

ALABAMA LEGISLATIVE COMMISSION 1902

1580 SHESS HB 131 - HB 279

File HB 131

PROPOSED AMENDMENT

CSHB 131 (HESS) 4/1/81

On Page 1, Line 21: Change "\$1,000.00 per bed" to "\$2,000.00 per bed".

Original sponsors: Haugen, Bettisworth,  
Cato, et al

Offered: 4/1/81  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 131 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act increasing state aid for health facilities and  
7 hospitals; and providing for an effective date."

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

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\* Section 1. AS 29.89.030(a)(1) is amended to read:

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\* Sec. 2. AS 29.89.030(a)(3) is amended to read:

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\* Sec. 3. This Act takes effect July 1, 1981.

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(1) to a municipality which has the power to provide hospital  
facilities and services and which exercises that power, \$1,000 per bed  
for each bed actually used for patient care, limited to the number of  
beds provided for in the construction design of the hospital, or  
\$250,000 [\$75,000] a hospital for those hospitals with 10 or more beds,  
or \$50,000 [\$25,000] a hospital for those hospitals with less than 10  
beds, as the municipality may elect; money received under this paragraph  
may be used only for hospitals and shall be apportioned among qualify-  
ing hospitals as the municipality determines;

(3) to a municipality in which a health facility is operated,  
\$1,000 per bed for each bed actually used for patient care, limited to  
the number of beds provided for in the construction design of the  
health facility, or \$8,000 [\$4,000] per health facility as the munici-  
pality determines.

alaska  
state  
hospital  
association

319 Seward St., Juneau, Alaska 99801 (907) 586-1790  
REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

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Ketchikan General Hospital  
Ketchikan

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Anchorage

Immediate Past President  
Al Camosso  
Providence Hospital  
Anchorage

Executive Director  
Dennis L. DeWitt  
Juneau

May 25, 1981

The Honorable Charles Parr  
Alaska State Senate  
Pouch V, State Capitol Building  
Juneau, Alaska 99811

Dear Senator Parr:

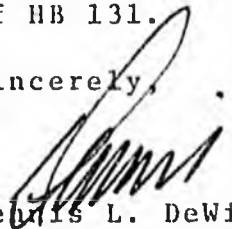
The Alaska State Hospital Association wishes to indicate our strong support for HB 131. It is our highest legislative priority for 1981.

It is unfortunate that health facility revenue sharing was passed over last year when other forms of revenue sharing were increased. As a result, many health facilities which were in difficult financial situations are in desperate shape this year. We believe HB 131 would prudently assist health facilities in Alaska and by its design, would offer greatest assistance to those most often in need of such assistance.

I have enclosed a copy of our testimony, a copy of "Trends", a summary sheet indicating the financial and occupancy status of several hospitals and a summary which shows how and where the increases would occur.

We would respectfully request your favorable consideration of HB 131.

Sincerely,

  
Dennis L. DeWitt  
Executive Director

DLD/b

cc: E. J. Haugen, Alaska State Representative

Enclosures

TESTIMONY BEFORE THE SENATE HESS COMMITTEE  
SUPPORT FOR HOUSE BILL 131

THE ALASKA STATE HOSPITAL ASSOCIATION STRONGLY SUPPORTS HOUSE BILL 131. THE INCREASE IN THE LEVEL OF THE MINIMUM GRANT TO HOSPITALS AND HEALTH FACILITIES IS VITAL TO THE SURVIVAL OF SEVERAL HOSPITALS AND HEALTH FACILITIES IN ALASKA AND NECESSARY FOR THE ASSURANCE OF APPROPRIATE LEVELS OF CARE IN A VAST MAJORITY OF THESE FACILITIES SERVING ALASKA. THE OPERATIONAL REVENUE SHARING PROGRAM BEGAN IN 1972 AT A MINIMUM LEVEL FOR HOSPITALS OF \$50,000 AND HAS SINCE BEEN INCREASED ONLY TO \$75,000. AT THE SAME TIME COST OF OPERATION OF HEALTH FACILITIES HAVE INCREASED MARKEDLY. WE BELIEVE THAT AN INCREASE IN THE MINIMUM GRANT TO \$250,000 FOR HOSPITALS IS APPROPRIATE.

IN THE YEARS SINCE 1972, HEALTH FACILITIES HAVE EXPERIENCED INFLATIONARY PRESSURES NOT EXPERIENCED BY THE REMAINDER OF THE ECONOMY. HEALTH FACILITIES WERE THE LAST INDUSTRY RELEASED FROM SALARY LIMITATIONS UNDER THE ECONOMIC STABILIZATION PROGRAM OF THE NIXON ADMINISTRATION AND AS A RESULT HAVE EXPERIENCED SUBSTANTIVELY GREATER PRESSURE TO BRING EQUITY TO EMPLOYEE WAGES.

HEALTH FACILITIES ARE HIGH ENERGY USERS. THE INCREASE IN THE COST OF FUEL OIL HAS APPROXIMATED 400%. ELECTRICITY HAS EXHIBITED SIMILAR INCREASES. THE COST OF FUEL IN CORDOVA BETWEEN FEBRUARY 1979 AND FEBRUARY 1980 ALMOST DOUBLED IN JUST THAT SINGLE YEAR.

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OFTEN INCREASES ASSUMED TO BE UNRELATED TO HEALTH FACILITIES HAVE HAD A MARKED IMPACT ON HOSPITALS, FOR EXAMPLE, THE INCREASE IN SILVER PRICES CAUSED THE PRICE OF X-RAY FILMS, WHICH CONTAIN SILVER, TO SKYROCKET. THE PRICE OF PETROLEUM IMPACTS NOT ONLY FUEL COSTS BUT ALSO THE COST OF MANY PLASTIC DISPOSABLE ITEMS WHICH ARE NECESSARY IN A HEALTH FACILITY.

THE FACT THAT THE COST OF OPERATING A HEALTH FACILITY HAS INCREASED DRAMATICALLY CAN NOT BE DEBATED. ATTACHED IS A COPY OF "TRENDS", PUBLISHED BY THE AMERICAN HOSPITAL ASSOCIATION WHICH DEMONSTRATES NOT ONLY THE INCREASES IN HOSPITAL CHARGES, BUT THE INCREASES IN BASIC SUPPLY COSTS TO HEALTH FACILITIES. HEALTH FACILITIES IN ALASKA HAVE BEEN ATTEMPTING TO LIMIT THE INCREASES IN OUR COSTS OF OPERATION BUT AS YOU CAN SEE, WE HAVE NOT BEEN GETTING A GREAT DEAL OF HELP.

THE NEXT QUESTION IS WHETHER OR NOT THERE CONTINUES TO BE A NEED FOR STATE ASSISTANCE TO HEALTH FACILITIES. INDEED THERE IS. THERE IS NO TRADITIONAL PUBLIC GENERAL HOSPITAL SYSTEM IN ALASKA. THAT FUNCTION IS SERVED BY HOSPITALS THROUGHOUT THIS STATE. CURRENTLY, IT IS FUNDED THROUGH INCREASED "BAD DEBTS" OR OFFSET BY DIRECT ASSISTANCE FROM THE TAX BASE OF THE GOVERNMENTAL ENTITY IN WHICH JURISDICTION THE FACILITY WAS BUILT. THIS FUNDING IS ORDINARILY AN AMOUNT IN EXCESS OF THE CURRENT REVENUE SHARING GRANT WHICH THE STATE SENDS TO HEALTH FACILITIES THROUGH THE MUNICIPALITIES. AN INCREASE IN REVENUE SHARING TO HEALTH FACILITIES THEN, WILL NOT ONLY PROVIDE ASSISTANCE TO THE HEALTH FACILITY, BUT ALSO DIRECT PROPERTY TAX RELIEF.

PAGE THREE

CURRENTLY, AT LEAST, 10 HOSPITALS ARE RECEIVING LOCAL TAX FUNDS FOR SUPPORT IN ADDITION TO STATE REVENUE SHARING SUPPORT.

MOST HEALTH FACILITIES IN ALASKA ARE SMALL AND, BECAUSE OF REGIONAL ISOLATION, HAVE RELATIVELY LOW OCCUPANCY LEVELS. OCCUPANCY LEVELS ARE AVERAGES AND DO NOT REFLECT HIGH WEEKEND OCCUPANCY IN POPULAR WEEKEND AREAS SUCH AS SEWARD NOR NEAR HIGHWAY FACILITIES SUCH AS PALMER OR SEASONAL VARIATIONS IN COMMUNITIES SUCH AS CORDOVA. BECAUSE A HEALTH FACILITY IS A 24 HOUR, 365 DAY PER YEAR OPERATION, THERE IS A TREMENDOUS STAND-BY COST WHICH OFTEN CAN NOT BE MET BY PATIENT REVENUES. STILL, THERE IS A NEED FOR FACILITIES IN OUR SMALLER ISOLATED COMMUNITIES.

THE STATE DEPARTMENT OF HEALTH REQUIRES MINIMUM SQUARE FOOTAGE, TYPES OF EQUIPMENT AND PERSONNEL FOR LICENSURE. WHILE WE SUPPORT MOST LICENSURE STANDARDS, WE MUST ALSO NOTE THAT THERE IS A COST ATTACHED TO THOSE REQUIREMENTS. WE BELIEVE THAT THE BASIC MINIMUM ANNUAL OPERATIONAL COSTS FOR A HOSPITAL IN ALASKA IS APPROXIMATELY \$800,000. IT APPEARS TO THE ALASKA STATE HOSPITAL ASSOCIATION THAT A FLAT RATE OF \$250,000, APPROXIMATELY 30% OF THE BASIC ESTIMATED ANNUAL OPERATIONAL COST, WOULD VIABLY MAINTAIN THOSE FACILITIES CURRENTLY IN GREATEST NEED.

WE HAVE SURVEYED OUR MEMBER FACILITIES AND ARE FINDING THAT WITH A VERY FEW NOTABLE EXCEPTIONS, THERE IS VERY LITTLE VARIABLE COST IN ALASKA HOSPITALS. BECAUSE OF THE SIZE OF FACILITIES, THEY TEND TO BE DOWN TO THE MINIMUM NUMBER OF PERSONNEL POSSIBLE. THE PERSONNEL CAN ACCOMODATE MORE PATIENTS, BUT WITHOUT A NURSE ON THE NIGHT SHIFT, FOR EXAMPLE, WE COULD NOT OPERATE THE HOSPITAL. THE NURSE IS NECESSARY, WHETHER THERE IS ONE PATIENT OR 8 PATIENTS.

.PAGE FOUR

SIMILARLY, BECAUSE OF SIZE, IT IS DIFFICULT TO ENJOY ANY ECONOMY OF SCALE OR VOLUME IN EQUIPMENT USAGE AND SOMETIMES IN PURCHASING POWER. THE ASSOCIATION SPONSORS AND SUPPORTS TWO GROUP PURCHASING ACTIVITIES IN ALASKA TO ASSIST WITH THIS PROBLEM, ONE WITH THE SISTERS OF PROVIDENCE AND ONE WITH HEALTH AND HOSPITAL SERVICES, INCORPORATED. WHILE THIS ASSISTS, IT IN NO WAY TOTALLY SOLVES THE PROBLEM.

WE HAVE READ AND GENERALLY ACCEPT THE REPORT DELIVERED TO THE LEGISLATURE ON HOSPITAL AND HEALTH FACILITY OPERATION AND CONSTRUCTION ASSISTANCE, DATED FEBRUARY 1, 1981 BY THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, AS IT RELATES TO CONSTRUCTION ASSISTANCE, AS THE REPORT RELATES TO OPERATIONAL ASSISTANCE, WE VIEW THE DEPARTMENT'S POSITION PAPER ON HB 131 AS AN ADDENDUM TO THAT REPORT WHICH WE UNDERSTAND AS SUPPORT.

WE BELIEVE THAT HB 131 MERITS YOUR FAVORABLE CONSIDERATION AND SUGGEST THAT, ESPECIALLY IN VIEW OF THE FACT THAT THIS IS THE ONLY MUNICIPAL REVENUE SHARING PROGRAM NOT INCREASED IN 1980, IT IS VITALLY IMPORTANT THAT THIS MEASURE BE ENACTED THIS YEAR.

WE HAVE ATTACHED A LIST OF HOSPITALS AND OPERATING LOSSES OR GAINS FOR YOUR REVIEW.

HOSPITAL	REVENUE OVER EXPENSES (LOSS) GAIN	DAILY SERVICE CHARGE	OCCUPANCY	LENGTH OF STAY
Alaska Hospital	(2.5 Million)	220.00	53.6	4.7
Bartlett (Juneau)	(-0-)	190.00	46.2	4.2
Central Peninsula Soldotna	210,000	195.00	56.4	3.2
Cordova	(120,907)	195.00	28.5	5.1
Kodiak	(155,426)	215.00	43.9	2.8
Petersburg	(135,000)	190.00	21.0	3.0
Seward	(211,000)	190.00	10.0	2.7
Sitka	(251,000)	190.00	42.9	4.3
South Peninsula (Homer)	(240,000)	195.00	79.0	2.8
Valdez	(374,438)	210.00	13.4	2.5
Valley (Palmer)	(354,297)	185.00	50.0	2.9
Wrangell	(130,593)	190.00	24.0	3.4
Norton Sound	(276,901)	342.00	51.0	3.9

	HOSPITALS CURRENT	HOSPITALS WITH 10 OR MORE BEDS HB 131	HEALTH FACILITIES \$2,000/BED HB 131	HEALTH FACILITIES \$8,000/FACILITY HB 131
<u>BOROUGHS</u>				
Anchorage	425,000	500,000	650,000	64,000
Juneau	75,000	250,000	180,000	
Kenai Peninsula	75,000	500,000		
Kodiak Island			54,000	72,000
North Slope				56,000
<u>CITIES</u>				
Cordova	75,000	250,000		24,000
Craig				8,000
Fairbanks	155,000	250,000	132,000	24,000
Galena				8,000
Homer				16,000
Hydaburg				8,000
Kenai				16,000
Ketchikan	90,000	250,000		
King Cove				8,000
Klawock				8,000
Nome	75,000	250,000		16,000
Palmer	75,000	250,000		
Pelican				8,000
Petersburg	75,000	250,000		16,000

	HOSPITALS CURRENT	HOSPITALS WITH 10 OR MORE BEDS HB 131	HEALTH FACILITIES \$2,000/BED HB 131	HEALTH FACILITIES \$8,000/FACILITY HB 131
<u>CITIES</u>				
Sand Point				8,000
Saint Mary's				8,000
Seldovia				8,000
Seward	75,000	250,000	128,000	16,000
Skagway				8,000
Unalaska				8,000
Valdez	75,000	250,000		8,000
Wrangell	75,000	250,000		8,000
Yakutat				8,000
Bethel			98,000	8,000
57 X 8,000				456,000
TOTAL		3,500,000	1,242,000	896,000

ESTIMATED TOTAL COST	5,638,000
LESS EST. CURRENT FUNDING	<u>3,006,000</u>
ESTIMATED ADDED COST	2,632,000

## Community Hospital Indicators Office of Public Policy Analysis

American Hospital Association  
840 North Lake Shore Drive  
Chicago, Illinois 60611

Number 42  
May 1981  
Data for February 1981

### REPORT ON FEBRUARY 1981 HOSPITAL PERFORMANCE

Community hospital inpatient expenses rose 16.0 percent between February 1980-81. Adjusted for the extra working day in February 1980 due to leap year, expenses increased 19.9 percent; this was consistent with the expense trend in the preceding two months. In comparison, inpatient expenses increased 14.2 percent between February 1979-80 (leap year adjusted) and 16.8 percent between calendar year 1979-80.

February 1980-81 was characterized by moderate utilization growth. Even when adjusted for the effect of leap year, all major utilization indicators--admissions, patient days, surgeries, outpatient visits and births--increased less rapidly between February 1980-81 than in the year-earlier period or between calendar year 1979-80.

Rising hospital market basket prices accounted for 70 percent of the increase in inpatient expenses between February 1980-81.

Staffed beds rose 2.1 percent between February 1980-81, which was consistent with growth during the past seven months; in the year-earlier period beds increased less rapidly, 0.4 percent. The increase in staffed beds was slightly greater than the increase in patient census; consequently, the occupancy rate decreased slightly, from 80.2 percent, in February 1980 to 79.9 percent in February 1981.

The staffing ratio (FTE per occupied bed) rose 4.7 percent in the current period, in part reflecting an uncharacteristic 1.1 percent decline between February 1979-80. This indicator tends to fluctuate from month-to-month due to short-term changes in utilization trends.

The attached graphs have been reformatted from 1980, to better display underlying trends. For each month, the graphs show the percent change for the three-month period ending with that month; each period is compared with the same three-month period one year earlier. Graphs have been adjusted to eliminate the effect of the extra working day in February 1980 due to leap year.

February 1981: Summary Trends

Community hospital inpatient expenses increased 16.0% between February 1980-81. Adjusted for the effect of the extra leap year day in February 1980, inpatient expenses increased 19.9%. Growth was consistent with preceding months, and was above rates of increase experienced between February 1979-80 (14.2% leap year adjusted) or calendar year 1979-80 (16.8%). February 1981 expenses reflected the impact of more rapid increases in personnel, unit labor costs and supply expenses, which was consistent with patterns of expense growth during recent months. However, growth of utilization moderated, and all utilization measures increased less rapidly than in the year-earlier period or between calendar year 1979-80.

Selected Indicators: February 1981

	Percent change*+	
	1980	1981
Total expenses	14.5	20.0
Inpatient expenses	14.2	19.9
Nonlabor inpatient expenses	15.0	18.9
Labor inpatient expenses	13.6	20.6
Payroll/FTE	10.7	12.7
FTE	2.3	6.4
Staffing ratio	- 1.1	4.7
Beds	0.4	2.1
Admissions	3.9	1.6
Inpatient days	4.0	1.7
Surgical operations	6.6	1.4

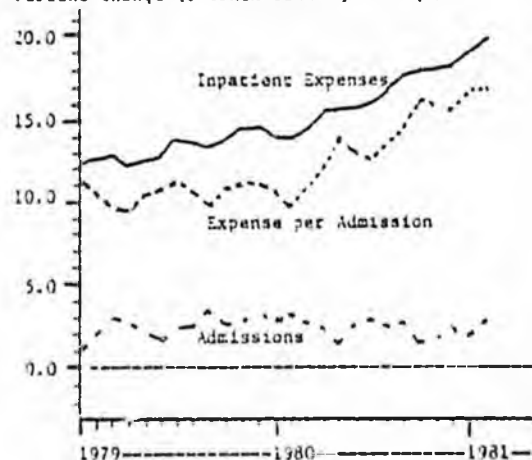
\*From previous February

+Adjusted for the 1980 leap year

Inpatient Expenses\*

The 19.9% increase in inpatient expenses between February 1980-81 represents the combined effect of an 18.2% rise in the cost of treating the average case and a 1.6% increase in admissions. Between February 1979-80 cost per case rose 9.6% and admissions rose 3.9%, resulting in a 14.2% increase in inpatient expenses. More rapid growth of expense per case in the current period reflected the impact of pent-up inflationary pressures and the nursing shortage on wage rates, as well as the effect of the increase in Social Security contributions and the minimum wage that went into effect in January. Cost per case also reflected the impact of an increase in labor intensity and supply volume.

Percent Change (3-month running average)

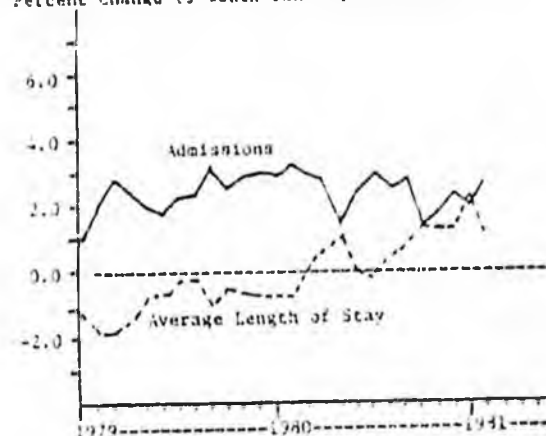


\*Adjusted for the 1980 leap year.

Utilization\*

The February 1980-81 period was characterized by moderate utilization growth. Admissions, patient days, surgeries, outpatient visits and births all increased less rapidly between February 1980-81 than in the year-earlier period or between calendar year 1979-80. Admissions rose 1.6%, compared to 2.9% between calendar year 1979-80. The rise in admissions reflected the combined effect of a 1.3% rise in under-65 admissions and a relatively moderate 2.5% rise in 65-and-over admissions. Average length of stay rose only marginally (0.1%), in contrast to the unusually large (5.2%) rise that occurred in the preceding month. Between February 1980-81 under-65 length of stay decreased 0.6% and 65-and-over length of stay rose 0.3%.

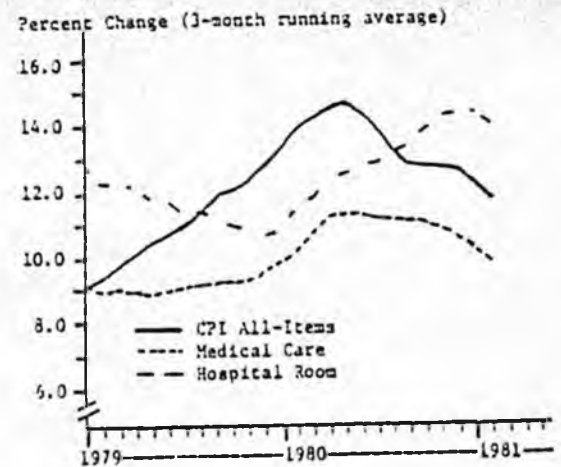
Percent Change (3-month running average)



\*Adjusted for the 1980 leap year.

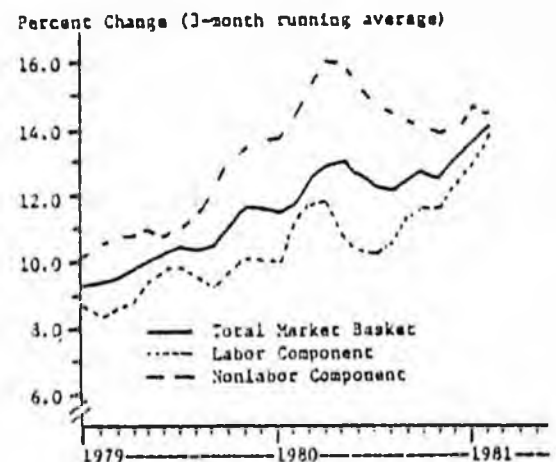
### Consumer, Medical and Hospital Prices

The growth rate of the Consumer Price Index (CPI) has been consistently decelerating in recent periods, from a peak of 14.7% between April 1979-80 to 11.3% between February 1980-81. Growth of the medical care component has also decelerated, although more moderately, from 11.5% between May 1979-80 to 9.6% in the current period. Medical care prices have been increasing less rapidly than the All-Items CPI since December 1978. Growth of the hospital room component rose from a 12.3% rate between February 1979-80 to a 13.6% rate between February 1980-81. Because of contract purchasing and the 12- to 18-month lag before changes in the rate of inflation are fully reflected in hospital wage rates, deceleration in hospital prices historically has lagged price deceleration in the general economy.



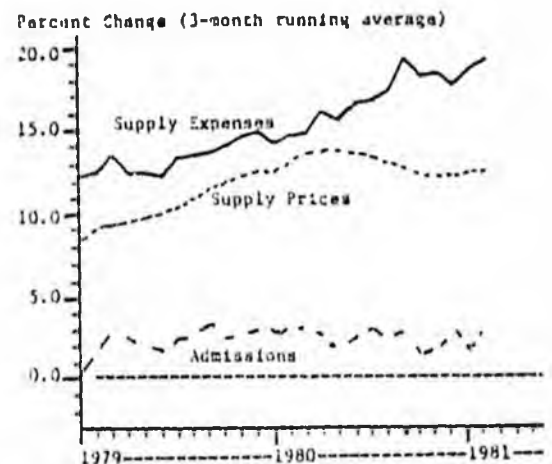
### Hospital Market Basket

Although inflation in the general economy has slowed, hospitals are continuing to feel the impact of pent-up inflationary pressures. The growth rate of the Hospital Market Basket rose from 12.7% between February 1979-80 to 13.4% in the current period. The labor component accelerated 2.9 percentage points from a 10.4% rate between February 1979-80 to a 13.3% rate in the current period. The impact of this acceleration was partially offset by a reduction in growth of the nonlabor component, from 15.5% between February 1979-80 to 13.5% between February 1980-81. All nonlabor categories except professional fees and food increased less rapidly in the current period than between February 1979-80. Overall, rising market basket prices accounted for 70% of the (leap year adjusted) increase in inpatient expenses between February 1980-81.



### Supply Expenses\*

Inpatient supply expenses increased 13.4% between February 1980-81 as a result of a 5.6% increase in supply volume and a 12.1% increase in supply prices as measured by the Hospital Market Basket. In the year-earlier period supply expenses rose 15.7% due to less rapid growth of supply volume (1.8%). Supply prices increased less rapidly in the current period (12.1%) than between February 1979-80 (13.7%). The growth rate of supply prices has fallen during recent periods, from a peak of 14.0% between April 1979-80. However, the deceleration in hospital supply prices has been smaller than the deceleration in the All-Items CPI. The increase in supply prices accounted for 68% of the increase in community hospital supply expenses between February 1980 and February 1981.



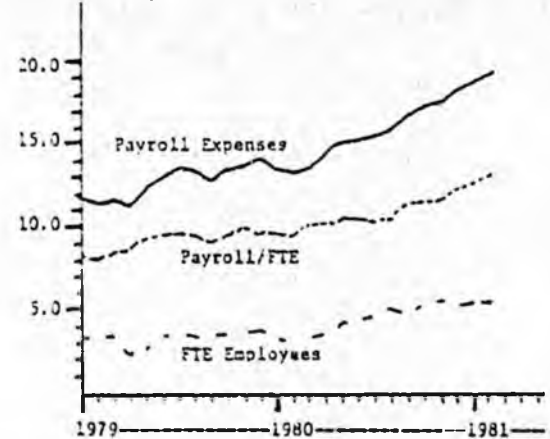
\*Adjusted for the 1980 leap year.

### Labor Expenses and Wages\*

Inpatient labor expenses increased 20.6% between February 1980-81, compared to 13.6% between February 1979-80. Accelerating growth of labor expenses, consistent with 1980 trends, reflects increased employment and the impact of pent-up inflationary pressures and the nursing shortage on unit labor costs. Other factors affecting labor costs in 1981 are an increase in the minimum wage to \$3.35 per hour, and a rise in employer Social Security contributions. The growth rate of unit labor costs (labor expenses per FTE) rose from 10.4% between February 1979-80 to 13.3% between February 1980-81, and the growth rate of payroll expenses per FTE rose from 10.7% to 12.7%. Payroll expenses accounted for 86% of labor costs in February 1981.

\*Adjusted for the 1980 leap year.

Percent Change (3-month running average)

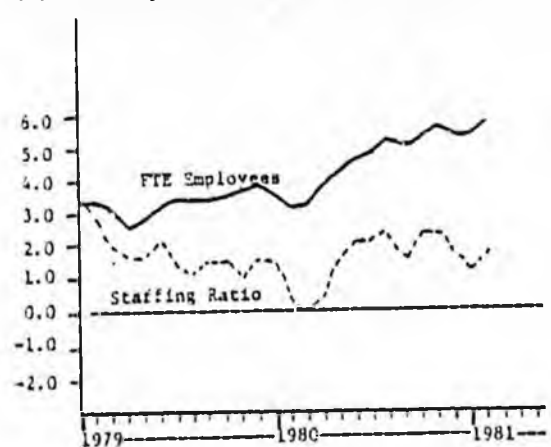


### Employment\*

The staffing ratio (FTEs per occupied bed) increased at the above-average rate of 4.7% between February 1980-81. Employment tended to increase more rapidly in the census regions that had experienced rapid growth of 65- and over utilization in recent months. The unusual increase in the staffing ratio between February 1980-81 in part reflected an unusually low staffing ratio in the February 1980 base period; the staffing ratio, somewhat uncharacteristically, had declined 1.1% between February 1979-80. This indicator tends to fluctuate from month-to-month due to sizeable short-term variation in utilization.

\*Adjusted for the 1980 leap year.

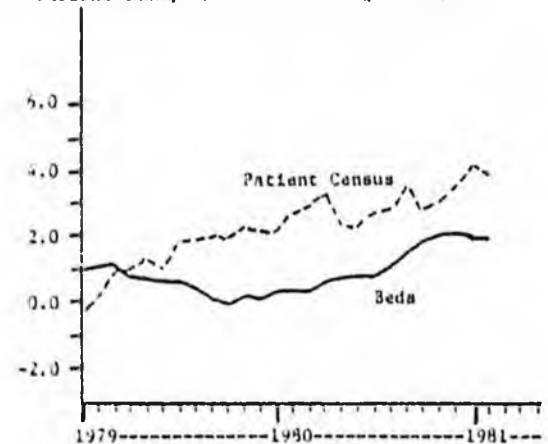
Percent Change (3-month running average)



### Beds and Census

Community hospital staffed bed levels increased 2.1% between February 1980-81, which was consistent with growth during the past seven months. Staffed beds increased most rapidly (3% or more) in the census regions that had experienced the greatest increase in utilization in the most recent three-month period. Staffed bed data reflects the effect of bed construction, as well as the opening or closing of existing beds in response to actual or anticipated changes in utilization. In contrast to the trend of the past two years, the increase in staffed beds was slightly above the growth of patient census, and the occupancy rate decreased from 80.2% in February 1980 to 79.9% in February 1981.

Percent Change (3-month running average)



Selected Hospital Performance Indicators: February 1980 and 1981

	Percent change from same period, previous year			
	Month of February		Year-to-date	
	1980	1981	1979	1980
<u>Inpatient Expenses &amp; Staffing</u>				
Inpatient expenses	18.0	16.0	15.8	17.9
Adjusted for 1980 leap year*	14.2	19.9	13.9	19.8
Inpatient expenses per admission	9.6	18.2	10.3	19.7
Inpatient expenses per inpatient day	9.6	18.1	10.4	16.6
Labor expenses	17.6	16.4	15.3	18.2
Adjusted for 1980 leap year	13.6	20.6	13.3	20.2
Payroll expenses	17.9	15.8	15.3	17.6
Adjusted for 1980 leap year	13.9	19.9	13.4	19.6
Employee benefits	15.8	20.7	15.0	21.6
Adjusted for 1980 leap year	11.8	25.0	13.0	23.7
FTE personnel	2.8	6.4	2.7	6.1
Nonlabor expenses	18.5	15.4	16.4	17.5
Adjusted for 1980 leap year	15.0	18.9	14.7	2
Depreciation	12.3	18.9	12.5	18.8
Interest	8.5	29.1	9.0	29.5
Supplies, services & other expenses	19.8	14.3	17.3	16.7
Adjusted for 1980 leap year	15.7	18.4	15.3	18.7
Supply expenses per admission	11.3	16.5	11.7	18.5
<u>Total (Inpatient &amp; Outpatient) Expenses &amp; Staffing</u>				
Total expenses	18.4	16.1	16.3	17.9
Adjusted for 1980 leap year	14.5	20.0	14.4	19.8
Labor expenses	18.0	16.6	15.8	18.2
Adjusted for 1980 leap year	13.9	20.8	13.9	20.3
Payroll expenses	18.3	15.9	15.9	17.7
Adjusted for 1980 leap year	14.2	20.0	13.9	19.7
Employee benefits	16.1	20.9	15.5	21.7
Adjusted for 1980 leap year	12.1	25.2	13.5	23.8

\*Due to leap year, February 1980 was one day longer than February 1981. As a result, utilization, payroll expenses, employee benefits and supply expenses were greater than in a normal February of 28 days. Utilization and expense data have, therefore, been adjusted for this difference in the number of days in the reporting period.

Selected Hospital Performance Indicators: February 1980 and 1981

	Percent change from the same period, previous year			
	Month of February		Year-to-date	
	1980	1981	1979	1980
<u>Total (Inpatient &amp; Outpatient)</u>				
<u>Expenses &amp; Staffing (cont.)</u>				
Labor expenses/FTE	14.4	9.4	12.3	11.4
Adjusted for 1980 leap year	10.4	13.3	10.4	13.3
Payroll expenses/FTE	14.7	8.8	12.3	10.9
Adjusted for 1980 leap year	10.7	12.7	10.4	12.8
Employee benefits/FTE	12.6	13.4	12.0	14.7
Adjusted for 1980 leap year	8.7	17.5	10.1	16.6
FTE personnel	3.1	6.6	3.1	6.1
Full-time personnel	2.8	5.6	2.8	5.1
Part-time personnel	5.4	12.3	5.5	12.1
FTE/100 adjusted census	-1.1	4.7	-0.4	3.1
Nonlabor expenses	18.8	15.6	16.9	17.5
Adjusted for 1980 leap year	15.3	19.1	15.7	19.3
Depreciation	12.6	19.1	13.0	18.9
Interest	8.8	29.3	9.5	29.6
Supplies, services & other expenses	20.2	14.4	17.8	16.8
Adjusted for 1980 leap year	16.0	18.5	15.8	18.8
<u>Utilization</u>				
Beds	0.4	2.1	0.4	2.0
Admissions	7.6	-1.9	5.0	-1.5
Adjusted for 1980 leap year	3.9	1.6	3.3	0.1
Inpatient days	7.7	-1.8	4.8	1.1
Adjusted for 1980 leap year	4.0	1.7	3.1	2.8
Average length of stay	0.1	0.1	-0.2	2.7
Outpatient visits	14.0	-5.3	10.2	-2.7
Adjusted for 1980 leap year	10.1	-2.0	8.4	-1.0
Surgical operations	10.4	-2.1	7.3	-2.6
Adjusted for 1980 leap year	6.6	1.4	5.5	-0.9
Births	8.0	-1.7	3.8	0.3
Adjusted for 1980 leap year	4.3	1.8	2.1	2.1
Occupancy rate*	80.2	79.9	79.4	80.0

\*Data reflect occupancy rate (%) instead of percent change.

Selected Hospital Performance Indicators: February 1980 and 1981

	Percent change from same period, previous year			
	Month of February		Year-to-date	
	1980	1981	1979	1980
<u>Utilization (cont.)</u>				
65-and-over admissions	13.6	-1.1	10.6	2.5
Adjusted for 1980 leap year	9.7	2.5	8.7	4.2
65-and-over inpatient days	12.5	-0.3	9.4	5.0
Adjusted for 1980 leap year	8.6	3.3	7.6	6.8
65-and-over length of stay	-1.0	0.8	-1.1	2.4
Under-65 admissions	5.5	-2.2	3.0	-3.1
Adjusted for 1980 leap year	1.8	1.3	1.3	-1.4
Under-65 inpatient days	4.7	-2.8	2.0	-1.5
Adjusted for 1980 leap year	0.1	0.6	0.3	0.2
Under-65 length of stay	-0.7	-0.6	-1.0	1.7
<u>Hospital Market Basket</u>				
Total market basket	12.7	13.4	12.3	13.6
Labor	10.4	13.3	10.4	13.3
Nonlabor	15.5	13.5	14.7	13.9
Capital	25.0	21.8	22.3	24.0
Supplies & services	13.7	12.1	13.3	12.0
Professional fees	10.1	10.6	9.6	10.7
Insurance	11.2	10.3	12.8	10.4
Food	7.0	8.9	7.2	9.6
Fuel & utilities	28.1	18.5	27.1	18.1
Medical supplies & pharmaceuticals	10.9	10.5	9.9	11.1
Administrative supplies	12.5	9.8	12.3	11.6
Housekeeping, maintenance & other supplies	14.8	11.9	15.0	14.1

Source: American Hospital Association, Hospital Data Center, National Hospital Panel Survey, and Office of Public Policy Analysis (Hospital Market Basket)

state  
hospital  
association

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

REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

President  
Sister Barbara Maase  
Ketchikan General Hospital  
Ketchikan

President Elect  
Tom Mingen  
Fairbanks Memorial Hospital  
Fairbanks

Secretary/Treasurer  
Ron Parillas  
Alaska Hospital & Medical  
Center  
Anchorage

Immediate Past President  
Al Camosso  
Providence Hospital  
Anchorage

Executive Director  
Dennis L. DeWitt  
Juneau

March 16, 1981

The Honorable Don Clocksin  
State House of Representatives  
Pouch V, State Capitol Building  
Juneau, Alaska 99811

Dear Representative Clocksin:

The Alaska State Hospital Association wishes to indicate our strong support for HB 131. It is our highest legislative priority for 1981.

It is unfortunate that health facility revenue sharing was passed over last year when other forms of revenue sharing were increased. As a result many health facilities which were in difficult financial situations are in desperate shape this year. We believe HB 131 would prudently assist health facilities in Alaska and by its design, would offer greatest assistance to those most often in need of such assistance.

I have enclosed a copy of our probable testimony, a copy of "Inflation Report" and a summary sheet indicating the financial and occupancy status of several hospitals.

We would respectfully request your favorable consideration of HB 131.

Sincerely,

Dennis L. DeWitt  
Executive Director

cc: E.J. Haugen, Alaska State Representative  
Michael Beirne, Alaska State Representative  
Bette Cato, Alaska State Representative  
Jim Duncan, Alaska State Representative  
Terry Martin, Alaska State Representative

state  
hospital  
association

319 Seward St., Juneau, Alaska 99801 (907) 586-1790  
REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

TESTIMONY BEFORE THE HOUSE HESS COMMITTEE

MARCH 17, 1981

SUPPORT FOR HOUSE BILL 131

President  
Sister Barbara Haase  
Ketchikan General Hospital  
Ketchikan

President Elect  
Tom Mings  
Fairbanks Memorial Hospital  
Fairbanks

Secretary/Treasurer  
Ron Pavellis  
Alaska Hospital & Medical  
Center  
Anchorage

Immediate Past President  
Al Carmosso  
Providence Hospital  
Anchorage

Executive Director  
Dennis L. DeWitt  
Juneau

THE ALASKA STATE HOSPITAL ASSOCIATION STRONGLY SUPPORTS HOUSE BILL 131. THE INCREASE IN THE LEVEL OF THE MINIMUM GRANT TO HEALTH FACILITIES FROM \$75,000. TO \$250,000. IS VITAL TO THE SURVIVAL OF SEVERAL HEALTH FACILITIES IN ALASKA AND NECESSARY FOR THE ASSURANCE OF APPROPRIATE LEVELS OF CARE IN A VAST MAJORITY OF HEALTH FACILITIES SERVING ALASKA. THE OPERATIONAL REVENUE SHARING PROGRAM BEGAN IN 1972 AT A MINIMUM LEVEL OF \$50,000 AND HAS SINCE BEEN INCREASED ONLY TO \$75,000. AT THE SAME TIME COST OF OPERATION OF HEALTH FACILITIES HAVE INCREASED MARKEDLY.

IN THE YEARS SINCE 1972, HEALTH FACILITIES HAVE EXPERIENCE INFLATIONARY PRESSURES NOT EXPERIENCED BY THE REMAINDER OF THE ECONOMY. HEALTH FACILITIES WERE THE LAST INDUSTRY RELEASED FROM SALARY LIMITATIONS UNDER THE ECONOMIC STABILIZATION PROGRAM OF THE NIXON ADMINISTRATION AND AS A RESULT HAVE EXPERIENCED SUBSTANTIVELY GREATER PRESSURE TO BRING EQUITY TO EMPLOYEE WAGES.

HEALTH FACILITIES ARE HIGH ENERGY USERS. THE INCREASE IN THE COST OF FUEL OIL HAD HAD APPROXIMATED 400%. ELECTRICITY AND DIESEL FUEL HAVE EXHIBITED SIMILAR INCREASES. THE COST OF FUEL IN CORDOVA BETWEEN FEBRUARY 1979 AND FEBRUARY 1980 ALMOST DOUBLED IN JUST THAT SINGLE YEAR.

OFTEN INCREASES ASSUMED TO UNRELATED TO HEALTH FACILITIES HAVE HAD A MARKED IMPACT ON HOSPITALS, FOR EXAMPLE, THE INCREASE IN SILVER PRICES CAUSED THE PRICE OF X-RAY FILMS, WHICH CONTAIN SILVER, TO SKYROCKET. THE PRICE OF PETROLEUM IMPACTS NOT ONLY FUEL COSTS BUT ALSO THE COST OF MANY PLASTIC DISPOSABLE ITEMS WHICH ARE NECESSARY IN A HEALTH FACILITY.

THE FACT THAT THE COSTS OF OPERATING A HEALTH FACILITY HAVE INCREASED DRAMATICALLY CAN NOT BE DEBATED. ATTACHED IS A COPY OF "INFLATION REPORT" PUBLISHED BY THE AMERICAN HOSPITAL ASSOCIATION WHICH DEMONSTRATES NOT ONLY THE INCREASES IN HOSPITAL CHARGES BUT THE INCREASES IN BASIC SUPPLY COSTS TO HEALTH FACILITIES. HEALTH FACILITIES IN ALASKA HAVE BEEN ATTEMPTING TO LIMIT THE INCREASES IN OUR COSTS OF OPERATION BUT AS YOU CAN SEE, WE HAVE NOT BEEN GETTING A GREAT DEAL OF HELP.

THE NEXT QUESTION IS WHETHER OR NOT THERE CONTINUES TO BE A NEED FOR STATE ASSISTANCE TO HEALTH FACILITIES. INDEED THERE IS. THERE IS NO TRADITIONAL PUBLIC GENERAL HOSPITAL SYSTEM IN ALASKA. THAT FUNCTION IS SERVED BY HOSPITALS THROUGHOUT THIS STATE. CURRENTLY, IT IS FUNDED THROUGH INCREASED "BAD DEBTS" OR OFFSET BY DIRECT ASSISTANCE FROM THE TAX BASE OF THE GOVERNMENTAL ENTITY IN WHICH JURISDICTION THE FACILITY WAS BUILT. THIS FUNDING IS ORDINARILY AN AMOUNT IN EXCESS OF THE CURRENT REVENUE SHARING GRANT WHICH THE STATE SENDS TO HEALTH FACILITIES THROUGH THE MUNICIPALITIES. AN INCREASE IN REVENUE SHARING TO HEALTH FACILITIES THEN, WILL BE NOT ONLY ASSISTANCE TO THE HEALTH FACILITY, BUT ALSO DIRECT PROPERTY TAX RELIEF.

PAGE THREE

CURRENTLY, AT LEAST 10 HOSPITALS ARE RECEIVING LOCAL TAX FUNDS FOR SUPPORT IN ADDITION TO STATE REVENUE SHARING SUPPORT.

MOST HEALTH FACILITIES IN ALASKA ARE SMALL AND, BECAUSE OF REGIONAL ISOLATION, HAVE RELATIVELY LOW OCCUPANCY LEVELS. OCCUPANCY LEVELS ARE AVERAGES AND DO NOT REFLECT HIGH WEEKEND OCCUPANCY IN POPULAR WEEKEND AREAS SUCH AS SEWARD NOR NEAR HIGHWAY FACILITIES SUCH AS PALMER OR SEASONAL VARIATIONS IN COMMUNITIES SUCH AS CORDOVA. BECAUSE A HEALTH FACILITY IS A 24 HOUR 365 DAY PER YEAR OPERATION THERE IS A TREMENDOUS STAND-BY COST WHICH OFTEN CAN NOT BE MET BY PATIENT REVENUES. STILL, THERE IS A NEED FOR FACILITIES IN OUR SMALLER ISOLATED COMMUNITIES.

THE STATE DEPARTMENT OF HEALTH REQUIRES MINIMUM SQUARE FOOTAGE, TYPES OF EQUIPMENT AND PERSONNEL FOR LICENSURE. WHILE WE SUPPORT MOST LICENSURE STANDARDS, WE MUST ALSO NOTE THAT THERE IS A COST ATTACHED TO THOSE REQUIREMENTS. WE BELIEVE THAT THE BASIC MINIMUM ANNUAL OPERATIONAL COSTS FOR A HOSPITAL IN ALASKA IS APPROXIMATELY \$800,000. IT APPEARS TO THE ALASKA STATE HOSPITAL ASSOCIATION THAT A FLAT RATE OF \$250,000., APPROXIMATELY 30% OF THE BASIC ESTIMATED ANNUAL OPERATIONAL COST, WOULD VIABLY MAINTAIN THOSE FACILITIES CURRENTLY IN GREATEST NEED.

WE HAVE SURVEYED OUR MEMBER FACILITIES AND ARE FINDING THAT WITH A VERY FEW NOTABLE EXCEPTIONS, THERE IS VERY LITTLE VARIABLE COST IN ALASKA HOSPITALS. BECAUSE OF THE SIZE OF FACILITIES, THEY TEND TO BE

DOWN TO MINIMUM NUMBER OF PERSONNEL POSSIBLE. THE PERSONNEL CAN ACCOMODATE MORE PATIENTS, BUT WITHOUT A NURSE ON THE NIGHT SHIFT FOR EXAMPLE, WE COULD NOT OPERATE THE HOSPITAL. THE NURSE IS NECESSARY WHETHER THERE IS ONE PATIENT OR 8 PATIENTS.

SIMARLY, BECAUSE OF SIZE, IT IS DIFFICULT TO ENJOY ANY ECONOMY OF SCALE OR VOLUME IN EQUIPMENT USACE AND SOMETIMES IN PURCHASING POWER. THE ASSOCIATION SPONSORS AND SUPPORTS TWO GROUP PURCHASING ACTIVITIES IN ALASKA TO ASSIST WITH THIS PROBLEM, ONE WITH THE SISTERS OF PROVIDENCE AND ONE WITH HEALTH AND HUMAN SERVICES, INCORPORATED. WHILE THIS ASSISTS, IT IN NO WAY TOTALLY SOLVES THE PROBLEM.

WE HAVE READ AND GENERALLY ACCEPT THE REPORT DELIVERED TO THE LEGISLATURE ON HOSPITAL AND HEALTH FACILITY OPERATION AND CONSTRUCTION ASSISTANCE DATED FEBRUARY 1, 1981 BY THE DEPARTMENT OF HEALTH-AND SOCIAL SERVICES AS IT RELATES TO CONSTRUCTION ASSISTANCE. AS THE REPORT RELATES TO OPERATIONAL ASSISTANCE WE VIEW THE DEPARTMENT'S POSITION PAPER ON HB 131 AS AN ADDENDUM TO THAT REPORT WHICH WE UNDERSTOOD AS SUPPORT.

WE BELIEVE THAT HB 131 MERITS YOUR FAVORABLE CONSIDERATION AND SUGGEST THAT, ESPECIALLY IN VIEW OF THE FACT THAT THIS IS THE ONLY MUNICIPAL REVENUE SHARING PROGRAM NOT INCREASED IN 1980, IT IS VITALLY IMPORTANT THAT THIS MEASURE BE ENACTED THIS YEAR.

WE HAVE ATTACHED A LIST OF HOSPITALS AND OPERATING LOSSES OR GAINS FOR YOUR REVIEW.

# INFLATION REPORT

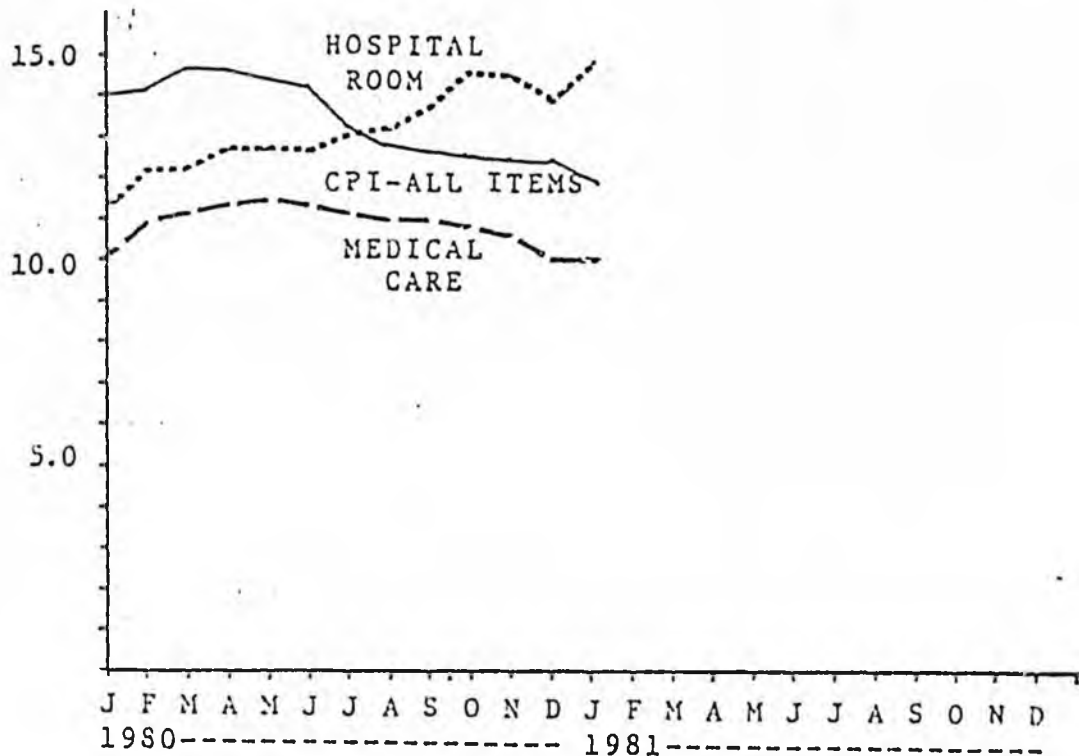
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Office of Policy Studies

American Hospital Association • 840 N. Lake Shore Drive • Chicago, Illinois 60611 • (312) 280-6469

For Additional Information call (312) 280-6469

Percent Change from Same Month Previous Year



January-to-January comparisons show the overall medical care component continuing to increase at a rate below the CPI-All Items.

- Medical care increased 10.1 percent compared to the 11.7 percent increase in the CPI-All Items; the hospital room component increased 14.8 percent, while the services less medical care component increased 14.0 percent.

The items showing the largest January-to-January increases were:

- Energy (16.4 percent)
- Fuel and other utilities (14.7 percent)
- Shelter (13.7 percent)
- Transportation (13.4 percent)

The medical care component (1.1 percent) and hospital room charge (1.7 percent) of the CPI increased at more rapid rates than the CPI-All Items (1.1 percent) between December 1980 and January 1981 (seasonally adjusted).

INFLATION REPORT  
January 1981

I. Consumer Price Index - Sources of the January Increase

A. December-to January Increase

Between December 1980 and January 1981, the CPI-All Items increased 0.8 percent (unadjusted). By category:

- Energy increased 3.1 percent
- Transportation increased 1.4 percent
- Medical Care increased 1.3 percent
- Housing increased 0.8 percent
- Food and Beverages increased 0.8 percent
- Apparel and Upkeep decreased 1.5 percent

On a seasonally adjusted annual basis, Energy increased at a 37.2 percent rate, Transportation increased at a 21.6 percent rate, Housing increased at a 9.6 percent rate, Food and Beverages showed no increase and Apparel and Upkeep declined at a 2.4 percent rate. Medical Care increased at a 13.2 percent annual rate, and Hospital Room increased at a 20.4 percent annual rate.

B. Twelve-Month Increase

Between January 1980 and January 1981, the CPI-All Items increased 11.7 percent. This is slower than last month's 12-month change, and represented the ninth consecutive month during which growth decelerated or was stable compared to the prior month. Since last December:

- Energy\* increased 16.4 percent
- Transportation increased 13.4 percent
- Housing increased 12.9 percent
- Food and Beverages increased 10.1 percent
- Medical Care increased 10.1 percent
- Apparel and Upkeep increased 5.9 percent

II. Increases in the Medical Care and Hospital Components

A. December-to-January Increases

In January, the Medical Care component increased 1.1 percent, while the CPI-All Items increased 0.7 percent, on a seasonally adjusted basis.

- Physicians Services increased 1.3 percent (seasonally adjusted)
- Hospital Room Charges increased 1.7 percent and Hospital and Other Medical Care Services increased 2.0 percent (seasonally adjusted)

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\*Energy is a special CPI index and includes elements from several of the major categories.

The medical care component continues to increase at a rate below the CPI-All Items.

- Medical Care continues to increased less rapidly (10.1 percent) than the CPI-All Items (11.7 percent). The rate of increase in medical care has remained below the CPI-All Items since December 1978.
- Hospital Room increased 14.8 percent, reflecting the build-up of inflationary pressures on hospital costs and the delay in adjusting hospital room charges until the start of the January fiscal year in one-third of the nation's hospitals.
- Hospital and Other Medical Care Services increased 15.0 percent.
- Physicians' Services increased 10.9 percent.

### III. Long-Term Trends

Table 1 compares movement in selected CPI components for the last 12 months with longer term trends. In the last five years, the CPI has increased at a compounded annual rate of 9.3 percent. During this period, hospital room charges increased, on average, 12.2 percent and medical care 9.6 percent.

The CPI-All Items and components such as Transportation, Housing and Energy are now increasing above their levels of recent years. The medical care components are not rising as rapidly above their long-term trends. In the past 12 months, medical care increased 10.1 percent, while the CPI-All Items less Medical Care increased 11.8 percent.

Table 1

Average Compounded Percent Changes in Selected CPI Components January-to-January Periods

	1976-81	1980-81
All Items	9.3	11.7
Food and Beverages	7.7	10.1
Transportation	10.9	13.4
Housing	10.0	12.9
Shelter	11.3	12.7
Fuel & Other Utilities	11.0	14.7
Energy	15.6	16.4
All-Items less Medical Care	9.3	11.8
Medical Care	9.6	10.1
Physicians' Services	9.6	10.9
Hospital Room	12.2	14.8

Source: CPI Detailed Report, January 1976 and January 1981; Oral Communications, Bureau of Labor Statistics

IV. Producer Prices Indexes - Future Inflationary Trends

In the 12-month period ending January 1981, the Finished Goods Index (FGI) rose 12.0 percent compared to a 13.1 percent increase in the 12 months ending January 1980. Lower rates of increase occurred in all major components, except finished consumer foods.

	January-to-January comparison % increase		December-to-January seasonally adjusted change
	1979-80	1980-81	
Finished Goods	13.1	12.0	0.9
Finished Consumer Goods	14.5	12.1	0.8
Finished Consumer Foods	5.1	8.0	0.0
Finished Goods (excluding foods)	15.8	13.8	1.1
Intermediate Materials	17.7	8.6	1.2
Crude Materials	14.1	7.3	-1.0

In the December-to-January period, the FGI increased 0.9 percent, compared to 0.6 percent in December 1980. Finished goods excluding foods, which is considered indicative of underlying inflationary pressure, increased 1.1 percent in January compared to a 0.9 percent increase in the previous month.

## Attachment 1

## CPI Figures-- January 1981 Data

	Index value Jan. 81 <sup>1</sup>	Unadjusted percent change		Seasonally adjusted <sup>2</sup> percent change	
		From Dec. 80	From Jan. 80	From Dec. 80	Annual rate
CPI-U (All Items)	260.3	0.8	11.7	0.7	8.4
All items less medical care	259.2	1.7	11.8	0.7	8.4
Services	287.7	1.1	13.7	0.9	10.8
Services less medical care	284.2	1.1	14.0	1.1	13.2
Medical care	279.5	1.3	10.1	1.1	13.2
Medical care commodities	176.7	0.9	10.1	0.9	10.8
Medical care services	302.1	1.4	10.1	1.2	14.4
Physicians' services	283.9	1.3	10.9	1.3	15.6
Hospital & other medical care services <sup>3</sup>	144.5	2.0	15.0	2.0	24.0
Hospital Room <sup>4</sup>	453.8	2.3	14.8	1.7	20.4
Other hospital & medical care services	143.7	1.6	15.2	1.6	19.2
Food & beverages	261.4	0.8	10.1	0.0	0.0
Transportation	264.7	1.4	13.4	1.8	21.6
Housing	279.1	0.8	12.9	0.8	9.6
Shelter	300.1	0.5	13.7	0.6	7.2
Fuel & other utilities	296.7	2.3	14.7	2.1	25.2
Apparel & upkeep	181.1	-1.5	5.9	-0.2	-2.4
Energy <sup>5</sup>	381.7	3.1	16.4	3.1	37.2

Source: Oral Communications, Bureau of Labor Statistics, Washington, DC

NOTE: The CPI for All Urban Consumers (CPI-U) is based on the expenditure patterns of all urban residents, about 80 percent of the population.

<sup>1</sup>1967=100, unless otherwise noted.

<sup>2</sup>Seasonally adjusted data not available for all items

<sup>3</sup>December 1977=100

<sup>4</sup>Previous title, Semi-Private Room

<sup>5</sup>Energy is a special CPI index including elements from several major categories. The elements are: gasoline, motor oil, fuel oil, coal, gas and electricity.

## ATTACHMENT 2

Comparative Movement of Selected CPI Components  
Percent Change From Same Month Previous Year

	1980											
	J	F	M	A	M	J	J	A	S	O	N	D
CPI-U All Items	13.9	14.1	14.7	14.7	14.4	14.3	13.2	12.8	12.7	12.6	12.6	12.4
All Services	14.5	15.0	16.1	15.9	17.3	18.1	16.1	14.7	14.2	14.1	14.1	14.2
Medical Care	10.1	10.9	11.2	11.4	11.5	11.4	11.1	11.0	11.0	10.9	10.7	10.0
Physicians Services	9.2	10.1	10.4	10.7	11.1	11.3	10.7	10.4	10.4	10.5	10.8	11.0
Hospital and Other Medical Care Services	11.3	12.1	12.3	12.6	12.8	13.1	13.7	14.2	14.6	14.8	15.1	14.5
Hospital Room	11.1	12.3	12.3	12.6	12.7	12.7	13.1	13.3	13.8	14.6	15.6	13.9

	1981											
	J	F	M	A	M	J	J	A	S	O	N	D
CPI-U All Items	11.7											
All Services	13.7											
Medical Care	10.1											
Physicians Services	10.9											
Hospital and Other Medical Care Services	15.0											
Hospital Room	14.8											

Source: Oral Communication, Bureau of Labor Statistics, Washington, DC.

Bureau of Labor Statistics Indexes

The Consumer Price Index measures the rate of increase in the prices of a fixed assortment of goods and services purchased by urban consumers.

The Finished Goods Index (FGI) measures price increases for commodities that are ready for sale to the ultimate user, including businesses or individuals. Together with the Indexes for Intermediate Goods and Crude Materials which measure prices at less complete stages of production, the FGI replaces the Wholesale Price Index. These three indexes are useful as guides to future price movements at the retail level and are considered indicative of the underlying rate of inflation in the economy. Accelerating rates of increase in these indexes lead to the expectation of accelerating increases in the prices of consumer goods and, subsequently, to expectations of rising hospital costs.

The Medical Care component of the CPI measures the rate of increase in prices charged by hospitals, physicians and other health care providers. The medical care component is broadly defined, and does not adjust for changes in intensity of services. Consequently, it often overestimates the rate of increase in medical care prices. The medical care component consists of medical care commodities and medical care services.

Medical Care Commodities included only Drugs and Prescriptions until December 1977 when other medical supplies were added.

Medical Care Services account for about 83 percent of the medical care component. These services include mainly: (1) Professional Services, (2) Hospital and Other Medical Care Services, and (3) Health Insurance (unpublished).

The Hospital and Other Medical Care Services (HMC) Index replaces the Hospital Service Charge Index which was in the unrevised CPI. Its component are:

- A. Hospital Room
- B. Other Hospital and Medical Services
  - 1. Hospital Ancillary Services (unpublished)
  - 2. Emergency Room (unpublished)
  - 3. Nursing and Convalescent Home Care Services (unpublished)

HOSPITAL	EXPENSES OVER REVENUE LOSS (GAIN)	DAILY SERVICE CHARGE	OCCUPANCY	LENGTH OF ST
Alaska Hospital	2.5 Million	220.00	53.6	4.7
Bartlett (Juneau)	-0-	190.00	46.2	4.2
Central Peninsula (Soldotna)	( 210,000 )	195.00	56.4	3.2
Cordova	120,907	195.00	28.5	3.7
Kodiak	155,426	215.00	43.9	2.8
Petersburg	135,000	190.00	21.0	3.0
Seward	211,000	190.00	10.0	2.7
Sitka	251,000	190.00	42.9	4.3
South Peninsula (Homer)	240,000	195.00	79.0	2.8
Valdez	374,438	210.00	13.4	2.5
Valley (Palmer)	354,297	185.00	50%	2.9
Wrangell	130,593	190.00	24.0	3.4
Norton Sound	276,901	342.00	51.0	3.9

HB

174

**COMMITTEE REPORT**  
**SENATE**

FURTHER: Finance

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

Mr. President:

The Committee on HESS has had CSHB 174 (FIN)  
relating to aid to families with dependent children

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

*[Handwritten signatures]*

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*[Handwritten notes]*

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\_\_\_\_\_  
CHAIRMAN

**POSITION PAPER**

ON

CS FOR HOUSE BILL NO. 174 (Finance)

"An Act relating to aid to families with dependent children; and providing for an effective date."

CSHB No. 174 is intended to increase payments to families receiving Aid to Families with Dependent Children (AFDC) monthly cash assistance, and to add AFDC coverage for pregnant women with no other qualified children. The bill, as amended in both the House Committees of Referral, has been informally reviewed by Federal AFDC program authorities and appears to them to comply with regulations and case law. However, the amended current wording of Sec. 3, offered before House Finance by the sponsor, may not clearly authorize the payment levels intended by the sponsor. We have asked for a legal interpretation of Sec. 3; pending receipt of that interpretation, we are assuming that the following chart does accurately present the increases intended by the bill. (This chart was presented to the House Finance Committee as part of our position paper on CSHB 174 (HESS). In testimony, the sponsor concurred that the chart accurately presented his intent.)

	Current Payment	Payment after 7/1/81 w/out CSHB 174	Payment if CSHB 174 enacted
First child, with non-needy relative	\$200	\$222	\$247 (+25%)
Second child	\$200	\$223	\$248 (+25%)
Each additional child	\$ 57	\$ 63	\$ 78 (+15%)
One child and needy relative	\$457	\$508	\$551 (+43)
Second child	\$ 57	\$ 63	\$ 78 (+15%)
Each additional child	\$ 57	\$ 63	\$ 78 (+15%)

This position paper and attached fiscal note assume that CSHB 174, as amended, calls for the increases described above. (We are being particularly careful to state all increases precisely, for AS 47.25.320 is a very complicated statute, and the legislative amendment made to it last year was in fact subject to differing interpretations.)

The current maximum payment levels for children in the home of non-needy relatives (such as living with grandparents or aunts and uncles) are half, or less than half, the payment levels determined by the Department to be necessary to provide for the direct costs of maintaining foster children in licensed private foster homes. Even after the July 1, 1981 cost of living increase, the maximum AFDC payment made to a mother and one child will be

approximately \$83.00 less per month than the federal CSA poverty guideline for an Alaskan non-farm family of two. Maximum payments to a two person family in AFDC are currently \$16 a month less than is paid to a single needy blind, disabled, or elderly adult. By those simple measurements, an AFDC maximum payment increase would seem justified.

Coverage for a needy pregnant woman is optional under federal AFDC regulations; 34 states currently offer this coverage. Until the option was deleted in 1976 as a cost-containment legislative action, Alaska's AFDC program included pregnant eligible women. The 7/1/81 single person AFDC maximum payment, set administratively will be \$286. With the \$20 special needs allowance established by Sec. 2 of CSHB 174, a pregnant woman with no other income would receive a \$306 AFDC payment each month. In addition to these regular monthly payments, each AFDC-eligible woman would be automatically entitled to Medicaid coverage. Mandating this optional coverage would accomplish by a different method the expansion of pregnancy-related health care proposed by Sec. 1 of House Bill No. 330 and by HB 41.

Almost all of the 34 states offering this AFDC coverage pay a pregnant woman a special needs allowance for such items as clothing, diet and vitamins, and/or layette items. The arguments used most often by these states to support offering both this coverage and a special needs allowance tend to be supported by our own experience when Alaska's AFDC program had this coverage: pregnant single women tend to be young and without income. Without financial assistance, this group of women tend to be especially liable to abuse-producing living situations and dependency. Obviously, lack of adequate income can also create health problems caused by stress, poor living conditions and inadequate diet.

The Department does support the concept of increasing AFDC benefit levels, and it does support the concept of improving the availability of pregnancy-related health care to needy Alaskans.

Recommended by Rod Betit  
Rod Betit, Director  
Division of Public  
Assistance

Date: May 18, 1981

Approved by: Helen D. Beirne  
Helen D. Beirne, Commissioner  
Dept. of Health and  
Social Services

Date: 5/18/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS House Bill No. 174 (Finance)  
 Title An Act relating to aid to families with dependent children  
 Requested by Clocksie Date 5/18/81

II. FISCAL DETAIL

Agency Affected Health and Social Services  
 Program Category Affected Soc. and Econ. Assistance for the General Pop. etc.  
 BRU, Program, or Subprogram(s) Affected See analysis: 4 BRUs 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		29.3				
200 TRAVEL		2.0				
300 CONTRACTUAL		10.0				
400 COMMODITIES		1.5				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		6119.9				
<b>TOTAL</b>		<b>6162.7</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND		3014.5				
FEDERAL FUNDS		3148.2				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1				
PART TIME		0				
TEMPORARY		0				

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

(1) Existing Cases

(a) The FY 82 budget request calls for 7078 families to receive an average payment of \$521.22. 25% of these families consist of an average of 1.60 children living with a non-needy relative. Each of these families would experience a \$40 per month payment increase (\$25 for the first child, + .60 x \$25 = \$40). The total FY 82 cost of these families would be 849.6 (\$40 per month per family x 1770 families x 12 months).

IV. DATE

6/18/81

PREPARED BY

*Lonnie A. Linder*

AGENCY

DHSI, DPA

PHONE

465-3747

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

*D. James Anderson* 5/15/81

(b) 75% of the anticipated families, or 5308 families, consist of a needy relative and children, an average 2.80 persons per family. Each of these families would experience \$70 per month payment increase (\$43 for the first person + \$15 for the second + .80 x \$15 = \$70). The total FY 82 cost of these families would be 4,458.7 (\$70 per month per family x 5308 families x 12 months).

(c) The total AFDC BRU cost for payment increases for existing cases would be 5308.2 (2654.1 state, 2654.2 federal).

(2) New cases: Payment Increases

(a) In the AFDC program the statutory maximum payment levels are also the qualifying standards for entry into the program. CSHB 174 would increase some of these standards. For example, the maximum countable income a needy applicant with two children can have and still qualify for AFDC payment is currently \$514. (This also would be the recipient's AFDC payment if he or she had no other countable income.) The effect of CSHB 174 and of the existing cost-of-living provision in statute would establish a new qualifying limit of \$629 for this 3-person family.

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

Indeed, the payment increases during the current year were almost the same size as those proposed in CSHB 174. Actual program utilization figures since July 1, 1980, show no growth in number of cases beyond what was anticipated without the payment increases. For this reason, we have no grounds to assume any new cases will enter the program if CSHB 174 were to be enacted.

(3) New Cases: Pregnant Women

Addition of pregnant women to the AFDC program would add new cases. No data exists to provide anything but an "informed guess" estimate of 286 new cases in FY 82. (See fiscal note, HB 330) This new case-load would impact 4 BRUs as follows:

(a) AFDC BRU:

286 new cases per year x \$306 average payment per month x 6 months per case = 525.1 in FY 82 costs (50% federal, 50% state funds). The \$306 payment consists of the \$286 maximum individual payment plus a \$20 special needs allowance for dietary needs. (See Position Paper). We assume the maximum payment to each recipient based on our pre-1976 pregnant woman caseload, in which most recipients had no earned or unearned non-AFDC income.

(b) MEDICAID BRU:

Each of the 286 new cases would receive Medicaid coverage at an average cost per case of \$1500, increasing Medicaid expenditures by 429.0 (214.5 State, 214.5 federal).

(c) General Relief BRU:

Approximately 95 of the 286 cases added to Medicaid would have been covered under the existing General Relief Medical program, which is totally state-funded. Therefore, GRM BRU FY 82 expenditures would decrease by 142.5 (95 x \$1500 = 142.5).

This shift in program coverage would therefore increase federal fund expenditures by 214.5 but state expenditures would increase by only 72.0 (214.5 Medicaid-142.5 GRM = 72.0)

(d) Eligibility Determination BRU"

In addition to adding 286 new AFDC cases, additional work would be involved in providing medical coverage and, for a majority, Food Stamp benefits. This workload would require the addition of one Eligibility Technician II, with related costs to the Eligibility Determination BRU. Total cost will be 42.8 (25.9 state funds, 16.9 federal funds).

4. Summary

Item	State Funds	Federal Funds	Total
(a) AFDC Payment Increase Adult Not Included	424.8	424.8	849.6
(b) AFDC Payment Increase Adult Included	2229.3	2229.4	4458.7
(c) AFDC New cases, Pregnant Women	262.5	1262.6	525.1
(d) Medicaid New cases	214.5	214.5	429.0
(e) General-Relief Medical caseload decrease	(142.5)	0	(142.5)
(f) Eligibility Determination, new Worker	25.9	16.9	42.8
Total	<u>3014.5</u>	<u>3148.2</u>	<u>6162.7</u>

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS House Bill No. 174 (HRS) (FIN) (1983)  
 Title An Act relating to aid to families with dependent children  
 Requested by Clocks in Date 4/2/81

II. FISCAL DETAIL

Agency Affected Health and Social Services  
 Program Category Affected Soc. and Econ. Assistance for the General Pop etc  
 BRU, Program, or Subprogram(s) Affected See analysis: 4 BRUs 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		29.3				
200 TRAVEL		2.0				
300 CONTRACTUAL		10.0				
400 COMMODITIES		1.5				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		6133.6				
<b>TOTAL</b>		<b>6176.4</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND		3021.4				
FEDERAL FUNDS		3155.0				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1				
PART TIME		0				
TEMPORARY		0				

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

(1) Existing Cases

(a) The FY82 budget request calls for 7078 families to receive an average payment of \$521.22. 25% of these families consist of an average of 1.60 children living with a non-needy relative. Each of these families would experience a \$40 per month payment increase (\$25 for the first child, + .60 x \$25 = \$40). The total FY82 cost of these families would be 849.6 (\$40 per month per family x 1770 families x 12 months).

IV. DATE

4/3/81

PREPARED BY

[Signature]

AGENCY

DESS 120A

PHONE

465-3347

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) M&B Approval

[Signature]

Date 4/6/81

(b) 75% of the anticipated families, or 5308 families, consist of a needy relative and children, an average 2.80 persons per family. Each of these families would experience \$70 per month payment increase (\$43 for the first person + \$15 for the second + .80 x \$15 = \$70). The total FY82 cost of these families would be 4,458.7 (\$70 per month per family x 5308 families x 12 months).

(c) The total AFDC BRU cost for payment increases for existing cases would be 5308.2 (2654.1 state, 2654.2 federal).

(2) New cases: Payment Increases

(a) In the AFDC program the statutory maximum payment levels are also the qualifying standards for entry into the program. HB 174 would increase some of these standards. For example, the maximum countable income a needy applicant with two children can have and still qualify for AFDC assistance is currently \$514. (This would also be the recipient's AFDC payment if he or she had no other countable income.) The provision of CSHB 174 and of the existing cost-of-living provision in statute would establish a new qualifying limit of \$725 for this 3-person family.

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

Indeed, the payment increases during the current year were almost the same size as those proposed in CSHB 174. Actual program utilization figures since July 1, 1980, show no growth in number of cases beyond what was anticipated without the payment increases. For this reason, we have no grounds to assume any new cases will enter the program if CSHB 174 were to be enacted.

(3) New Cases: Pregnant Women

Addition of pregnant women to the AFDC program would add new cases. No data exists to provide anything but an "informed guess" estimate of 286 new cases in FY82. (See fiscal note, HB 330) This new caseload would impact 4 BRUs as follows:

(a) AFDC BRU:

286 new cases per year x 314 average 538.8 payment per month x 6 months per case = 538.8 in FY82 costs (50% federal, 50% state funds). The \$314 payment consists of the \$294 maximum individual payment plus a \$20 special needs allowance for dietary needs. (See Position Paper). We assume the maximum payment to each recipient based on our pre-1976 pregnant woman caseload, in which most recipients had no earned or unearned non-AFDC income.

(b) MEDICAID BRU:

Each of the 286 new cases would receive Medicaid coverage at an average cost per case of \$1500, increasing Medicaid expenditures by 429.0 (214.5 State, 214.5 federal).

(c) General Relief BRU:

Approximately 95 of the 286 cases added to Medicaid would have been covered under the existing General Relief Medical program, which is totally state-funded. Therefore, GRM BRU FY82 expenditures would decrease by 142.5 (95 x \$1500 = 142.5).

This shift in program coverage would therefore increase federal fund expenditures by 214.5, but state expenditures would increase by only 72.0 (214.5 Medicaid-142.5 GRM = 72.0)

(d) Eligibility Determination BRU:

In addition to adding 286 new AFDC cases, additional work would be involved in providing medical coverage and, for a majority, Food Stamp benefits. This workload would require the addition of one Eligibility Technician II, with related costs to the Eligibility Determination BRU. Total cost will be 42.8 (25.9 state funds, 16.9 federal funds).

4. Summary

Item	State Funds	Federal Funds	Total
(a) AFDC Payment Increase Adult Not Included	424.8	424.8	849.6
(b) AFDC Payment Increase Adult Included	2229.3	2229.4	4458.7
(c) AFDC New cases, Pregnant Women	269.4	269.4	538.8
(d) Medicaid New cases	214.5	214.5	429.0
(e) General-Relief Medical caseload decrease	(142.5)	0	(142.5)
e) Eligibility Determination, new Worker	25.9	16.9	42.8

5. Note: AFDC BRU figures are based on the assumption that the annual cost-of-living increase effective July 1, 1981, will be 14.3%. This percentage is announced by the Social Security Administration in late April or early May. Preliminary COLI estimates by SSA are traditionally quite close to, but slightly lower than, the final percentage. SSA has just announced their preliminary estimate of 11.6%. If the final percentage were 12.0% rather than 14.3%, the total funding for this fiscal note would only decrease by approximately 10.3 (5.1 state, 5.2 federal).

(10) 1/0

STATE ASSISTANCE PROGRAMS  
DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Services Agencies	Eligibility Requirements	Services	Population Served
<u>I. Division of Public Assistance</u>			
1. Food Stamps  \$179-\$359	Low income (\$6,300 for a family of 2).	Food supplement coupons	Approx. 38,000/mo.
2. Aid to Families with Dependent Children (AFDC) <u>Adult Not Identified</u> <u>One Adult</u> <u>Adult Not Identified</u> \$457-\$629      \$200-\$514 These pymts are for 1-4 children; add \$57.00 for each additional child.	Low income women (\$5,500 per year for a family of 2) who are single or separated with dependent children living in the home.	Income maintenance and medical care assistance through Medicaid.	Approx. 13,000/mo.
3. General Relief Maximum is \$80.00	Temporary Relief for persons who have no resources to meet an immediate need.		
4. Adult Public Assistance \$383-\$695	Blind, disabled and aged, with income of \$5,700 per year for single adults.	Income maintenance and medical care assistance through Medicaid.	Approx. 5,000/mo.
5. General Relief Medical	Low income (adult w/1 child, \$4,000 per year) who are not eligible for Medicaid coverage.	Medical care assistance	Approx. 7,000/mo.
6. Catastrophic Illness	Those who have suffered illness/injury and who do not have the resources to meet the expenses.	Medical assistance as determined by a three member committee.	Approx. 300/year

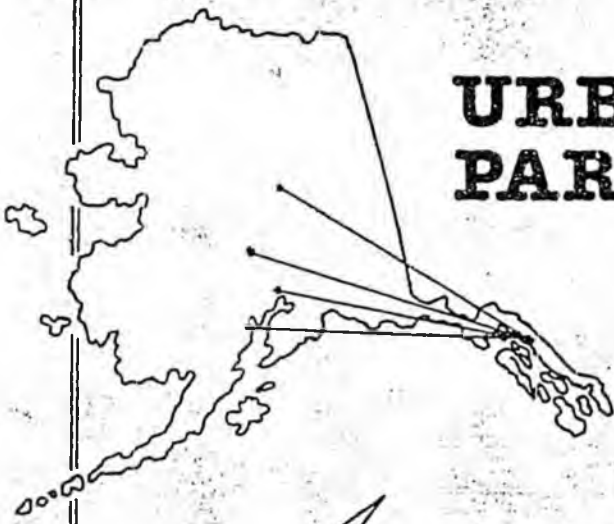
DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
(continued)

Services Agencies	Eligibility Requirements	Services	Population Served
7. Medicaid	Must be covered by State and categorical programs such as AFDC or Adult Public Assistance.	Medical care assistance to those individuals eligible for categorical programs.	Approx. 18,000/mo.
8. Energy Assistance \$250-\$650 once per year per household.	Low income household who is at or below Bureau of Labor Statistics Lower Living Standard.	\$450.00 average energy grant per year.	19,723 households
<u>II. Division of Family &amp; Youth Services</u>			
1. WIN	Any able-bodied member of a family receiving AFDC cash payments who is 16 years of age, not in school and not otherwise exempt, must participate as a condition of receiving an AFDC grant.	Provides social services needed to obtain and retain gainful employment; to assist applicants for AFDC to obtain employment.	To provide support for 945 WIN registrant dependents.
<u>III. Division of Public Health</u>			
1. Women Infant Children (WIC)	Low income (family of 2, up to \$12,500) pregnant women and children up to age 5.	Nutrition supplement coupons, nutrition education and counseling	Approx. 1,600/mo. in 26 communities
2. Early, Periodic, Screening, Diagnosis and Treatment (EPSDT)	Under 21 years of age, and Medicaid eligible.	Preventive health screening services for children and adolescents; referral to treatment and medical care assistance through Medicaid.	Approx. 7,000/year
3. Handicapped Childrens Program	Children with physical handicapping conditions.	Medical diagnostic assistance provided to all - treatment based upon a sliding fee scale - of a family's ability to pay. Transportation and per diem are also included.	Approx. 1,800/year

DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
(continued)

Services Agencies	Eligibility Requirements	Services	Population Served
4. Maternal & Infant Care Project - Juneau	<p>Pregnant women who reside in the Juneau City and Borough.</p> <p>High risk conditions of pregnancy; and low income (up to \$12,500 for a family of 2) in the city's care.</p>	<p>a. education and counseling available to all.</p> <p>b. medical care assistance provided according to a family's ability to pay based on a sliding fee scale.</p>	<p>Approx. 125/year</p> <p>Approx. 70/year</p>
5. Improved Pregnancy Outcome Project - Fairbanks	<p>Pregnant women who reside in the Fairbanks Borough.</p> <p>Pregnant and low income women (up to \$12,500 for a family of 2).</p> <p>High risk medical conditions of pregnancy; and low income (up to \$12,500 for a family of 2)</p>	<p>a. education counseling and patient follow-up to all.</p> <p>b. Medical care assistance for initial prenatal physician visit. The amount of assistance is provided according to a family's ability to pay based on a sliding fee scale.</p> <p>c. Medical care assistance for all outpatient prenatal medical care. The amount of assistance provided according to a family's ability to pay based on a sliding fee scale.</p>	<p>Approx. 250/year</p> <p>Projected 70/year</p>

# URBAN CITIZEN PARTICIPATION PROJECT



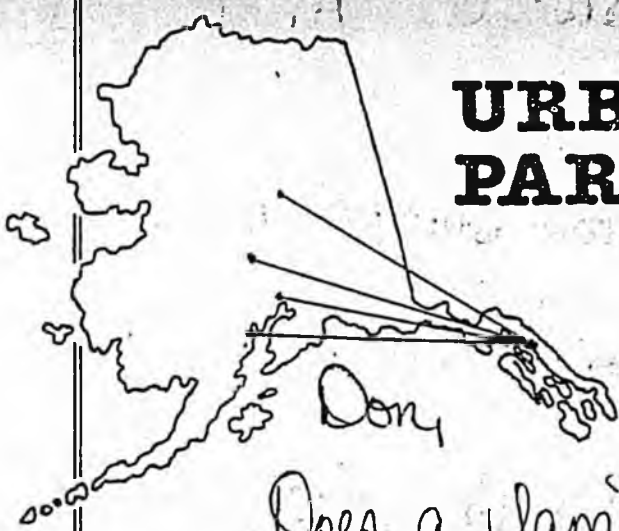
Marty McGregor  
1910 East 75 #3  
Anchorage, Alaska 99507  
Alaska Resident: 18 years

I am currently on AFDC and have 3 children.

When the AFDC check went up from \$514 to \$572 my rent (I am on ASHA) was raised \$12. At the same time my foodstamps decreased \$32. The actual amount of money I have realized is \$14.

Thank you for \$14, however, I had to go to the Public Assistance office 3 times and the ASHA office 2 times in order to bring my files up-to-date. The difficulties that come with the COLA increases are extraordinary.

# URBAN CITIZEN PARTICIPATION PROJECT



Does a family of one mean a needy parent and one child or one child? What happens to the needy adult with one child? With \$200<sup>00</sup> for a family of one there is no way that family can live. My idea of a non-needy relative means that family does not need assistance for ~~keeping up a~~ paying rent, utilities, etc. A needy family has to use their grant usually at least 80% for keeping up the household.

I know a family on the step-father grant. The children go to a private school on that grant.

This to me is unfair.

174/176 AFDC backup

I believe the Lord is with me today to see how we treat his children. How many of you legislators have ever been on welfare?

Suppose at the breakfast table I had kids related to me and also had children not related by blood, and we had eggs for breakfast. You kids that are my grandchildren take one egg apiece, you others can have two eggs. How come grandpa they get two eggs? Well grandson, my State thinks I can buy you the other egg. But grandpa! you don't have the money to do that. I know, but the State gives me more money to feed and buy their clothes. But grandpa, that's not fair.

We all say our kids are our most precious of our resources. We are building schools, highways and so forth for them. I want sound minds and bodies built also for their future.

This State has never, I repeat, never checked to see who is a non-needy relative. We are all classified as non-needy.

Our State has never checked to see if the money given is sufficient for their keep in the first place under the Aid to Dependent Children Program.

I want the increases effective immediately, (before this legislature adjourns, not like last year (effective Jan. 1, 1981).

The July 14, percent increase last year was the same as I got Social Security. That was inexcusable.

*to make them wait 6 months for the other increase*

*Leo Land*

Let out any salvations Mr,  
Chairman and get down to business.

Its my duty as a Alaskan  
tizen to protect Alaska's resources  
for Alaskans, and my prime  
responsibility to protect the  
poor and needy. The old and  
specially the young who cannot protect themselves.

The legislators have the added  
responsibility by their oath of  
office to make laws that  
protect them, their major  
priority.

The Senior Citizens are ~~protecting~~ <sup>able</sup>  
~~to~~ protect their rights, the children depend  
on me and you (who else is  
there to do it?) That's our sacred  
duty as Alaskans.

Leo A. Land

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

POUCH H-07  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3355

March 6, 1981

Document # 55-81

Terry Martin  
House of Representatives  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Martin:

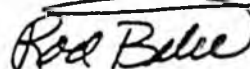
You recently requested suggested language to amend AS 47.07.020 to permit adding "Unborn Child" coverage under the Alaska Medicaid Program. The following language addition would accomplish the change in Medicaid coverage you are interested in:

AS 47.07.020(b)

Add a new section to read as follows:

"(8) mother and unborn child when a pregnancy has been determined by a physician."

Sincerely,



Rod Betit  
Director

cc: Helen Beirne  
Allen Korhonen  
Bob Ogden



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

MAY 16 1980

SOCIAL SECURITY ADMINISTRATION  
OFFICE OF THE REGIONAL  
COMMISSIONER

MAILED  
MAY 20 1980  
RECEIVED  
SFDX11-2  
CENTRAL CASE BUREAU

Dr. Helen D. Beirne  
Commissioner  
Department of Health & Social Services  
Pouch H-01  
Juncau, Alaska 99811

Dear Dr. Beirne:

We have analyzed Alaska House Bill 968, dated May 1, 1980 and wish to comment on certain of its provisions which, if enacted, would raise compliance issues with respect to Federal regulations.

Alaska House Bill 968 provides an Aid for Dependent Children (AFDC) benefit payment increase of \$100 for a family household consisting of a caretaker parent and one child under age eighteen. If enacted, this legislation would increase the current payment provided under AS 47.25.320(a)(2)(A) from \$350 to \$450. The Bill would also provide a benefit payment increase of \$25 for each additional child in the home (after the second child) under the age of eighteen. This would increase the current payment provided to those children, under AS 47.25.320(a)(2)(C) from \$50 to \$75.

The increases provided under House Bill 968 do not appear to apply to the category of children living with non-needy, non-legally responsible relatives. This category is described under AS 47.25.320(a)(1). The omission of provision of these benefit increases to the category of recipient children living with non-needy relatives, while provided for the category of recipient children living with needy parents, appears to be based on the assumptions that:

- (1) children who live with non-needy, non-legally responsible relatives are less needy than children who live with needy relatives; and,
- (2) non-legally responsible, non-needy relatives automatically provide some support for the child's(ren) needs; and,
- (3) such child's(ren) needs are reduced by shared costs.

These assumptions are in direct conflict with Federal Regulations:

- (a) To treat groups of children differently because of living arrangement based on legal responsibility or not of non-needy caretaker relatives distinguishes the groups on an arbitrary basis thereby creating an unreasonable classification which is expressly prohibited at 45 CFR 233.10(a)(1) which states:

(a) State plan requirements. A State plan under title I, IV-A, X, XIV, or XVI, of the Social Security Act must:

(1) Specify the groups of individuals based on reasonable classifications, that will be included in the program, and all the conditions of eligibility that must be met by the individuals in the groups. The groups selected for inclusion in the plan and the eligibility conditions imposed must not exclude individuals or groups on an arbitrary or unreasonable basis, and must not result in inequitable treatment of individuals or groups in the light of the provisions and purposes of the public assistance titles of the Social Security Act.

- (b) The assumption that non-legally responsible caretaker relatives automatically provide some support for the dependent child(ren) and a grant reduction based on that assumption (in this instance, a different and reduced standard as compared to needy children in other circumstances) is expressly prohibited at 45 CFR 233.20(a)(2)(viii) which states:

" . . . Provided that the money amount of any need item included in the standard will not be prorated or otherwise reduced solely because of the presence in the household of a non-legally responsible individual; and the agency will not assume any contribution from such individual for the support of the assistance unit."

- (c) The assumption that a child's(ren) needs are reduced by shared costs and a grant reduction based on that assumption clearly constitutes proration which is expressly prohibited at 45 CFR 233.90(a) which states in part:

" . . . nor may the State agency prorate or otherwise reduce the money amount for any need item included in the standard on the basis of assumed contributions from non-legally responsible individuals living in the household."

Further, the Supreme Court case of Van Lare v. Hurley (1975) prohibits assumption of income for AFDC children in a household with non-needy individuals. A State may not have a separate and reduced standard of living for a child with non-needy, non-legally liable caretaker relatives than with needy caretakers. A State is required to have a single statewide standard, expressed in money amounts, to be used in determining on an objective and equitable basis the needs of applicants and recipients and the amount of the assistance payment (45 CFR 233.20(a)(1) and (2)). To assign two different values to the same item or items of need (such items collectively constitute the standard) for a child based solely on whether or not the child lives with a non-needy, non-legally liable caretaker relative is arbitrary, bearing no relationship to the needs of the child who is receiving the lesser payment.

A State standard may have different dollar amounts for food or clothing for different reasonably defined age groups since older individuals may generally have more costly needs than younger individuals. Differing shelter amounts may result from a State's election to have shelter differentials but this is permitted only when there is objective evidence that there are actual differences in shelter costs between geographic areas and such differences are appreciable. However, such differences appear reasonably based. But this bears no relation to an assumption of income on the unsubstantiated basis that a non-needy, non-legally liable caretaker relative is contributing income towards the support of the needy child in his care and custody.

These rules prohibiting the assumption of income apply to non-legally liable relatives, and to legally liable relatives

other than spouse for spouse or parent for minor child as specified above. Thus, except for spouse for spouse or parent for minor child, a State may not assume that the income of other legally responsible relatives under State law is available to the child.

Notwithstanding, a grant reduction (not a standard reduction), is permitted in these instances where a documented voluntary contribution is made by the non-needy, non-legally responsible caretaker relative.

The following table illustrates the effect of H.B. 968 without the cost-of-living adjustment on State AFDC standards:

Family Size	Children with Needy Relatives		Children with Non-Needy, Non-Legally Responsible Relatives	
	Current Standard	Proposed Standard Under H.B. 968	Current Standard	Proposed Standard Under H.B. 968
1			\$150	\$150
2	\$350	\$450	\$300	\$300
3	\$400	\$525	\$350	\$350
4	\$450	\$600	\$400	\$400
	Plus \$50/month for each additional child under 18	Plus \$75/month for each additional child under 18	Plus \$50/month for each additional child under 18	Plus \$50/month for each additional child under 18

Note that for the category of children living with needy relatives, there is no identification of the amount of the standard that is attributable to the adult caretaker relative. It merely says that for family size of two, a grant of \$350 is made. For two children living with non-needy, non-legally responsible relatives, a grant of \$300 is made. It may be reckoned that the additional \$50 (\$350-50) provided to the needy relative situation is reasonable due to increased costs of shared standard items for adults (this would not hold true for shelter). This was the rationale for Federal approval of the current standard.

Under the proposed H.B. 968 standard, no standard increment is provided to the category of children with non-needy, non-legally responsible caretaker relatives. A difference of \$150 between the two categories

Dr. Helen D. Beirne - page 5

of recipients is too great to account for an addition based on shared costs that would require an amount of that magnitude for the adult. The Bill did not even address the non-needy, non-legally responsible caretaker relative category. It would appear clear that legislative intent was to increase the needy caretaker relative group, per se.

It must, therefore, be concluded that the new standard results in proration and assumes the availability of income for the non-needy, non-legally responsible caretaker relative category. In no event may income be assumed or shelter costs be prorated.

In summary, should Alaska House Bill 968 be enacted, the State agency, upon implementation, would be out of compliance with Federal regulations as cited herein. In addition, a new or revised State plan submitted to implement such legislation would be unapprovable.

We would be pleased to offer technical assistance including testifying before the legislature on this Bill if so desired.

Sincerely,



Donald C. Sutcliffe  
Regional Commissioner

Enclosures

cc:

Rod Betit

§ 47.25.310 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.25.320

Article 3. Aid to Families with Dependent Children Act.

Section	Section
310. Eligibility for assistance	380. Reconsideration and alteration of assistance
320. Amount of assistance	390. [Repealed]
330. Duties of department	395. Alienation and attachment
340. Application for assistance	400. Purpose
350. Investigation of application	403. Reporting change of status
360. Granting of assistance	405. Obtaining assistance by fraud
365. Retraining of parent or family member	410. Definitions
	420. Short title

Sec. 47.25.310. Eligibility for assistance. The department shall grant assistance to the family of each dependent child it determines is eligible for assistance under AS 47.25.310 — 47.25.420, or to employers under a work incentive program established by AS 23.15.650, and by § 433(c) (1) of the Federal Social Security Act (42 USC 601 et seq.), as amended. (§ 51-2-32 ACIA 1949; am § 2 ch 57 SLA 1949; am § 1 ch 73 SLA 1963; am § 2 ch 134 SLA 1968)

Editor's note. — The federal provision referred to in this section was added by § 204 of the Social Security Amendments of 1967 (PL 90-248; 81 Stat. §21).

A statutory prohibition of welfare benefits to residents of less than a year creates a classification which constitutes an invidious discrimination denying such

residents equal protection of the laws. *Shapiro v. Thompson*, 394 U.S. 618, 89 S. Ct. 1322, 22 L. Ed. 2d 609 (1969).

Cited in *Public Defender Agency v. Superior Court*, Third Judicial Dist., Sup. Ct. Op. No. 1140 (File No. 2071), 53 P.2d 947 (1975).

Sec. 47.25.320. Amount of assistance. (a) The department shall determine the amount of assistance for a dependent child and the relative with whom the dependent child is living, with regard to the resources and necessary expenditures of the family and the condition existing in each case. Assistance is sufficient if, when added to all other income and support available to the child, the child and relative have reasonable subsistence compatible with decency and health. However, the amount of assistance may not exceed the following:

(1) dependent child living with nonneedy relative: for a child under age 18 who is living in the home of a nonneedy relative, \$150, plus an additional \$150 for the second child, and \$50 a child for the third and each additional child;

(2) dependent child living with parent:

(A) for a parent and one child under 18, a maximum of \$350;

(B) (repealed)

(C) for each additional child under age 18, \$50 a month per child.

(b) The monetary maximums in (a) of this section do not apply to payments made under this program for the care of a dependent child in a foster family home. The payment shall conform to foster care rates as provided by the department.

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POSITION PAPER

ON

Committee Substitute for HOUSE BILL NO. 176 (HESS) am

"An Act relating to General Relief Assistance; and providing for an effective date."

This Act would revise AS 47.25.250, raising the maximum payment made on behalf of eligible persons for subsistence needs from \$80 per month to \$160. The original \$80 maximum payment limit was established over 20 years ago, when the costs of subsistence items were far lower than they are today. (Note that the maximum payment limit is established by statute. It is much lower than the qualifying standard for receiving assistance, which is the maximum income an applicant can have and still receive assistance. These maximum income limits are set administratively and vary by family composition.)

The effect of the current maximum payments and qualifying limits is best illustrated by a typical General Relief case example:

An urban family consisting of two parents and a child applies. They temporarily have no income. They present an eviction notice showing that their rent of \$450 is overdue. The family has no housing alternative. Under the current maximum, a General Relief vendor payment of only \$240 can be made to the landlord (3 persons times \$80 per person). A Department staff member must call the landlord and attempt to "deal", to find if he will allow the family to remain in its apartment with only this partial payment. In some cases, the landlord will not agree. If he does not, there is no point in making any payment to him. The family can only use the alternative of a very short motel stay.

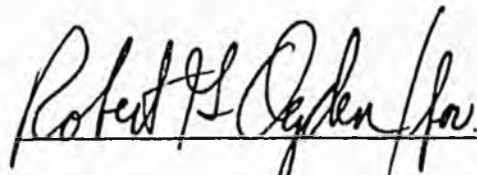
No statistics are kept on how frequently the \$80 maximum falls so short of actual need as to render the program useless to the applicant. However, since over 85% of General Relief Assistance is paid for rent needs, it is obvious that current rental costs are such that increasing the maximum payment per person to \$160 would virtually eliminate the program's occasional inability to meet shelter emergencies.

In addition to the maximum payment issue, the Department wishes to raise the concern that the General Relief statute have not been reviewed for over 20 years. We believe they are too vague and outdated to allow the Department adequate guidance in determining who is eligible and what types of assistance they should receive. It is clear to us that funding limitations over the years, coupled with significant changes in other assistance programs and in the needs of low-income Alaskans, have resulted in a General Relief program that may be significantly different from what was originally intended in the 1953 Session Laws.

We would therefore welcome a comprehensive legislative study of the current General Relief program and any resulting changes in AS 47.25.120-300 that would more specifically define the Legislature's wishes concerning the program.

The Department supports the concept of an increase in the maximum General Relief payment.

Recommended by:

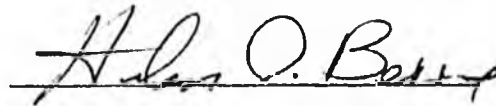


Rod Betit, Director  
Division of Public Assistance

Date:

3-18-81

Approved by:



Helen D. Beirne  
Commissioner

Date:

3-19-81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee Substitute for House Bill No. 176 (HESS) am  
 Title An Act Relating to General Relief Assistance  
 Requested by Clocks in Date 3/18/81

II. FISCAL DETAIL

Agency Affected Health & Social Services  
 Program Category Affected Social and Economic Assistance for the General Population  
 BRU, Program, or Subprogram(s) Affected Assistance Payments, General Relief Assistance  
 (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.		821.4	903.9	993.9	1093.3	1202.6
<b>TOTAL</b>		821.4	903.9	993.9	1093.3	1202.6

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		821.4	903.9	993.9	10093.3	1202.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

FY82 request calls for 1015 persons per month to receive cash or vendor payments averaging \$67.44 per person, for a total of 821.4 (1015 x \$67.44 x 12 months). Doubling the maximum allowable monthly payment from \$80 to \$160 per person would have no effect on the number of persons found eligible. A "worst case" assumption is that all eligible persons would experience a doubling of their payments, from \$67.44 to \$134.88 per month. This would simply double program expenditures for all items except burials, adding 821.4 in new expenditures.

IV. DATE 3/18/81 PREPARED BY [Signature]  
 AGENCY HESS  
 PHONE 3347  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) M&B Approval [Signature] Date 3/18/81

However a number of households receiving payments under the current payment maximum have their full emergency need met. The amount of their payments would not therefore increase with an increase in the maximum payment limit. No data is captured to indicate how many households fit in this category or how many households have "unmet needs" under the current maximum. However, based on an informal 1980 survey of actual case situations, a "best case" assumption could be made that only 50% of all recipients would experience a doubling of payments under CSHB No. 176. This would result in an additional cost of only 410.7.



H B

262







**JOHN P. DOYLE**

*Associate Professor, Fisheries,  
Leader, Marine Advisory Programs*

UNIVERSITY OF ALASKA  
2651 PROVIDENCE AVENUE  
ANCHORAGE, ALASKA

PHONE  
(907) 263-1890

ジョン・P・ドイル

アラスカ大学 漁業学科 准教授

住所

2651 フロビヂンス通り. アンカレッジ. アラスカ

電話

(907) 263-1890



**DONALD H. ROSENBERG**

*Office for Fisheries*

UNIVERSITY OF ALASKA  
FAIRBANKS, ALASKA 99701

AREA CODE 907  
(907) 479-7086

RB 262 & 263

Roger Pantele

Rick Lambert

Wednesday

called

4-30-81



SENATE AMENDMENT

By MULCAHY

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: Committee Substitute for HOUSE BILL No. 262 (Fin) am

PAGE:

LINE:

Page 2, line 27 delete "and at least one employee not in management"

Page 3, line 9 delete "(d) Each member of the policy council shall be a resident of the state.", and insert "(d) At least eight members of the policy council shall be residents of the state."

# Sand Point City School District

Box 101  
Sand Point, Alaska 99661  
(907) 383-2393



Frederick J. Kent  
Superintendent  
Board of Directors  
William Eubank  
President  
Edee Jacobsen  
Janet Ludvick  
Inge Martinsen  
Eleanor Moritz

April 29, 1981

Re: HB 262

Senator Robert Mulcahy  
Pouch V  
Juneau, AK 99811

Dear Bob:

I would like to take this opportunity to express my thoughts on the development of a first class fisheries university in Alaska. Alaska has seen its fisheries exploited by foreign fleets, including the Ballard Fleet, for far too long. A world class fisheries university is an idea that is late in coming and needs to be expedited.

The location of such a university is extremely critical. I believe the Near Island site in Kodiak would be excellent. A main campus location at that point on the North Pacific Arc would be ideal. Eventually, I can see a westward expansion with a support facility in the form of a community college at both Sand Point and King Cove. The excellent harbor and location to the Bering Sea, Aleutian, and North Pacific shelves make Unalaska a prime candidate for an eventual four-year degree granting college associated with the main branch in Kodiak.

I have seen a tremendous amount of growth in the Alaska Peninsula and Aleutian Islands area since I first went to work at Unalaska in 1961. This development is only in an early embryo state; however, and represents a very shaky beginning. I believe a fisheries university would be able to even out the peaks and valleys of what has been a 'boom or bust' approach to fisheries development. If Alaska can attain a position where it can control even a fraction of the total tonnage of product that leaves westward Alaska every year the initial investment will be repaid handsomely.

The Eastern Bering Sea is the second largest storehouse of protein in the world. Only the Humbolt Current off Peru is richer. The Peruvian stock, however, is made up of primarily meal fish, which leaves Alaska in a position in future years to be the primary supplier of this vital substance. The world wide population increase leave little doubt as to whether these stocks will be utilized. The only question is who will be in control of development of unused and under utilized species in the development period. The precious stocks of the Eastern Bering Sea represents a reserve needed by the entire world. The State of Alaska is fortunate to have the revenues available to fund an educational and research institute that can insure that these Bering stocks will be harvested on some sustained yield basis. The commitment to build a world class institute must be made now.

Sincerely,

A handwritten signature in cursive script that reads "Frederick J. Kent".

Frederick J. Kent  
Superintendent

FJK:b  
cc: Eric Sutcliff

# Sand Point City School District

Box 101  
Sand Point, Alaska 99661  
(907) 383-2393



April 29, 1981

Frederick J. Kent  
Superintendent  
Board of Directors  
William Eubank  
President  
Edee Jacobsen  
Janet Ludvick  
Inge Martinsen  
Eleanor Moritz

Senator Robert Mulcahy  
Pouch V  
Juneau, AK 99811

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Sincerely,

A handwritten signature in cursive script that reads "Frederick J. Kent".

Frederick J. Kent  
Superintendent

FJK:b  
cc: Eric Sutcliff

NOTE REGARDING THE FOLLOWING FRAME ON MICROFILM:

COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES  
IN ALASKA STATE ARCHIVES. TITLE PAGE ONLY HAS  
BEEN FILMED.

University of Alaska

A Plan for the Improvement of  
Fisheries and Fishery-Related Marine Affairs Programs  
at the  
University of Alaska

Prepared by the  
Alaska Sea Grant College  
Fairbanks, Alaska  
for  
The Office of the President  
University of Alaska

Sea Grant Report 81-1  
January 1981

NOTE REGARDING THE FOLLOWING FRAME ON MICROFILM:

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IN ALASKA STATE ARCHIVES. TITLE PAGE ONLY HAS  
BEEN FILMED.

Alaska Sea Grant College  
University of Alaska  
Fairbanks, Alaska 99701

A Summary Of  
A Plan for the Improvement of  
Fisheries and Fishery-Related  
Marine Affairs Programs at the  
University of Alaska

by

Donald H. Rosenberg  
Director  
Alaska Sea Grant Program

Sea Grant Report 80-2  
January 1981

NOTE REGARDING THE FOLLOWING FRAME ON MICROFILM:

COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES  
IN ALASKA STATE ARCHIVES. TITLE PAGE ONLY HAS  
BEEN FILMED.

A TRAINING AND TECHNOLOGY CENTER FOR  
ALASKA'S FISHING INDUSTRY

Alaska Sea Grant College  
University of Alaska

February 1981

H B

263



H B  
279



SENATE AMENDMENT

By SENATE HESS COMMITTEE

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_  
To: CS \_\_\_\_\_ HOUSE BILL No. 279 (Fin) am

PAGE: 2      LINE: 28

between the words "a" and "school" insert:

"Municipality which is a".

Page 3, Line 1:

delete the words "the school board" and insert:

"its governing body".

Page 3, line 7:

between the words "the" and "school" insert:

"municipality which is a".

Page 3, line 13:

between the words "a" and "school" insert:

"municipality which is a".

Page 3, line 19:

between the words "a" and "school" insert:

"municipality which is a".

~~Page 6, line 10:~~

~~delete "(3)" and insert "(2)"~~

~~Page 7, line 21:~~

~~delete "(3)" and insert "(2)"~~

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

March 24, 1981

The Honorable Donald E. Clocksin  
Chairman  
House Health, Education and Social  
Services Committee  
Room 112 - Capitol Building  
Juneau, Alaska

Dear Mr. Clocksin:

Re: House Bill No. 279

House Bill No. 279, an Act relating to state aid for school construction, was introduced in the House on March 6, 1981 and was referred to the House Health, Education and Social Services and Finance Committees.

For the consideration of the House Health, Education and Social Services Committee, I am enclosing a 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 Samuel R. Cotten  
Chairman  
House Finance Committee

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Anselm Staack  
Treasury Comptroller  
Department of Revenue

Health, Education and  
Social Services Committee

Charlie Parr, Chairman  
Terry Stimson, Vice-Chairman  
Vic Fischer  
Tim Kelly  
Mike Collette



Official Business

# Alaska State Legislature

## Senate

*Sen. Collette*

Pouch V  
State Capitol  
Juneau, Alaska 99811  
465-4907  
465-4908

June 5, 1981

### MEMORANDUM

TO: Senate Hess Committee Members  
FROM: Senator Charles H. Parr *CHP*  
SUBJECT: Confirmation

Enclosed is information on the Governor's appointee whom we have not yet looked at. Unless one of you has an objection, I will notify the president that the committee has none.

CHP:pbd

Enclosure