STAR BOROUGH SCHOOL DISTRICT	4990508.	3525197.	1465311.	9938986.	11.46	0.50	11.96	4
18 RAILBELT SCHOOL DISTRICT	94850.	120470.	-25621.	548712.	11.46	-0.34	11.12	
19 UNIVERSITY OF ALASKA - GEO.	1773002.	1597783.	17521.	2160706.	11.46	0.32	11.78	3
20 CITY AND BOROUGH OF SITKA	2196413.	588738.	1607676.	2138873.	11.46	4.51	15.97	5
21 CHUGACH REGIONAL SCHOOL DISTRICT	7413.	39493.	-32080.	31171.	11.46	-7.60	1.86	
22 GATEWAY BOROUGH	490860.	409705.	81154.	818994.	11.46	0.73	12.19	
23 SOLDOTNA, CITY OF	118744.	138236.	-19491.	388157.	11.46	-0.37	11.09	
24 IDITAROD AREA SCHOOL DISTRICT	69773.	123397.	-53624.	438449.	11.46	-0.90	10.56	
25 KURPUK SCHOOL DISTRICT	95483.	154016.	-58533.	443430.	11.46	-0.97	10.49	

2.5 CONTRIBUTION RATES

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	ACCRUED LIABILITY	ADJUSTED ASSETS	UNFUNDED LIABILITY	ANNUAL EARNINGS	CONSOL. RATE	PAST SRV RATE	TOTAL RATE	RATE GROUP
26 CITY AND BOROUGH OF JUNEAU	6644933.	7292067.	-647134.	8069958.	11.46	-0.59	10.87	
28 KODIAK, CITY OF	1843632.	1106262.	737370.	1943304.	11.46	2.80	14.26	
29 FAIRBANKS, CITY OF	0517537.	3296581.	5220956.	7468008.	11.46	5.43	16.89	5
30 FAIRBANKS PUBLIC UTILITIES	2882333.	458870.	2423464.	2922412.	11.46	5.43	16.89	6
32 BRAGWAY, CITY OF	133296.	123127.	10169.	197972.	11.46	0.38	11.84	
33 SITKA, BOROUGH SCHOOLS	902651.	479605.	423046.	1181904.	11.46	4.51	15.97	5
35 WRANGELL, CITY OF	634219.	387892.	246327.	806237.	11.46	2.25	13.71	
36 BETHEL, CITY OF	65544.	57406.	8138.	91148.	11.46	0.66	12.12	
37 VALDEZ CITY SCHOOLS	288144.	309134.	-20990.	998264.	11.46	-0.16	11.30	
38 HOONAH CITY SCHOOLS	397931.	183089.	214842.	587198.	11.46	2.70	14.16	
39 NOME, CITY OF	324600.	171885.	152716.	474820.	11.46	2.37	13.83	
40 KOTZEBUE, CITY OF	88922.	161878.	-72956.	262901.	11.46	-2.05	9.41	
41 GALENA CITY SCHOOLS	40821.	52269.	-11448.	146663.	11.46	-0.58	10.88	
42 KING COVE CITY SCHOOL DISTRICT	35355.	12925.	22430.	148803.	11.46	1.13	12.59	
43 PETERSBURG, CITY OF	1130610.	328728.	801882.	1603985.	11.46	3.69	15.15	
44 BRISTOL BAY BOROUGH	167391.	150460.	16931.	288644.	11.46	0.43	11.89	
45 NORTH SLOPE BOROUGH	1317540.	2194906.	-877365.	7178111.	11.46	-0.90	10.56	
46 WRANGELL SCHOOLS	79880.	-76121.	156001.	143499.	11.46	8.02	19.48	
47 ALASKA UNORGANIZED BOROUGH SCHOOL DIST.	110006.	729178.	-319172.	420000.	11.46	-5.61	5.85	
48 CORDOVA, CITY OF	597865.	263706.	334759.	641132.	11.46	3.85	15.31	
49 NOME CITY SCHOOLS	406791.	57803.	348988.	930518.	11.46	2.77	14.23	
51 KING COVE, CITY OF	18638.	43449.	-24812.	87534.	11.46	-2.09	9.37	
52 ALASKA HOUSING FINANCE CORPORATION	143512.	61678.	81834.	334720.	11.46	1.81	13.27	
53 LOWER YUKON SCHOOL DISTRICT	384441.	329094.	55349.	2127447.	11.46	0.19	11.65	
54 NORTHWEST ARCTIC SCHOOL DISTRICT	814739.	868430.	-54191.	3462180.	11.46	-0.12	11.34	

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