

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 8672

1583 SHESS HB 313 - HB 357 1583

Alaska's fisheries, both marine and freshwater, constitute the state's most valuable renewable resource. The use of this resource for recreational, subsistence and commercial purposes plays a major role in the lifestyle and economy of the state.

The purpose of this study was to evaluate the need for and feasibility of the State of Alaska developing an expanded program of fisheries research. The Governor appointed a 12-member study group to undertake this evaluation and to report their findings to the state.

Three specific needs relating to Alaska's fisheries resources are identified:

1. An urgent public need for increased economic, social and biological knowledge and understanding concerning Alaska's fisheries.
2. A need to strengthen the capabilities of Alaska's fisheries management program.
3. A critical need for improved communication and coordination among Alaska's fisheries resource users and researchers.

The benefits to the state of establishing a well organized research program as well as the consequences of taking no action are identified.

Various alternatives, ranging from an increase in activities within existing agencies and institutions to the establishment of an independent state research agency, are analyzed. The recommendation represents a consolidation of various components from several of these alternatives.

The Study Group recommends that the State of Alaska establish a fisheries research center with the goal of providing the information and a foundation upon which fishery management programs can be developed and executed. The center's principal activities will be the acquisition and dissemination of information and the development of methodology required for wise management. The center, in addition to its own research staff, must develop cooperative research efforts with existing fisheries groups and agencies.

The center should be established under the University of Alaska with a Board of Trustees providing policy and planning guidance. The Study Group also recommends two advisory committees, one representing users and the other the scientific community.

The staffing of this center will consist of approximately 40 professionals requiring 70,000 square feet of office and laboratory space. The projected facility costs are \$21.7 million and when fully operational, the annual operating costs are estimated at \$14.7 million.

A schedule of implementation is provided. Costs for the first year are \$525,000. During the second year, \$2.0 million are required to establish research activities.

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Alaska's fisheries, both marine and freshwater, constitute the state's most valuable renewable resource. The use of this resource for recreational, subsistence and commercial purposes plays a major role in the lifestyle and economy of the state. The challenge to the state is to provide for the long-term viability of this resource while continuing economically sound use. Currently there is insufficient methodology and data upon which to base decisions to maximize the benefits to Alaska as well as to preserve the long-term viability of the resource.

This document is the report of the Alaska Fisheries Center Study Group to the Governor of Alaska and to the Alaska Legislature. The report presents the findings of an investigation of Alaska fisheries research needs and recommends a program for the state to satisfy those needs. The Study Group, in developing these findings and recommendations, was assisted by a report prepared by Dames and Moore entitled "Fisheries Research Alternatives for the State of Alaska."

The purpose of this study was to evaluate the need for and feasibility of an Alaska Fisheries Center as the principal entity for conducting fisheries research in the state. As a part of that assessment, the Study Group determined the optimal direction and organization of fisheries research in Alaska and the most appropriate level of state involvement.

The Study Group addressed the following questions:

1. What should be the State of Alaska's goals in fisheries research and what benefits will Alaska derive from an expanded fisheries research program?
2. What are the current fisheries research activities in existing agencies and institutions?
3. What additional capability is required and what is the appropriate means of providing additional capability?

During the 1981 Legislative session, a bill (HB 313) was introduced in the Alaska House of Representatives to establish an Alaska Fisheries Center. The center was to be the principal agency in the state for conducting fisheries research, gathering and disseminating information on fisheries resources, and improving coordination and communications among agencies and groups involved in fisheries research. A nine-member board of trustees appointed by the Governor was to manage the center and representatives from specified fishery-related agencies were to serve as advisors. The bill passed the House and is currently under consideration by the Alaska Senate.

The bill was introduced because of concern that insufficient support was being provided for fisheries research in the state, and that the research was dispersed through a variety of agencies, and not always well-coordinated. In addition, much of the research on Alaska's fisheries was conducted by agencies located in other states. While there was general support for the objectives of the proposed legislation, many felt that the concept of a center for fisheries research required further evaluation. As a result, the Legislature requested that the Office of the Governor conduct a study of the need for and feasibility of such a center. The Governor established an Alaska Fisheries Center Study Group and appointed 12 members with a wide variety of fishery-related backgrounds. The Study Group met in September, 1981 to formulate a plan of action and agreed that there was a need for increased fisheries research in the state. The Study Group hired an executive director and retained a team of consultants (Dames and Moore) to assist in the evaluation of methods for providing increased fisheries research.

This report contains the findings and recommendations of the Study Group's investigation.

The importance of Alaska's fisheries resources to the citizens of Alaska is impossible to fully quantify. Alaska's fisheries resources support a very important segment of the state's recreational and tourist industry. Commercial use of these resources maintains

**NEED**

one of the state's major industries. Moreover, a large portion of the state's population depends upon these resources for its principal source of subsistence.

The State of Alaska, by constitutional mandate, must provide for the utilization, development and conservation of these fisheries resources for the maximum benefit of the citizens of the state. Appropriate management will be required in order to satisfy increasing demands on these resources while allowing for important subsistence needs.

During the next decade these resources will experience increasing demand for their use and major conflicts will develop between user groups. Increases in tourism and recreation will require greater allocation of these resources and expansion of the state's commercial fishing industry is expected.

The Study Group has reviewed the current status of state, federal and other research activities which are providing information to mitigate these demands. Three specific needs have been identified:

1. An urgent public need for increased economic, social and biological knowledge and understanding concerning Alaska's fisheries to provide for appropriate development and conservation.
2. A need to strengthen the capabilities of Alaska's fishery management programs in order to contribute to the wise utilization, conservation and development of Alaska's fisheries resources and to provide the maximum economic and social benefits to the citizens of the state.
3. A critical need for improved communication and coordination among Alaska's fisheries resource users and researchers in order to make optimum use of scientific and financial resources.

The benefits the state will derive from a well organized fisheries research program are:

1. The capability to continue high quality recreational fisheries, a choice not open to many states and foreign countries who have neglected their resources.
2. The assurance of the availability of fisheries resources for subsistence.
3. The continuation of a healthy, competitive commercial fishery that provides the state's major private employment.
4. The capability to develop and manage new fisheries; doubling the current employment and increasing fish production by 500 to 1,000 percent.
5. The opportunity to develop management techniques which encourage efficiency in the industry.

The implication of not addressing these needs could be severe. Some possible consequences of taking no action are:

1. Continuation of loss to the industry and the state from fishery disasters.
2. Continuation of reliance on non-Alaskan fisheries researchers and institutions.
3. Continuation of under-achievement of harvest.
4. Continuation of inefficiencies and duplication in fisheries research.

## **ALTERNATIVES ANALYZED**

### **Existing Agency Alternative**

The Study Group determined that an enhancement of fisheries research capabilities of the state is required. Various alternatives to provide those enhanced capabilities were developed and analyzed. Primary analysis of these alternatives was undertaken by the contractor. A review of the contractor's analyses and the Study Group's findings follow.

The initial assumptions in this alternative were that the basic organizational structure of agencies involved in fisheries research would remain intact and that increased funding for fisheries research would be passed directly to those agencies. In order to

accommodate an enhanced research program, however, changes were recommended in:

1. The internal organization of some agencies.
2. Interagency coordination and cooperative agreements.
3. Procedures for setting goals and objectives.
4. Information dissemination.
5. Standardization of research methods and reporting.

This alternative includes the creation of an Alaska Fisheries Research Steering Committee in the Office of the Governor. The steering committee would not modify the authority or responsibility of any agency, but would provide advice to the legislative and executive branches and would review research programs and proposals on a cooperative basis. Additional changes include:

1. The creation of a Fisheries Research Division in Alaska Department of Fish and Game (ADF&G).
2. A central fisheries research library.
3. The establishment of a fisheries journal.
4. Fisheries conferences and workshops.
5. New research facilities for ADF&G.
6. Expansion of the National Marine Fisheries Service Auke Bay Fisheries Laboratory.
7. Implementation of the University of Alaska's fisheries plan.

This alternative would provide an enhanced research capability with a minimum of disruption to the status quo, but would also offer the highest risk of a fragmented effort. The Study Group believes that increasing fisheries research funding to existing agencies would not be productive without substantial changes in agency structure.

This alternative would provide common support facilities and services to agencies performing fisheries research. Increased funding for fisheries research would be provided directly to the agencies. A board of trustees would manage the research park, establish institutional goals, publish reports and develop criteria for facilities use.

**Research Park  
Alternative**

The Study Group feels that this alternative could provide the means for closer contact between agencies but would not be conducive to the long-term stability and coordination of fisheries research in the state.

This alternative would involve the creation of an institute, in addition to existing agencies and facilities, to augment the state's fisheries research capability. The institute would be housed in a state agency and would be under the direction of a board of trustees. The institute would maintain a research staff and facilities and would emphasize cooperative interagency research programs. Research goals and priorities would be set by the institute rather than by individual agencies. Research and user committees would advise the institute.

**Cooperative Institute  
Alternative**

The Study Group feels that this alternative would provide for long-term fisheries research and required long-term institutional stability.

The center proposed under this alternative would be associated with either the University of Alaska or the Alaska Department of Fish and Game. It would be managed by a director reporting to the president of the University of Alaska or the commissioner of the Department of Fish and Game. The center would have its own

**Research Center  
Alternative**

research capabilities while also providing for cooperative research activities. Policy committees would make recommendations to the center's director.

The Study Group feels that the organizational relationship to a parent agency would assure long-term stability but that the close association with the parent agency would impede cooperative programs.

#### Other Considerations

In addition to the above alternatives, the Study Group considered an independent fisheries research center which would be responsible for all fisheries research functions in the state. The Study Group concluded that such an approach would disrupt fisheries management and academic programs and would be counterproductive.

### RECOMMENDATION

The Study Group reviewed the report of the contractor, including the background information concerned with existing fisheries research efforts. It is important to note that the alternatives developed were designed to provide the State with a capability for undertaking the more fundamental research needed to improve the management and conservation of the living marine and freshwater resources in and adjacent to Alaska.

To achieve this goal, the Study Group determined that a new institutional arrangement is required to protect the researcher from the pressures associated with resource management agencies and to provide a research environment attractive to the scientific community. The program of research will require a guidance mechanism to insure that it conforms to the fisheries research needs of the state and does not duplicate programs of existing state and federal research agencies. Finally, the capacity of the center to serve as a focal point for state, national and international seminars and to assist in the coordination of state and federal fisheries research efforts was considered important in influencing all recommendations.

The Study Group feels that these features and needs are partially met in all of the alternatives evaluated. However, no single alternative was considered adequate to meet the required goal. The Study Group's recommendation has, therefore, combined components from several of the proposed alternatives.

#### Establishment of a Fisheries Research Center

In order to further address the state's responsibility to its citizens to provide for proper and wise utilization, development and conservation of the fisheries resources both within and adjacent to the state, the Study Group recommends the establishment of a Fisheries Research Center.

#### Goal

The goal of the Fisheries Research Center will be to provide information and a foundation upon which fishery management programs can be developed and executed which will provide for the wise utilization, development and conservation of Alaska's fisheries resources.

#### Scope of Activities

The principal activities of the center will be the acquisition and dissemination of information and development of methodology required for the wise management of Alaska's fisheries resources. The center should not duplicate the research activities of existing agencies and groups. It should not be involved in the collection and analysis of information required for immediate management nor the collection of fishing statistics.

The center will develop cooperative research efforts with existing groups and agencies. Research will be directed toward development of fundamental approaches to fisheries management, filling basic gaps in our knowledge about the resources in-

cluding biological, social and economic data required for sound management programs. The center's activities should also include research that leads to an understanding of the problem of "multiple use" of the fisheries resources and the effects of various natural and man-made impacts.

The center must provide an environment to encourage excellence in fisheries research. Involvement of renowned visiting fisheries scientists to address specific research problems is essential to that environment. Association of Alaska's scientific and academic community with visiting scientists will encourage excellence in performance and serve as a unique "in-service training" program.

Additionally, the center should provide for improved coordination and communication among members of the scientific and management communities, fishermen, processors and the public by providing a forum (workshops and conferences) for discussion and information dissemination.

The Study Group recommends that the Fisheries Research Center be established under the University of Alaska. Establishment of the center under the University of Alaska would maximize the center's ability to attract top scientific personnel. This arrangement would be most conducive to providing for the long-term stability of the center's research activities and would provide maximum protection of the center's activities from immediate management pressures. Additionally, this arrangement would provide for a direct interaction between the center's research and information activities and the university's academic and public service programs.

The Study Group recognizes that it is exceedingly important that the center's activities support the needs of the primary management agencies. The proposed administrative structure and funding mechanism will reduce any tendency of the center to be solely influenced by the university environment.

## Organizational Structure

## Administrative Structure

### Board of Trustees

The Study Group recommends that the principal policy and planning body for the center be a Board of Trustees. The board would provide policy and program guidance for the center. At a minimum, membership should include:

1. Commissioner or representative, Alaska Department of Fish and Game.
2. President or representative, University of Alaska.
3. Alaska Regional Director or representative, National Marine Fisheries Service.

Other members of the board will be appointed by the President of the university based upon recommendations from the Governor.

Other board members should be selected for their ability to represent the research needs of all fisheries interests. Membership of the board should not exceed seven and the majority of members should be Alaskan residents.

The duties of the board shall include but not be limited to:

1. Establishment of institutional goals and objectives for the center.
2. Review and approval of selection of the center's Executive Director.
3. Review of the programs of the center to insure that they are providing meaningful contributions and are responsive to the institutional goals and objectives.
4. Active encouragement of the development and support of cooperative research programs.

### **Executive Director**

An Executive Director will be the principal scientific and administrative officer for the center. The Executive Director will be responsible for all activities and personnel of the center. The Executive Director will serve as a non-voting member of the Board of Trustees.

### **Other administration**

Further refinement of the administrative structure of the center will depend upon the magnitude of the activities. These could include a research program director, a cooperative program director and an information services program director. Additionally, as the center grows, an administrative manager will be necessary to oversee the day to day administrative functions.

## **Advisory Committees**

The Study Group recommends that the Fisheries Research Center have two advisory committees, a research advisory committee and a user advisory committee.

### **Research Advisory Committee**

The Research Advisory Committee will advise the board of trustees and the executive director on the scientific activities of the center. The committee will play a major role in the scientific evaluation of the center's programs. The committee will prepare for the Board of Trustees periodic reports on the need for research to solve fisheries problems. The committee will make recommendations on and encourage the development of cooperative research programs within the center. Membership on the committee will be by appointment by the Board of Trustees. Principal membership is expected to be from primary state and federal fisheries management agencies (ADF&G, NMFS) and universities but it is noted that membership should also include scientific staff from user groups.

Balance should be maintained between scientific disciplines with the majority of the membership representing fisheries science, marine science and the economic and social sciences as applied to fisheries resources.

### **User Advisory Committee**

The User Advisory Committee will advise the Board of Trustees and the Executive Director on information needs of the various fisheries resource user groups. The committee will play a major role in the development of the center's institutional goals and objectives and in the review of the center's progress toward the attainment of those goals and objectives. The committee will prepare for the Board of Trustees periodic reports on the need for new information on fisheries. The committee would actively encourage cooperative programs within the center between user groups and scientific personnel.

Membership on the committee will be by appointment by the Board of Trustees. Membership will be from the principal fisheries user groups and the public at large. Balance should be maintained between these groups.

## **Staffing and Facilities**

In considering the staffing requirements for the center the Study Group determined the following:

1. It is unlikely that any additional fisheries research effort will be provided by the federal government.

2. It would be physically impossible to fulfill all of the state's fisheries research needs.
3. To be most effective a critical level of staff must be provided.
4. If a single company or individual had exclusive rights to Alaska's fisheries resources, it would likely spend as much as \$100 to \$200 million on research and development.

The Study Group recommends that the center be staffed, when fully developed, with approximately 40 professionals. The Study Group feels that this level of staffing will make major contributions toward providing information upon which effective fisheries management programs can be developed and executed.

The Study Group recommends that facilities be developed to support the center's activities including sufficient space to allow cooperative programs. The facility should contain approximately 70,000 square feet.

Based upon the contractor's analysis, the Study Group estimates the following capital and operating costs for the center:

Cost

Capital Costs

Facilities (70,000 sq. ft.)	\$21,000,000.00
Equipment	
Data Processing	200,000.00
Library Collections	300,000.00
Audio-Visual and Copy	100,000.00
Office	<u>110,000.00</u>
Total Capital Costs	\$21,710,000.00

Annual Operating Costs

Management/Technical Services	2,019,000.00
Professional Staff and Programs	<u>12,700,000.00</u>
Total Operational Costs	\$14,719,000.00

Funding for the center and its activities must be by line item within the University of Alaska's budget. Principal funding for all center activities should be provided by appropriation from the state. Funding of the center should be considered independent of the other program requirements of the university. Existing management and research programs should not be reduced to fund this program.

The Study Group recommends that the following criteria be considered by the University of Alaska in recommending the location for the Fisheries Research Center. The criteria are ranked in order of importance.

Location

1. Accessibility, proximity, and relationship to the major state, federal, and educational agencies and institutions with resource management and research responsibilities.
2. Proximity to existing research and support facilities.
3. Communication and transportation linkages, both domestic and international.
4. The attributes of the location that would aid in attracting highly qualified professionals.
5. The capability to host statewide, national, and international meetings.

## **LEGISLATIVE CHANGES**

After evaluating House Bill 313, the Study Group has included a modified version in the appendix of this report. This modified version would implement the recommendations in this report.

## **IMPLEMENTATION**

The Study Group recommends that the Fisheries Research Center be immediately established. Acquisition of staff and facilities should be undertaken in a phased manner to be completed within eight years.

The university should undertake the following activities during the center's first year:

1. Appointment of Board of Trustees
2. Appointment of advisory committees
3. Appointment of Executive Director and initial support staff
4. Phase planning for facilities acquisition
5. Planning for research programs and staff acquisitions
6. Development of cooperative arrangements
7. Initiation of conferences and workshops and information services

It is estimated that the first year of activities will cost \$525,000.

During the second year the center should establish research activities using existing state, federal and university facilities. The state must plan on funding these research activities at a level of approximately \$2 million. The state should plan on increasing program funding by \$2 million annually until full funding is reached.

**APPENDIX  
RECOMMENDED SUBSTITUTE  
FOR HB 313**

**ALASKA FISHERIES CENTER STUDY GROUP**

**MEMBERS**

- Chairman** Mr. Donald H. Rosenberg, Director  
Office for Fisheries  
University of Alaska
- Vice-Chairman** Mr. S. A. ("Stan") Moberly, Special Assistant  
Alaska Department of Fish and Game
- Dr. D. L. ("Lee") Alverson  
Natural Resource Consultants
- Mr. James W. Brooks, Deputy Director Alaska Region  
National Marine Fisheries Service
- Mr. Douglas B. ("Bart") Eaton, Fisherman and Council Member  
North Pacific Fishery Management Council
- Dr. Keith Jefferts, President  
Northwest Marine Technology
- Senator Robert Mulcahy  
Alaska Legislature
- Mr. Rodger Painter, Executive Director  
United Fishermen of Alaska
- Mr. John G. Peterson, President  
Ocean Beauty Seafoods  
Alternate: Mr. Rick Lauber
- Ms. Kathryn ("Kay") Poland, Director  
Office of Commercial Fisheries Development  
Alaska Department of Commerce and Economic Development
- Mr. John Sund, Esq., President  
The Waterfall Group
- Representative Eric Sutcliffe  
Alaska Legislature

**STAFF**

- Mr. Thomas J. Lane, Executive Director  
Ms. Deena K. Hale, Administrative Assistant

\*\*\*\*\*

**OFFICE OF THE GOVERNOR**

- Mr. W. I. ("Bob") Palmer  
Special Projects Coordinator

HP  
330

COMMITTEE REPORT  
SENATE

5/8/81

FURTHER: Finance

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

Mr. President:

HEALTH, EDUCATION AND  
SOCIAL SERVICES

The Committee on \_\_\_\_\_ has had CSHB 330(Fin) and  
payment of costs of services for pregnant women

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  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*[Handwritten signature]*  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*[Handwritten signature]*  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_

CHAIRMAN

**Health, Education and  
Social Services Committee**



Official Business

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

**Alaska State Legislature**  
**Senate**

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

May 20, 1981

LETTER OF INTENT  
ON  
SCS FOR CS FOR HOUSE BILL NO. 330 (HESS)

It is the intent of the Health, Education and Social Services Committee, in passing out SCS for CS for House Bill No. 330 (HESS), that the Department of Health and Social Services:

- 1 - explore a greater use of foster care versus large institution care in an attempt to reduce the cost to the state; and
- 2 - revise the fiscal note downward.

A handwritten signature in cursive script, appearing to read "Charles H. Parr".

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Senator Charles H. Parr  
Chairman

POSITION PAPER

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 330 (Finance) am

For an Act entitled: "An Act relating to payment of the cost of care of pregnant women; and providing an effective date".

CSHB No. 330 provides for the expansion of pregnancy-related health and social services.

a) Section 2 expands the Medicaid Program coverage of medical care services to certain women, who have countable incomes of less than \$457 a month; are single, or separated from their spouses; and have no other dependent children living in the home. The provision of the medical services will be financed on a 50/50 matching basis with state and federal revenues.

b) Section 3 of this Act authorizes state funding of the cost of non-medical services for pregnant women experiencing social and economic difficulties during the prenatal and postpartum periods. These services are to include the cost of birthing centers and midwife services, adoption assistance, counseling, transportation, care received in maternity and foster homes, and training in parenting skills.

DISCUSSION

Current Services

The Department of Health and Social Services is one of multiple private and public resources providing pregnancy-related services to Alaskan women. The Department takes an active role in assuring that public health nursing and social services are available throughout the State.

1) The Division of Family and Youth Services provides adoption placement and family counseling for Alaskans.

2) The Division of Public Assistance provides financial, food and medical assistance for low income women through the Aid to Families with Dependent Children, Food Stamp, Medicaid, General Relief Medical and Adult Public Assistance programs.

3) The Division of Public Health provides health care screening, including pregnancy testing and prenatal counseling, education, referral and follow-up through the activities of Public Health Nurses. Nutrition supplement and education is offered to low income pregnant women and their children in 26 communities by the Women, Infant and Children Program. In addition, the Division also sponsors medical care financing for low income and medically high risk women through demonstration projects in Juneau and Fairbanks.

Gaps in Services

Although the Department offers a wide range of public services, many women experience difficulties and hardships in obtaining timely and adequate pregnancy care. These difficulties are associated with economic barriers to private care and the unavailability of many services in rural communities. These gaps in pregnancy related services may be summarized as:

(1) Financial inability of many low income and adolescent women to purchase medical care from private providers, and to pay for travel outside of their communities for medically necessary care.

(2) Fragmentation of the pregnancy care delivery system, that inhibits provision of education, counseling, referral, medical and follow-up services required by many women.

(3) Unavailability of many pregnancy-related services in rural communities.

(4) Lack of appropriate housing near major medical centers, where women from rural communities may stay while obtaining outpatient maternal care services.

(5) Insufficient adoption counseling and placement services.

CSHB No. 330 addresses some of the gaps that occur in the delivery of prenatal care. Section 2 offers medical care coverage to single or separated, low income women who have no dependents living in the home. This Act will effectively provide medical care to certain women (approximately 296), who have not been Medicaid eligible. The state previously had this unborn child coverage in the Medicaid Program, but the legislature eliminated it in 1976 for budgetary reasons.

Section 3 of this Act will expand the types of social and other non-medical services available to maternal clients beyond the present scope of State sponsored activities. The services offered will include birthing center and midwife services, counseling, round trip transportation between a client's residence and maternity or foster home, adoption assistance and training parenting skills to potentially all women experiencing social and economic difficulties associated with childbearing. It is anticipated that provision of maternity and foster home care will be administered through contract arrangements with community based services by the Division of Family and Youth Services.

While Section 3 offers fairly comprehensive social and other non-medical support services, there will continue to be gaps in the medical care services. Many women with countable annual incomes exceeding approximately \$5,500 do not qualify for medical assistance. These women often experience more difficulties in purchasing medical care than those who are eligible for public assistance.

In some cases women who are receiving the social and other non-medical services provided by this Act, will continue to be ineligible for medical care assistance that is necessary for a successful pregnancy outcome.

RECOMMENDATIONS

Recommendation A:

This Act offers transportation, counseling, adoption assistance and maternity or foster home care to women experiencing economic and social difficulties associated with childbearing. The Bill at the present time does not include specific definitions of "economic and social difficulties associated with childbearing", but allows the department to adopt regulations to define those terms. As part of the adoption of regulations process, we intend to conduct public hearings to assist us in formulating appropriate standards on which to determine eligibility for such aid. At this point, it is perceived that we would draft proposed regulations which would define (1) economic need to be up to 200% of the Federal Community Services Administration's Alaska Non-Farm Poverty Guideline (attached), and (2) social need to include pregnant women who are at risk of being unemployed or under employed, dependent upon welfare, inadequately educated, unable to function socially or having psychiatric problems.

Recommendation B:

Section 3 provides for social and other non-medical services associated with the prenatal and postpartum periods of pregnancy. The House in passing CSHB 330 added a floor amendment to this Section which would cover the cost of midwife and birthing center care. Since these services are primarily associated with medical care, we recommend that CSHB 330 be amended to reflect the medical care status of these services. These amendments would add medicaid coverage for certain needy women for care received from a birthing center or a nurse midwife. By adding these services to medicaid, the state would realize additional federal funds for covering medical care services. To incorporate nurse midwife and birthing center services into the medicaid, the Department recommends the attached amendments.

POSITION

The Department recognizes the value of the needed services that will become available to certain women. We endorse the health promotion concepts of this Bill and feel that it will contribute to the comprehensiveness of pregnancy related services throughout Alaska.

Deph supports

Recommended by:

John Pugh  
John Pugh, Director  
Division of Family and Youth  
Services

Date:

5/18/81

Rod Betit

Rod Betit, Director  
Division of Public Assistance

Date:

May 18, 1981

David Bruce

David Bruce, Deputy Director  
Division of Public Health

Date:

May 15, 1981

Approved by:

Helen D. Beirne

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

Date:

5/18/81

Community Services Administration  
Non-Farm Poverty Income Levels for Alaska

March 5, 1981

<u>Size of Family</u>	<u>Poverty Income</u>	<u>200% Poverty Income</u>
1	\$5,410	\$10,810 ✓
2	7,130	14,260
3	8,850	17,700
4	10,570	21,140
5	12,290	24,580
6	14,010	28,020

457  
12  

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5184

Original sponsors: Miller, Martin,  
Carney, et al

Offered: 4/30/81  
Referred: Rules

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 330 (Finance) am  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE - FIRST SESSION  
A BILL

For an Act entitled: "An Act relating to payment of the costs of services for pregnant women; and providing for an effective date."

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

\*Section 1. LEGISLATIVE FINDINGS AND PURPOSE. The legislature finds that there are insufficient maternal and infant care services available to women experiencing social and economic difficulties associated with child-bearing. As a result of these inadequate services, some children may develop health conditions that require state-supported services throughout their lives. In order to promote healthier generations of Alaskan, the legislature wishes to invest in the state's future by providing prenatal care and social services to pregnant women.

\*Sec. 2. AS 47.07.020(b) is amended by adding a new paragraph to read:  
(8) women who are medically confirmed to be pregnant.

\*Sec. 3. AS 47.07.030 is amended to read:

Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical services to be offered to eligible persons include inpatient hospital, outpatient hospital, rural health clinic, outpatient surgical care centers, laboratory and X-ray, refractions and eye examinations by ophthalmologists or optometrists, eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, inpatient psychiatric hospital for persons age 65 or older and persons under age 21, skilled and intermediate nursing home, physician, home health care services early periodic screening and diagnosis and treatment of persons under 21 years of age, clinic services, nurse midwife, treatment of speech, hearing and language disorders, and reasonable transportation to and from the point of medical care. No additional services may be provided unless approved by the legislature.

\*Sec. 4. AS 47.07.080(4) is amended to read:

(4) "Clinic services" means services which are restricted state-approved outpatient community mental health services which receive grants under AS 47.30.520 - 47.30.620 and state-operated mental health clinics and birth centers licensed by the state under AS 18.20.010 - 18.20.130.

\*Sec. 5. AS 47.07.080 is amended by adding a new subsection to read:

(5) "Nurse midwife" means a registered professional nurse who is certified as an advanced nurse practitioner under AS 08.68.410 (a) and authorized to practice as a nurse midwife under regulations adopted in accordance with AS 06.68.410(5).

\*Sec. 6. AS 47 is amended by adding a new chapter to read:

CHAPTER 42. PURCHASE OF SERVICES FOR PREGNANT WOMEN.

Sec. 47.42.010. PURCHASE OF SERVICES FOR PREGNANT WOMEN. The Department of Health and Social Services shall pay the cost of prenatal services other than medical services for a pregnant woman experiencing social and economic difficulties, [INCLUDING THE COSTS OF BIRTHING CENTERS, MIDWIFE SERVICES] and transportation to and from a maternity home or a foster home, counseling, adoption assistance, maternity home and foster home care, postnatal care, and parenting skills.

Sec. 47.42.020. LICENSING AND SUPERVISION. (a) A person providing services purchased by the Department of Health and Social Services under this chapter shall be licensed and supervised in the same manner as foster homes, boarding homes, maternity homes, and other agencies and institutions under AS 47.35.010 - 47.35.100.

(b) Nothing in this section requires the licensing of [MIDWIFE AND] transportation services provided to a pregnant woman under this chapter.

\*Sec. 7. This Act takes effect immediately in accordance with AS 01.10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS FOR HOUSE BILL NO. 330 (Finance) am  
 Title "An Act relating to payment of the cost of care for pregnant women"...  
 Requested by House HESS Committee Date May/8, 1981

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Health & Social Services  
 BRU, Program, or Subprogram(s) Affected Various - See separate fiscal notes attached.  
 (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		40.7	44.4	48.4	52.7	57.4
200 TRAVEL		1.7	1.9	2.0	2.2	2.4
300 CONTRACTUAL		4.8	5.2	5.7	6.2	6.8
400 COMMODITIES		.4	.4	.5	.5	.6
500 EQUIPMENT		1.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		2,584.1	2,816.6	3,070.2	3,346.5	3,647.7
<b>TOTAL</b>		2,632.9	2,868.5	3,126.8	3,408.1	3,714.9

FUNDING (Thousands of Dollars)

GENERAL FUND	2,418.4	3,634.7	2,872.0	3,130.3	3,412.1
FEDERAL FUNDS	214.5	233.8	254.8	277.8	302.8
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

Attached Social and Health Service Analysis.

IV. DATE May 7, 1981 PREPARED BY Dwayne Peoples  
 AGENCY Department of Health and Social Services  
 PHONE 465-3100  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) M. Hubbard M&B Approval M. Hubbard Date 5/8/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CS FOR HOUSE BILL NO. 330 (Finance) am  
 Title "An Act relating to payment of the costs of care for pregnant women...."  
 Requested by House HESS Committee Date May 18, 1981

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

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		40.7	44.4	48.4	52.7	57.4
200 TRAVEL		1.7	1.9	2.0	2.2	2.4
300 CONTRACTUAL		4.8	5.2	5.7	6.2	6.8
400 COMMODITIES		.4	.4	.5	.5	.6
500 EQUIPMENT		1.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		2,155.1	2,349.0	2,560.5	2,790.9	3,042.1
<b>TOTAL</b>		<b>2,203.9</b>	<b>2,400.9</b>	<b>2,617.1</b>	<b>2,852.5</b>	<b>3,109.3</b>

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		2,203.9	2,400.9	2,617.1	2,852.5	3,109.3
FEDERAL FUNDS		0	0	0	0	0
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

In 1979 there were 9,129 births to Alaskan residents. 1,273 or 14% were births to unmarried women.

1979 Births to Unmarried Women

Age of Mother	Number of Births
Under 15	9
15-19	440
20-24	504
25-29	224
30-34	76
35-39	16
40-44	4
	1,273

IV. DATE 5/18/81 PREPARED BY John R. Pugh John R. Pugh, Director  
 AGENCY Division of Family and Youth Services  
 PHONE 465-3170  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) \_\_\_\_\_ M&B Approval [Signature] Date 5/18/81

The Department assumes that the services delineated in this Bill would be utilized mostly by unmarried women. Using this pool as the target group the Department would further assume that the more youthful unmarried women (under 15-24) would be more likely to utilize maternity and foster home care; whereas the older group (25-44) would utilize the community services, such as counseling and adoption assistance.

The younger age group consists of 953 women. The Department estimates that approximately 200 of this group would avail themselves of the services of a maternity home or foster home (75 maternity and 125 foster), another 250 would utilize available counseling and adoption assistance, and 30 would use birthing centers and midwife services.

The older age group consists of 320 women. The Department estimates that approximately 50 women would utilize maternity homes or foster home care (15 maternity and 35 foster homes). An additional 100 would utilize counseling and adoption assistance. The Department estimates 20 would use birthing centers and midwife services.

The Department recommends that the entire range of services be contracted out to local community providers. This would reduce the amount of administrative costs. However, it is recommended that an Associate Coordinator (Range 18) be established to coordinate the program on a statewide basis. This individual would be responsible for planning, program development, preparation of requests for proposals and contracts, and contract monitoring and program evaluation.

Estimated costs are as follows:

Foster Home Care

160 persons x \$422/mo. x 6 mos. = \$ 405,120

Maternity Home Care

90 persons x \$2,250 (\$75.00 per day) x 6 mos. = \$1,215,000

*600,000*

Counseling/Adoption Assistance

350 persons x \$1,000 = \$ 350,000

*175,000*

Transportation To and From Placement

250 persons x \$500 average/trip = \$ 125,000

*62,500*

Birthing Centers and Midwife Services

50 persons x \$1,200 = \$ 60,000

Subtotal \$2,155,120

*1,077,560*

*48,821*

*1,126,381*

Associate Coordinator, Range 18

Personal Services	\$40,665	
Travel	1,728	
Contractual	4,798	
Commodities	400	
Equipment	<u>1,230</u>	\$ 48,821

TOTAL \$2,203,941

The costs for Associate Coordinator position includes: Travel - two trips of three day each to perform program reviews; Contractual - telephone rental and long distance of \$678, postage of \$300, copier usage of \$120, printing and advertising of \$1,000, and office space rent of \$2,700; Commodities - \$400 for general office supplies; and Equipment - \$1,230.

A 9% inflation rate has been added to future years' estimated costs.

Medical costs will be borne by the Division of Public Assistance.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS FOR HOUSE BILL NO. 330 (Finance)am  
 Title "An Act relating to payment of the costs of care of pregnant women..."  
 Requested by House HESS Committee Date 5/7/81

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Health  
 BRU, Program, or Subprogram(s) Affected Medicaid  
 (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.		429.0	467.6	509.7	555.6	605.6
<b>TOTAL</b>		429.0	467.6	509.7	555.6	605.6

FUNDING (Thousands of Dollars)

GENERAL FUND		214.5	233.8	254.9	277.8	302.8
FEDERAL FUNDS		214.5	233.8	254.8	277.8	302.8
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Approximately 286 pregnant women would be added to the Medicaid program. The addition of this coverage under Medicaid would reduce participation under the General Relief Medical program by approximately 95 women, who would become eligible for Medicaid. The remaining 191 women would be new eligibles who do not receive coverage under the General Relief Medical program because of the method used in counting available income.

The average cost per case is approximately \$1500 for FY 82. Because of the reduction in General Relief Medical participation, the cost of the program will also be reduced, making funds available to become the state General Fund matching portion of the Medicaid program coverage. Therefore, new state General Fund matching is 72.0 (214.5 - 142.5 = 72.0).

IV. DATE 5/7/81 PREPARED BY David M. Davidson  
 AGENCY Division of Public Assistance  
 Original: Legislative Finance PHONE 465-3347  
 cc: Budget and Management  
 Prime sponsor (First Legislator Named) M&B Approval [Signature] Date 5/7/81

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS FOR HOUSE BILL NO. 330 (Finance) am  
 Title "An Act relating to payment of the costs of care of pregnant women..."  
 Requested by House HESS Committee Date 5/7/81

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Health  
 BRU, Program, or Subprogram(s) Affected General Relief Medical  
 (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.		(142.5)	(155.3)	(169.3)	(184.5)	(201.1)
<b>TOTAL</b>		(142.5)	(155.3)	(169.3)	(184.5)	(201.1)

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		(142.5)	(155.3)	(169.3)	(184.5)	(201.1)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

IV. DATE 5/7/81 PREPARED BY David M. Davidson  
 AGENCY Division of Public Assistance  
 Original: Legislative Finance PHONE 465-3347  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) M&B Approval Wesley Hubbard Date 5/7/81

Pregnancy Related Health and Social Services

Service Agencies	Eligibility Requirments	Services	Population Served	Service Gaps
5. Maternal & Infant Care Project - Juneau	<p>pregnant women who resides 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 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 per year</p> <p>approx. 70 per year</p>	<p>Limitation of financial assistance to only those women in target area. All other low income women experience difficulties in obtaining care.</p>
6. 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 per year</p> <p>projected 70 per year</p>	<p>Prenatal medical care assistance not available to low income women who are not medically high risk. No inpatient medical care assistance is provided.</p>

Service Agencies	Eligibility Requirements	Services	Population Served	Service Gaps
4. General Relief Medical	low income (Adult 1 child \$4,000 per year) who are not eligible for Medicaid coverage	medical care assistance	approx. 7,000 per month	Those who fall marginally above the income guidelines are not eligible for assistance.
5. Catastrophic Illness	those who have suffered a catastrophic illness/injury and who do not have the resources to meet the expenses	medical assistance as determined by a three member committee	approx. 300 per year	Doesn't cover normal pregnancies and limited to "catastrophic illness"
6. 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. 13000 per month	Low income people not eligible for categorical programs experience difficulties in obtaining medical care.
<u>Div. of Public Health</u>				
1. Public Health Nursing	None	health screening, including pregnancy testing, prenatal education and counseling, post-partum follow-up home visiting and well child clinics	approx. 4,000 visits per month	Lack of unified counseling education and referral services. The unavailability of some services on full-time basis in rural communities.
2. Women Infant Children (WIC)	low income (family of 2, up to \$12,500) pregnant women and children up to age 5	nutrition supplement coupons and nutrition education and counseling	approx. 1600 per month in 26 communities	Estimated 38000 potentially eligible statewide not being served
3. Early, Periodic, Screening, Diagnosis and Treatment (EPSDT)	under 21 years of age, Medicaid eligible	preventive health screening services for children and adolescents, referral to treatment and medical care assistance through Medicaid	approx. 7,000 per year	Low income families who are not qualified for Medicaid do not receive medical treatment services.
4. Handicapped Childrens Program	children with physical and handicapping conditions	Medical diagnostic assistance provided to all - medical treatment based upon a sliding fee scale - of a family's ability to pay. Transportation and per diem are also included.	approx. 1800 per year	Premature newborns are not covered by this program.

Pregnancy Related Health and Social Services

Service Agencies	Eligibility Requirements	Services	Population Served	Service Gaps
<u>Div. of Family &amp; Youth Svs.</u>				
1. Family Counseling	None	marriage, parenting, family adolescent, and crisis intervention counseling	approx. 1000 per year	Staff time available is limited.
2. Foster Home Care	State must have legal custody of client.	counseling, foster care placement, financial assistance, medical care through Medicaid	approx. 1040 per year	Insufficient foster homes.
3. Adoption Counseling & Placement	State must have legal custody of client to provide adoption placement services. Adoption counseling is available to anyone on request.	counseling, screening and placement	approx. 40 adoption placements per year	Additional counseling services needed.
<u>Div. of Public Assistance</u>				
1. Food Stamps	low income (\$6,300 for a family of 2)	Food supplement coupons	approx. 38000 per month	There are no regional adjustments for cost of living. One income and benefits standard is used state-wide which results in inequities of purchasing power.
2. Aid to Families with Dependent Children (AFDC)	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. 13000 per month	Women who meet the income and single/separated status but are pregnant with no dependents living in the home are ineligible.  Low income women who are married with the spouse living at home are ineligible.
3. Adult Public Assistance	blind, disabled and aged, with income of \$5,700 per year for single adults	income maintenance, and medical assistance through Medicaid	approx. 5000 per month	Those blind, disabled and aged persons that are above the income guidelines

COMMITTEE SUBSTITUTE FOR HOUSE BILL 330 (Senate HESS)

For an Act entitled: "An Act relating to the power of the Department of Health and Social Services to pay the cost of certain medical and non-medical services; and providing for an effective date."

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

\*Section 1. LEGISLATIVE FINDINGS AND PURPOSE. The legislature finds that (1) there are insufficient maternal and infant care services available to women experiencing social and economic difficulties associated with child-bearing, and (2) an abrupt termination of federal contract health services to Alaskans who were dependent upon Merchant Seaman's health entitlement contract services has left many Alaskans without adequate health insurance through no fault of their own. As a result of inadequate maternal and infant care services, some children may develop health conditions that require state-supported services throughout their lives. In order to promote healthier generations of Alaskans, the legislature wishes to invest in the state's future by providing prenatal care and social services to pregnant women.

\* Sec. 2. AS 47.07.020(b) is amended by adding a new paragraph to read:

(8) women who are medically confirmed to be pregnant.

\* Sec. 3. AS 47 is amended by adding a new chapter to read:

CHAPTER 42. PURCHASE OF SERVICES FOR PREGNANT WOMEN.

Sec. 47.42.010. PURCHASE OF SERVICES FOR PREGNANT WOMEN. The Department of Health and Social Services shall pay the cost of prenatal services other than medical services for a pregnant woman experiencing social and economic difficulties,

and transportation to and from a maternity home or a foster home, counseling, adoption assistance, maternity home and foster home care, postnatal care, and parenting skills.

Sec. 47.42.020. LICENSING AND SUPERVISION. (a) A person providing services purchased by the Department of Health and Social Services under this chapter shall be licensed and supervised in the same manner as foster homes, boarding homes, maternity homes, and other agencies and institutions under AS 47.35.010 - 47.35.100.

(b) Nothing in this section requires the licensing of transportation services provided to a pregnant woman under this chapter.

Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical services to be offered to eligible persons include inpatient hospital, outpatient hospital, rural health clinic, outpatient surgical care centers, laboratory and X-ray, refractions and eye examinations by ophthalmologists or optometrists, eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, inpatient psychiatric hospital for persons age 65 or older and persons under age 21, skilled and intermediate nursing home, physician, home health care services early periodic screening and diagnosis and treatment of persons under 21 years of age, clinic services, nurse midwife, treatment of speech, hearing and language disorders, and reasonable transportation to and from the point of medical care. No additional services may be provided unless approved by the legislature.

\*Sec. 5 AS 47.07.080(4) is amended to read:

(4) "Clinic services" means services which are restricted state-approved outpatient community mental health services which receive grants under AS 7.30.520 - 47.30.620 and state-operated mental health clinics and birth centers licensed by the state under AS 18.20.010 - 18.20.130

\*Sec. 6 AS 47.07.080 is amended by adding a new subsection to read:

(5) "Nurse midwife" means a registered professional nurse who is certified as an advanced nurse practitioner under AS 08.68.410 (a) and authorized to practice as a nurse midwife under regulations adopted in accordance with AS 06.68.410(5).

\* Sec. 7 PURCHASE OF SERVICES FOR CERTAIN SEAMEN. The Department of Health and Social Services may pay medical costs incurred by a person who was entitled to contract care from the United States Public Health Service under 42 U.S.C. § 249(e) and who, because of a medical condition existing prior to the termination of contract care on May 8, 1981, is unable to secure health insurance coverage of that condition. Payment under this section is limited to services associated with the condition described above that are not reasonably available from a Public Health Service facility and for which payment is not available from any source other than the applicant. Payment shall be made on applications submitted on or before June 30, 1982, in accordance with procedures established under AS 47.08 in an aggregate amount not to exceed the amount appropriated or \$300,000, whichever is less.

\* Sec. 8 This Act takes effect immediately in accordance with AS 01.10.070(c).



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
PUBLIC HEALTH SERVICE

May 7, 1981

U.S. PUBLIC HEALTH SERVICE HOSPITAL  
P.O. BOX 3145  
SEATTLE, WASHINGTON, 98114

TO: Public Health Service Contract Physicians, Contract Hospitals and other Providers

SUBJECT: Curtailment of Contract Patient Care for American Seafarers

I have been instructed by the Acting Director, Bureau of Medical Services, to announce the curtailment of contract patient care services for American Seafarers. The curtailment is effective May 8, 1981, and is subject to the following provisions.

Coverage: All American Seafarers described in Section A-1.2, "American Seamen," and Section A-1.8, "Cadets and Maritime Service Enrollees," of the Contract Physician's Guide are affected by the curtailment. Active duty commissioned personnel of the Public Health Service and NOAA, and NOAA crew members are not affected. These changes in no way affect any contracts or programs of the U.S. Coast Guard.

Services Available: Effective May 8, 1981, affected seafarers may be provided contract patient care only if they have presented themselves at a PHS Hospital or Outpatient Clinic, or if they suffer a life-threatening emergency away from a PHS facility. A life-threatening emergency is defined as the sudden and unexpected onset of a medical condition or the acute exacerbation of a chronic condition which requires immediate medical treatment to avoid death. Life-threatening medical emergencies include heart attacks, cardiovascular accidents, poisoning, convulsions, and such other conditions as may be determined by the Director, Bureau of Medical Services.

American Seafarers who are under the primary care of a PHS facility will be covered for diagnostic or treatment services that are not available at the facility, unless those services may be procured more economically by referral to another PHS installation. Travel will be paid only for transportation of patients between PHS facilities or, in cases of life-threatening emergencies, to PHS facilities.

No other health care services for American Seafarers may be paid for by the Public Health Service.

Notification and Authorization: Whenever an American Seafarer requires treatment that, in the opinion of the attending physician, is related to a life-threatening emergency, the PHS Hospital must be notified. Notification must be made within 72 hours from the time treatment is initiated. Either the patient or someone acting in the patient's behalf should call the Health Benefits Department, PHS Hospital, at 206/324-2948. PHS staff will authorize payment subject to the following conditions:

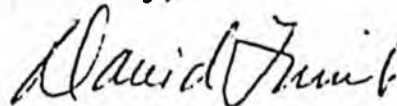
1. Patient eligibility must be established by submission of a Master's Certificate of Service or other proof of eligibility with the provider's invoice.
2. The "life-threatening" nature of the emergency will be subject to review and final determination by the PHS Hospital Director or his designee.
3. Patients will be transferred to PHS Hospital for continuation of treatment as soon as medically possible unless it is determined by the Public Health Service to be cost-effective to the government for the patient to remain in a community facility. If the patient refuses transfer to PHS Hospital, no payment will be authorized for services performed after the date when transfer could have been effected.

Termination of Payment: Patients who are presently receiving services of a continuing nature for chronic conditions or non-life-threatening acute conditions must be informed immediately by the provider that PHS payment is terminated effective May 8, 1981. Providers should bill PHS for all authorized services provided prior to the close of business on that date. Providers should work with their patients to help determine alternate payment mechanisms or sources of health care.


Information: For additional information, please contact me in writing at P. O. Box 3145, Seattle, WA 98114.

Thank you for your consideration and assistance.

Sincerely,



David Fruit  
Associate Director for  
Ambulatory Care



DEPARTMENT OF HEALTH AND HUMAN SERVICES

PUBLIC HEALTH SERVICE

May 7, 1981

U.S. PUBLIC HEALTH SERVICE HOSPITAL  
P.O. BOX 3145  
SEATTLE, WASHINGTON, 98114

TO: Public Health Service Contract Physicians, Contract Hospitals and other Providers

SUBJECT: Curtailment of Contract Patient Care for American Seafarers

I have been instructed by the Acting Director, Bureau of Medical Services, to announce the curtailment of contract patient care services for American Seafarers. The curtailment is effective May 8, 1981, and is subject to the following provisions.

Coverage: All American Seafarers described in Section A-1.2, "American Seamen," and Section A-1.8, "Cadets and Maritime Service Enrollees," of the Contract Physician's Guide are affected by the curtailment. Active duty commissioned personnel of the Public Health Service and NOAA, and NOAA crew members are not affected. These changes in no way affect any contracts or programs of the U.S. Coast Guard.

Services Available: Effective May 8, 1981, affected seafarers may be provided contract patient care only if they have presented themselves at a PHS Hospital or Outpatient Clinic, or if they suffer a life-threatening emergency away from a PHS facility. A life-threatening emergency is defined as the sudden and unexpected onset of a medical condition or the acute exacerbation of a chronic condition which requires immediate medical treatment to avoid death. Life-threatening medical emergencies include heart attacks, cardiovascular accidents, poisoning, convulsions, and such other conditions as may be determined by the Director, Bureau of Medical Services.

American Seafarers who are under the primary care of a PHS facility will be covered for diagnostic or treatment services that are not available at the facility, unless those services may be procured more economically by referral to another PHS installation. Travel will be paid only for transportation of patients between PHS facilities or, in cases of life-threatening emergencies, to PHS facilities.

No other health care services for American Seafarers may be paid for by the Public Health Service.

Notification and Authorization: Whenever an American Seafarer requires treatment that, in the opinion of the attending physician, is related to a life-threatening emergency, the PHS Hospital must be notified. Notification must be made within 72 hours from the time treatment is initiated. Either the patient or someone acting in the patient's behalf should call the Health Benefits Department, PHS Hospital, at 206/324-2948. PHS staff will authorize payment subject to the following conditions:

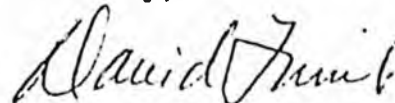
1. Patient eligibility must be established by submission of a Master's Certificate of Service or other proof of eligibility with the provider's invoice.
2. The "life-threatening" nature of the emergency will be subject to review and final determination by the PHS Hospital Director or his designee.
3. Patients will be transferred to PHS Hospital for continuation of treatment as soon as medically possible unless it is determined by the Public Health Service to be cost-effective to the government for the patient to remain in a community facility. If the patient refuses transfer to PHS Hospital, no payment will be authorized for services performed after the date when transfer could have been effected.

Termination of Payment: Patients who are presently receiving services of a continuing nature for chronic conditions or non-life-threatening acute conditions must be informed immediately by the provider that PHS payment is terminated effective May 8, 1981. Providers should bill PHS for all authorized services provided prior to the close of business on that date. Providers should work with their patients to help determine alternative payment mechanisms or sources of health care.

Information: For additional information, please contact me in writing at P. O. Box 3145, Seattle, WA 98114.

Thank you for your consideration and assistance.

Sincerely,



David Fruit  
Associate Director for  
Ambulatory Care

CATEGORY: HEALTH  
 AGENCY: DEPARTMENT OF HEALTH & SOCIAL SERVICES

PROGRAM: MERCHANT SEAMAN'S HEALTH PROG.  
 SUB-PROGRAM:

\*\*\*\*\* HOUSE ANALYSIS \*\*\*\*\*

\*\*\*\*\* SENATE ANALYSIS \*\*\*\*\*

GOVERNORS REC \$0.0

OBJECT GROUP	VARIATION		DESCRIPTION: SENATE VERSUS GOVERNOR
07 GRANTS, CLMS	300.0	100.0%	ADD 300.0.
** TOTAL	300.0	100.0%	

SENATE FIGURE \$300.0

LEGISLATIVE INTENT:

THIS APPROPRIATION IS TO BE USED FOR COVERAGE OF THOSE PEOPLE WHO WERE DEPENDENT UPON MERCHANT SEAMAN'S HEALTH ENTITLEMENT CONTRACT SERVICES AND BECAUSE OF MEDICAL CONDITIONS OCCURRING PRIOR TO MAY 31, 1981 WERE UNABLE TO SECURE OTHER HEALTH INSURANCE OR COULD ONLY SECURE INSURANCE WHICH EXCLUDED THE CONDITION FOR WHICH BENEFITS ARE BEING SOUGHT. THERE WILL BE 100% COVERAGE AFTER THE FIRST \$100.00 HAS BEEN EXPENDED BY THE APPLICANT. APPLICANTS SHALL BE REQUIRED TO PROVIDE ANY EVIDENCE OF OTHER COVERAGE AND SHALL RECEIVE PAYMENT ONLY TO THE EXTENT COSTS FOR SERVICES ARE UNPAID BY ANY OTHER HEALTH COVERAGE.

CATEGORY: HEALTH  
 AGENCY: DEPARTMENT OF HEALTH & SOCIAL SERVICES

PROGRAM: MERCHANT SEAMAN'S HEALTH PROG.  
 SUB-PROGRAM:

----- F I S C A L Y E A R 1 9 8 2 -----

EXPENDITURES & FUNDING	(01) FY80 ACT	(02) FY81 ATH	(03) FY81 RP	(04) FY81 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS										300.0			
08 MISC.													
** TOTAL EXPEND										300.0			
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND										300.0			
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART TIME													
17 TEMPORARY													
18 STAFF-MONTHS													

alaska  
state  
hospital  
association

5-18-81

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

REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

President  
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Ketchikan General Hospital  
Ketchikan

President Elect  
Tom Minton  
Fairbanks Memorial Hospital  
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Alaska Hospital & Medical  
Center  
Anchorage

Immediate Past President  
Al Carmosso  
Providence Hospital  
Anchorage

Executive Director  
Gennis L. DuWitt  
Juneau

AMENDMENT TO CSHB 330 (FINANCE)

Add a new Section 4 to Read:

The Legislature finds that the U.S. Department of Health and Human Services has terminated contract services, except life threatening emergencies, under the Merchant Seamen's Health Entitlement abruptly at close of business on May 8, 1981 and terminated payment for services immediately. This left many Alaskans with pre-existing medical condition which precluded them securing alternate health care coverage.

The Legislature authorizes the Commissioner of Health and Social Services to expend such money as is appropriated by the Legislature not to exceed \$300,000. and for a time not beyond June 30, 1982 to provide coverage for Alaskan residents who were dependent upon the Merchant Seamen's Health Entitlement contract services and because of a medical condition occurring prior to May 31, 1981 were unable to secure other health insurance or could only secure insurance which excluded the pre-existing medical condition



ARNOLD BROWN  
GENERAL

WILLIAM BOOTH  
FOUNDER

*Copies members*  
LAWRENCE SMITH  
TERRITORIAL COMMANDER

MAJOR WILLIAM E. MCHARG  
DIVISIONAL COMMANDER



TELEPHONE  
279-0522

LIEUTENANT GENERAL RAGAN  
ADMINISTRATOR

# THE SALVATION ARMY

*Booth Memorial Home*

3600 EAST TWENTIETH AVENUE  
ANCHORAGE, ALASKA

MAIL ADDRESS  
BOX 3-063  
ANCHORAGE, ALASKA 99501

May 6, 1981

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

Dear Senator Parr,

I'm writing to share with you a matter of great concern, which directly affects many young people's lives throughout our state.

During the calendar year of 1980, The Salvation Army Booth Home in Anchorage was unable to serve 131 pregnant and unmarried young women who had inquired about assistance for two reasons: 1) We were unable to provide enough space for these young women 2) Ninety-five percent of the inquiries did not have severe enough behavior problems to be placed in state custody.

We have alleviated some of this problem by making temporary room for 10 more in-house maternity residents. Also, we can now serve up to 35 more outpatient clients who require counseling, medical care and education. However, there is no voluntary custody in the State of Alaska and presently no funds available for such a program.

House Bill 330, entitled "An Act Relating to Payment of the Cost of Services for Pregnant Women and Providing for an Effective Date." If the funds in this bill are made available, The Salvation Army Booth Home will anticipate serving approximately 100 to 130 girls in 1981 through our maternity program.

Enclosed please find statistics regarding the list of inquiries to our maternity program we were unable to help as of the 31st of March, 1981. If funds had been available, Booth could have met the needs of 73 of the 76 inquiries. Our present maternity program enables us to serve only girls who have been placed here in state custody.

Please see the attached form for a breakdown on sources of inquiry to Booth since January 1st, 1981. This does not include those referrals we've received from the Division of Family and Youth Services throughout the State of Alaska as we have been able to meet the needs of these residents with in-house placement.

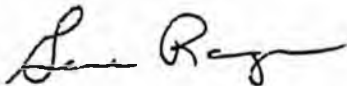
OB-GYN doctors conduct clinics on a weekly basis at Booth Home with deliveries occurring either at Alaska Hospital or Alaska Native Medical Center. An accredited in-house school, trained professional counselors, and a home-like atmosphere are offered to our clients.

The Salvation Army has been working with unwed mothers since 1871 and locally in Anchorage since January of 1959. We not only have the expertise of past knowledge but we have trained professional social workers on staff now who are trained to do counseling in this field who could provide counseling in the areas of single parenthood, of relinquishing for adoption or keeping the infant, family counseling, counseling for the alleged father of the infant, and vocational counseling. We would also be able to provide services for schooling from grades 7 through 12 as well as a GED program for the older residents and vocational counseling. We would also be able to provide their medical care through our weekly clinics conducted by two local OB-GYN doctors.

Another program that we have at Booth is what we call our Mother/Infant Program. This is a program where girls can stay at Booth six months after the delivery of their child with the baby as long as they are involved in schooling or vocational training, and we work with them especially in the area of parenting skills. I firmly believe from past experiences of working with such a program that we can make great strides forward in the area of child neglect and abuse by working especially with the young 15, 16 and 17 year old mothers who are dealing with being a single parent as a teenager.

I do hope that you will give consideration to this most important bill to many young people in the State of Alaska, and if I can provide you with any more information, please feel free to call upon me at any time. I do wish to express my sincere appreciation for your time and consideration on this most urgent matter for us here at the Booth Home.

Sincerely yours,



Gene Ragan, Lt.  
Administrator

GR/bp

Enclosure

Inquiries for Maternity Program: 1981

January	12 inquiries, 10 of which were under 18
February	32 inquiries, of which 22 were under 18
March	32 inquiries, of which 24 were under 18

Sources of Inquiries:

January	3 from school counselors 5 from public health nurses 3 from parents 1 from a lawyer
February	7 from school counselors 7 from public health nurses 4 from doctors 9 from parents 1 from an aunt 4 individuals themselves
March	6 from school counselors 4 from public health nurses 2 from village health aides 11 from parents 5 from individuals themselves 4 from doctors

Ages of Inquiries:

11 years	1 inquiry(s)
13 "	2 "
14 "	4 "
15 "	12 "
16 "	17 "
17 "	9 "
18 "	11 "
19 "	2 "
20 "	1 "
21 "	1 "
24 "	1 "
unknown	15 "



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y, State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

May 12, 1981

MEMORANDUM

TO: Representative Terry Martin

FROM: Betty Barton <sup>BS</sup>  
Research Staff

RE: Funding Alternatives to Abortions  
Research Request 81-116

You have asked for information concerning funding alternatives to abortion. This memorandum explores possible options for expanding the State's role in assistance to pregnant women. For the purposes of this memorandum, we are limiting our focus to those women who may be contemplating abortion because of the socio-economic problems associated with carrying their pregnancies to term. Consequently, we will address the service needs of the client who is experiencing a so called "problem pregnancy." You have also asked for information concerning the level of State expenditures for abortion-related costs; we will respond to this part of your request in a separate memorandum.

Our research is based upon telephone interviews with service providers located both in-state and out-of-state. To gain an understanding of the current service needs and problems for pregnant women in Alaska, we have contacted agency representatives of several Anchorage-based programs: Ms. Pat Petit and Ms. Jo Brosamer, co-directors of Birth-right in Anchorage; Lt. Gene Ragan, director of Booth Memorial Home; and Ms. Norma Jean Elgas, an information and referral worker for the Anchorage Women's Resource Center. We have also contacted Mr. John Pugh, Mr. Duane Peebles and Mr. Gordon Landis of the State Department of Health and Social Services. To attain a perspective on programs outside of Alaska, we contacted Mrs. Lore Maier, executive director and cofounder of Alternatives to Abortion International; Ms. Maxine Cunningham, program analyst for the U.S. Department of Health and Human Services' Office of Adolescent Pregnancy Programs; Ms. Winnie Schoefer, director of Concern for Health Options; Ms. Ann Grey, editor of the Maternal and Child Health Legislative Alert Newsletter; and Ms. Susan Harding, co-director of the Addison County Parent/Child Center in Middlebury, Vermont.

### STATEMENT OF PROBLEM

In the U.S., approximately 249,000 single women and girls under the age of 20 gave birth to children in 1978. This figure represents a significant increase above the figure of 199,000 in 1970, and is nearly three times greater than in 1960 when 91,700 births were recorded. According to an article in Today's Education, approximately 1 out of 18 girls will experience childbirth before she reaches the age of eighteen. Many of these girls will encounter problems during their pregnancies as a result of their young ages, economic status, or other socio-economic factors.

In Alaska, 12 per cent of the births are to women between 15 and 19 years, 37 per cent of whom are unmarried. The reported average age of a client at Booth Memorial Home, the only residential care facility for pregnant women in the Anchorage area, is 16.5 years although the range in ages is between 13 and 18 years. However, many of the women in Alaska who encounter problems are married and are older, according to staff at Birthright. Typically, these women may be experiencing financial problems or family difficulties concerning their unborn children. Generally, however, pregnancy clients are adolescents, financially needy, and lacking in employment skills. At Booth Memorial Home, between 30 and 50 per cent of the residents have become pregnant as a result of incest.

To illustrate, the complexities of the service needs of many clients, Pat Petit of Birthright described a recent case involving a pregnant 16 year old girl. The girl had no knowledge of childbirth from even a conceptual standpoint and did not speak or understand English.

### SERVICE NEEDS FOR PROBLEM PREGNANCY CLIENTS IN ALASKA

Resource persons we contacted identified four problem areas regarding the current level of care available to women with problem pregnancies in the state:

- Shortage of emergency housing and foster home facilities;
- Inaccessibility of medical care;
- Inadequate public assistance programs;
- Deficient postnatal care services.

### Emergency Housing and Foster Home Facilities

In the Anchorage area, a woman with a problem pregnancy has few available options for housing: She may stay in one of the 3 bedrooms at Birthright; she may stay within a foster home if one can be located for her; she may stay at the Booth Memorial Home if she is in the custody of the State (or if she has the financial resources to pay for her care); or, if she has been physically abused, she may seek emergency housing at McKinnell Emergency Lodge for Women (for a period not to exceed 30 days). If her family conditions allow it, she can remain within her own home, receiving necessary intervention services on an outpatient basis. For many of the women, however, remaining at home is not a feasible option.

More commonly, according to Booth and Birthright staff, women are placed on waiting lists until housing arrangements can be made available. Currently Booth Memorial Home is maintaining a waiting list of about 15 names and will be unable to provide space for another 6 months. Birthright, which is serving about 50 clients monthly, is able to house only 3 clients and is maintaining a list of 5 women in need of shelter. To the extent possible, Birthright staff arrange for temporary housing in private homes but as Pat Petit noted, "It is generally difficult to find someone who is willing to house a girl who may have been recently released from Ridgeview [Correctional Center] for theft and prostitution."

### Inaccessibility of Medical Care

There is no available source for low-cost prenatal care in the Anchorage area. Several years ago, staff at the Neighborhood Health Center in Anchorage attempted to provide prenatal care at a cost determined by the client's ability to pay. However, the Center's staff were unsuccessful in finding the resources to provide a physician licensed to practice obstetrics. In an effort to work around the problem, the Center at one point adopted an operational policy where clients received prenatal care at the Center and were advised to go to hospital emergency rooms for their deliveries as hospital admittance staff will not refuse treatment of the financially needy.<sup>1</sup> The Center's policy was unfavorably received by the medical community and, consequently, was gradually discontinued. Prenatal care is no longer provided at the Center.

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<sup>1</sup> Pat Petit, co-director of Birthright, emphasized that emergency room deliveries may not be a wise alternative for a high-risk pregnancy. Research suggests that there is an added risk in terms of increased maternal-child morbidity and mortality rates in emergency room deliveries.

According to the staff at Birthright, prenatal care and delivery costs currently range between \$800 and \$1,000 for physician's fees and between \$1,500 and \$2,000 for hospital costs. Obstetricians in the Anchorage area require payment in advance for prenatal care; the cost for the first visit ranges from \$100 to \$200 with subsequent visits carrying a lesser fee. Agency representatives have noted that the payment provisions of the medical community preclude many pregnant women from seeking prenatal treatment. Staff at Birthright noted that there are a large number of women, who while unable to qualify for Medicaid and General Relief Medical programs, cannot afford the costs of obstetrical care.

Medicaid and General Relief Medical assistance present an added difficulty for many pregnant women. According to Duane Peebles of the State Department of Health and Social Services, some members of the medical community are unwilling to accept public assistance patients because of delays in reimbursement for services and insufficient compensation for the true costs of providing treatments. According to Jo Brosamer, only one obstetrician in the Anchorage area routinely accepts Medicaid or Medical patients; two obstetricians occasionally admit public assistance clients; the remaining members of the obstetrical community rarely accept such patients, and when so doing, some physicians often treat their assistance as donated services rather than seek reimbursement from public assistance programs.

#### Postnatal Service Needs

Our research indicates that several postnatal service needs are currently unmet. Ms. Norma Jean Elgas of the Anchorage Women's Resource Center has noted that although pregnant women and their families have a number of alternatives for counseling and support services before childbirth, there are no regularly available resources for these women's postnatal needs. As an example, Ms. Elgas cited the absence of counselling services in parenting skills. Adolescent-aged parents often lack the maturity and experience to understand the responsibilities inherent in childbirth. To illustrate, Susan Harding, co-director of the Addison County Parent/Child Center in Vermont, spoke of a young couple in her program who left their five-month old baby in his highchair all day. The couple considered themselves to be exemplary parents, not recognizing that by depriving him of the opportunity to lie on his back and stomach, they were creating the potential for permanent developmental disabilities. Ms. Harding has found that parenting problems in general do not begin to surface until the newness and excitement of a new baby have subsided. As a result, Ms. Harding's program offers classes and support groups in parenting to couples and single parents until their children are 3 years of age. She believes that the front-end costs of this service will result in a proportionately larger cost-savings in the

long term by diminishing the need for educational programs and social services at a later time.

An additional area of postnatal services which appears to be lacking is in employment placement and vocational training. According to Birthright staff, the majority of their clients lack the vocational skills and job histories which would make them employable. Professionals regard employment training to be an important area so that women without financial resources may become economically capable of caring for themselves and their children without requiring further public assistance.

#### Inadequate Public Assistance

Under current law, socially and economically deprived pregnant women are entitled to medical assistance when they meet eligibility criteria established under the State's Aid to Families with Dependent Children and General Relief programs. Eligibility is determined, in part, by assessing the amount of income and financial resources available to a woman in her home. Consequently, if a woman is living with a non-needy parent or relative, she may be denied eligibility because of the parent's or relative's perceived abilities to pay for her care. Some professionals noted to us that pregnancy-related costs are often regarded as a special category of expenditure frequently not included in a family's personal budget or health insurance plan. Some individuals believe that this occasionally results in women moving out of their family homes in order to gain eligibility for State-provided medical care. This aspect of the public assistance program is viewed by some professionals as a disincentive for family solidarity that can create additional stress for the pregnant woman.

AFDC once provided cash assistance to eligible pregnant women, but this was discontinued several years ago. Under current law, some pregnant women are entitled to financial assistance under the State's General Relief program's regular guidelines. However, some individuals we contacted regard this source of financial assistance to be insufficient, noting that pregnant women generally encounter significant increases in their cost-of-living due to added needs precipitated by their condition. An article in a December 18, 1980 issue of the New York Times addressed the "rising costs of having a baby" and cited examples of special needs affected by inflationary costs, including: maternity clothing, transportation services and fuel, infant accessories, and food to satisfy the increased nutritional needs of a woman and her child. According to Anchorage agency representatives, women experiencing problem pregnancies would be greatly assisted by the expanded availability of financial assistance programs.

### POTENTIAL OPTIONS FOR THE STATE IN PROVIDING SERVICES

Our research has indicated that pregnancy programs outside Alaska traditionally have been offered primarily by federal and private non-profit organizations. In turn, funds for these programs generally appear to come from private donations and from federal, rather than state, sources. Dr. Sharon Alexander of the National Association of State Boards of Education has noted the absence of State policy regarding the service needs of women with problem pregnancies, attributing it in part to the inherent problems that limit a state's effectiveness in providing a comprehensive program of services. As examples of these deficiencies, she cited the absence of systematic data collection regarding this target population, impairing a state's abilities to identify service needs and to develop policy. Dr. Alexander also noted that categorical funding aimed directly at problem pregnancy services is rare. An article in Children Today elaborates:

Frequently, state agencies have not developed policies in this area because the target population has been subsumed in other programs which already have policies in place. Often, too, the staff members responsible for this issue are far removed from the agency's policymaking level which diminishes the potential for change in agency policies.<sup>2</sup>

In the course of our research, we learned of no states that have assumed an active role in the development and implementation of comprehensive services for categorically designated problem pregnancy clients. As a result, if policymakers are to consider various means for the State of Alaska to expand its service capabilities in this area, it appears that they cannot look to other states for direction. Nonetheless, as a result of our conversations with agency representatives located both inside and outside the state, we were able to identify some program concepts that could be developed within Alaska in order to fill current gaps in service.

#### Prematernal Home/Birth Center

As a response to the combined problems of insufficient emergency housing and inaccessibility of medical care, the State could explore the feasibility of establishing a prematernal home and birth center

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<sup>2</sup> Carlos Salguero, "Adolescent Pregnancy: A Report on ACYF-Funded Research and Demonstration Projects," Children Today, November-December 1980, p. 35.

facility. This type of structure could be established for the purpose of providing low-cost housing and medical care to eligible women. However, the facility could also be made available to other women on a fee basis if it was determined that a larger population group could benefit from the availability of a center.

Such a facility could be free-standing, unaffiliated with an existing hospital or social services organization; or it could be appended to an existing program. According to Lt. Ragan of Booth Home in Anchorage, several prematernal homes and birth centers have been effectively established by other Booth Memorial Homes in the United States (for example in Portland, Oregon).

Beyond its essential provision of shelter, the prematernal home is an effective means of offering a built-in support group for pregnant women who often share common problems. Additionally, a prematernal home is a useful means of providing educational programs in nutrition, parenting skills, and other prenatal instruction.

The design of the facility would depend on the functions and the population it was serving. It might serve a statewide, regional or local population.

#### Parent/Child Program

A State-supported comprehensive program in parenting could also be developed. Although each child is born with his own potential for physical, social, and cognitive development, research suggests that a child's chances for reaching his maximum potential may be strongly linked to his early childhood environment and the parent-child relationship that he experiences during childhood.

Family Focus, Inc., a private non-profit organization in Chicago, was established in 1976 to demonstrate the effectiveness of providing community-based support services to expectant parents and to parents of young children. The organization has established a number of parent/child centers within Illinois, each of which is designed to fill a gap in services for families. Programs maintain a low operational budget by relying heavily on existing community services and the use of trained volunteers for program staffing. Additionally, Family Focus programs utilize parents who are participating in the program for assistance in fund-raising, program planning, and special projects. This also provides opportunities for the parents to develop and exercise leadership skills.

One Family Focus program, called "Our Place," is geared toward teenage parents and pregnant adolescents. Located in Evanston, Illinois, Our Place is a drop-in center that provides comprehensive social,

medical, educational, and vocational services to the community's adolescent population. The center offers a childcare program as well as recreation, fellowship, and education in responsible parenting.

#### Grants and Loans Program to Private Non-Profit Organizations

In 1978, the federal Office of Adolescent Pregnancy Programs was established under the Health Services and Centers Amendments of 1978 (P.L.95-626). Title VI of the legislation provided for funds to be granted to public and private non-profit agencies to assist in establishing networks of community-based services for "adolescents at risk of unintended pregnancies, pregnancies, pregnant teenagers and adolescent parents." Under the provisions of the legislation, grantees were required to provide certain basic services, including: pregnancy testing, maternity counseling, prenatal and postnatal health care, pediatric care, family planning services, referral to appropriate educational or vocational training programs, and adoption counseling and referral services. Federal staff anticipate that if the Office is refunded it will include additional program emphasis in family support services and alternatives to abortion.

Conceivably, if State policymakers determined the concept to be feasible, the State of Alaska could develop a similar program within the Executive Branch. This type of program could make financial resources available to private, nonprofit organizations within the state that are currently providing services to clients.<sup>3</sup>

#### Expanded Maternal/Child Health Programs

Under Title V of the Social Security Act, the State of Alaska receives two Maternal and Child Health grants through the federal Health Services Administration: The Improved Pregnancy Outcome Program and the Maternal and Infant Care Program. The Improved Pregnancy Outcome Program includes a statewide program for the development of early prenatal educational curricula and, on a local basis, a pilot program in Fairbanks for social educational, and medical assistance for pregnant women. Through the Fairbanks-based program, women may receive:

- counseling and care referral services;
- prenatal education; and
- medical care assistance.

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<sup>3</sup> Legal research may be required to determine if there are any State limitations on providing financial assistance to nonprofit organizations having a religious affiliation.

Representative Terry Martin

May 7, 1981

Page 9

Medical assistance is provided to clients based on a sliding scale determined by family size and income. Coverage is extended as a payment of last-resort after all other sources of third-party coverage have been exhausted. Duane Peebles of the State Department of Health and Social Services commented that the program generally seems to pick up those women whose incomes are slightly above the Medicaid eligibility requirements.

The second Maternal and Child Health grant program in the State is located in Juneau. The Maternal and Infant Care Project is similar to the Fairbanks-based program with one notable exception. The Juneau program provides medical assistance for women for labor and delivery costs while the Fairbanks program, due to federal regulatory restrictions, is unable to offer compensation for inpatient services.

Although services under these programs may be extended to all pregnant clients, the program is primarily designed for women with medical/social risks. Consequently, while any woman may receive screening services, financial assistance is based upon factors such as age and income.

State policymakers might consider assuming financial responsibility for these programs and expanding their service outreach capabilities to communities other than Fairbanks and Juneau. According to Duane Peebles, funding for the Improved Pregnancy Outcome Project is scheduled to lapse September 30, 1982. In light of the Reagan administration's budget proposals and block grant approach, the prospects for continued funding of the project's \$400,000 annual budget are somewhat uncertain.

#### Paternity Outreach Programs

In single parent settings, the responsibilities of child rearing can become very demanding. Pressures often are compounded when the parent is an adolescent, unwed mother. In an effort to alleviate the responsibilities borne by a single parent and to create a more natural setting for the child, some State and local governments are emphasizing program development to promote the participation of the other parent financially and socially.

An example of such a program is the Memphis Paternity Outreach Project in Tennessee. The purpose of the program is to enable the children of unmarried mothers to be legitimized and thereby eligible for support benefits. Through the program, a representative of the juvenile court visits every hospitalized, unmarried mother after the birth of her child, at which time the representative explains the process required to establish a legal relationship between the father and the child. A mother who decides to accept the paternity service signs an application and the process is handled in the same manner as other paternity cases.

Since the program's inception in August 1979, program representatives estimate that about 75 percent of the paternity cases where the father can be located, result in an agreement without reluctance on the part of the father to establish a parental relationship with his child. As a result of the program, it is possible for support to begin in some instances shortly after the mother and child are released from the hospital.

#### Expanded Educational and Vocational Training Programs

Many couples and single parents are apprehensive about carrying a pregnancy to term because of the economic hardships which may be experienced after the child is born. Generally, this apprehension exists because of the deficient educational and vocational background of the parent which seriously limits the prospects for employability and self-sufficiency. Because of this, many professionals believe that state pregnancy assistance programs must include educational and vocational training programs for couples encountering problem pregnancies.

The Addison County Parent/Child Center in Vermont places extensive emphasis on the long-range vocational needs of its clients. Over 65 percent of the Center's participants return to school or seek educational or vocational training after the delivery of their children. According to Susan Harding, co-director of the Center, the program attributes part of its effectiveness to the individualized nature of the services established for the women as well as the program's tight coordination and utilization of existing services. Much emphasis is also placed on preliminary skills development; e.g., if poor reading skills are inhibiting a client's ability to develop office skills, volunteers are assigned to the woman to tutor her in her reading. Additionally, staff at the Addison County Center try to tailor job development to new parenting roles.

An example of an educational program designed for pregnant adolescents is the Family Learning Center, which was established in New Brunswick, New Jersey in 1969 to counter a significant pregnancy-related drop-out rate in the public schools. The program is provided in a separate building from the public school and is offered to any pregnant adolescent woman.<sup>4</sup> The program offers a comprehensive educational and health program that stresses nutrition, weekly physical check-ups, frequent consultation with guidance counselors, teachers, as well as the attending physician and clinical staff, and on-going counseling

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<sup>4</sup> Women have the option of attending the Family Learning Center of remaining in the regular public school programs.

Representative Terry Martin  
May 7, 1981  
Page 11

and participation in support groups. Beyond the regular academic schedule, each student receives instruction in family life education, maternal and child health, and physical education.

#### CONCLUSION

The information presented in this memorandum is intended to represent only a sampling of program ideas and concepts which could be explored at the State level to ease the social and economic problems that may accompany pregnancy. A number of related services such as expanded adoption services and additional education programs, have not been addressed in our research but could, of course, alleviate some of the problems associated with unwanted pregnancies.

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We hope this information has assisted you. Please let us know if we can provide you with additional research on this subject. We will be transmitting a second memorandum to you shortly on State expenditures for abortion-related services.

BB/bf

CATEGORY: HEALTH  
 AGENCY: DEPARTMENT OF HEALTH & SOCIAL SERVICES

PROGRAM: MERCHANT SEAMAN'S HEALTH PROG.  
 SUB-PROGRAM:

\* \* \* \* HOUSE ANALYSIS \* \* \* \*

\* \* \* \* SENATE ANALYSIS \* \* \* \*

GOVERNORS REC \$0.0

OBJECT GROUP	VARIATION		DESCRIPTION: SENATE VERSUS GOVERNOR
07 GRANTS, CLMS	300.0	100.0%	ADD 300.0.
TOTAL	300.0	100.0%	

SENATE FIGURE \$300.0

LEGISLATIVE INTENT:

THIS APPROPRIATION IS TO BE USED FOR COVERAGE OF THOSE PEOPLE WHO WERE DEPENDENT UPON MERCHANT SEAMAN'S HEALTH ENTITLEMENT CONTRACT SERVICES AND BECAUSE OF MEDICAL CONDITIONS OCCURRING PRIOR TO MAY 31, 1981 WERE UNABLE TO SECURE OTHER HEALTH INSURANCE OR COULD ONLY SECURE INSURANCE WHICH EXCLUDED THE CONDITION FOR WHICH BENEFITS ARE BEING SOUGHT. THERE WILL BE 100% COVERAGE AFTER THE FIRST \$100.00 HAS BEEN EXPENDED BY THE APPLICANT. APPLICANTS SHALL BE REQUIRED TO PROVIDE ANY EVIDENCE OF OTHER COVERAGE AND SHALL RECEIVE PAYMENT ONLY TO THE EXTENT COSTS FOR SERVICES ARE UNPAID BY ANY OTHER HEALTH COVERAGE.

CATEGORY: HEALTH  
 AGENCY: DEPARTMENT OF HEALTH & SOCIAL SERVICES

PROGRAM: MERCHANT SEAMAN'S HEALTH PROG.  
 SUB-PROGRAM:

----- F I S C A L Y E A R . 1 9 8 2 -----

EXPENDITURES & FUNDING	(01) FY80 ACT	(02) FY81 ATH	(03) FY81 RP	(04) FY81 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS										300.0			
08 MISC.													
*# TOTAL EXPEND										300.0			
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND										300.0			
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART TIME													
17 TEMPORARY													
18 STAFF-MONTHS													

H255 5/2/81

Service Agencies	Eligibility Requirements	Services	Population Served	Service Gaps
<u>Div. of Family &amp; Youth Svs.</u>				
1. Family Counseling	None	marriage, parenting, family adolescent, and crisis intervention counseling	approx. 1000 per year	Staff time available is limited.
2. Foster Home Care	State must have legal custody of client.	counseling, foster care placement, financial assistance, medical care through Medicaid	approx. 1040 per year	Insufficient foster homes.
3. Adoption Counseling & Placement	State must have legal custody of client to provide adoption placement services. Adoption counseling is available to anyone on request.	counseling, screening and placement	approx. 40 adoption placements per year	Additional counseling services needed.
<u>Div. of Public Assistance</u>				
1. Food Stamps	low income (\$6,300 for a family of 2)	Food supplement coupons	approx. 38000 per month	There are no regional adjustments for cost of living. One income and benefits standard is used state-wide which results in inequities of purchasing power.
2. Aid to Families with Dependent Children (AFDC)	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. 13000 per month	Women who meet the income and single/separated status but are pregnant with no dependents living in the home are ineligible.  Low income women who are married with the spouse living at home are ineligible.
3. Adult Public Assistance	blind, disabled and aged, with income of \$5,700 per year for single adults	income maintenance, and medical assistance through Medicaid	approx. 5000 per month	Those blind, disabled and aged persons that are above the income guidelines

Pregnancy Related Health and Social Services

Service Agencies	Eligibility Requirements	Services	Population Served	Service Gaps
4. General Relief Medical	low income (Adult 1 child \$4,000 per year) who are not eligible for Medicaid coverage	medical care assistance	approx. 7,000 per month	Those who fall marginally above the income guidelines are not eligible for assistance.
5. Catastrophic illness	those who have suffered a catastrophic illness/injury and who do not have the resources to meet the expenses	medical assistance as determined by a three member committee	approx. 300 per year	Doesn't cover normal pregnancies and limited to "catastrophic illness"
6. 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. 18000 per month	Low income people not eligible for categorical programs experience difficulties in obtaining medical care.
<u>Div. of Public Health</u>				
1. Public Health Nursing	None	health screening, including pregnancy testing, prenatal education and counseling, post-partum follow-up home visiting and well child clinics	approx. 4,000 visits per month	Lack of unified counseling education and referral services. The unavailability of some services on full-time basis in rural communities.
2. Women Infant Children (WIC)	low income (family of 2, up to \$12,500) pregnant women and children up to age 5	nutrition supplement coupons and nutrition education and counseling	approx. 1600 per month in 26 communities	Estimated 38000 potentially eligible statewide not being served
3. Early, Periodic, Screening, Diagnosis and Treatment (EPSDT)	under 21 years of age, Medicaid eligible	preventive health screening services for children and adolescents, referral to treatment and medical care assistance through Medicaid	approx. 7,000 per year	Low income families who are not qualified for Medicaid do not receive medical treatment services.
4. Handicapped Childrens Program	children with physical and handicapping conditions	Medical diagnostic assistance provided to all - medical treatment based upon a sliding fee scale - of a family's ability to pay. Transportation and per diem are also included.	approx. 1800 per year	Premature newborns are not covered by this program.

Pregnancy Related Health and Social Services

Service Agencies	Eligibility Requirments	Services	Population Served	Service Gaps
5. Maternal & Infant Care Project - Juneau	<p>pregnant women who resides 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 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 per year</p> <p>approx. 70 per year</p>	<p>Limitation of financial assistance to only those women in target area. All other low income women experience difficulties in obtaining care.</p>
6. 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 ( p 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 per year</p> <p>projected 70 per year</p>	<p>Prenatal medical care assistance not available to low income women who are not medically high risk. No inpatient medical care assistance is provided.</p>

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS FOR HOUSE BILL NO. 330 (Finance) am  
 Title "An Act relating to payment of the cost of care for pregnant women..."  
 Requested by House HESS Committee Date May 7, 1981

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Health & Social Services  
 BRU, Program, or Subprogram(s) Affected Various - See separate fiscal notes attached.  
 (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		40.7	44.4	48.4	52.7	57.4
200 TRAVEL		1.7	1.9	2.0	2.2	2.4
300 CONTRACTUAL		4.8	5.2	5.7	6.2	6.8
400 COMMODITIES		.4	.4	5	5	6
500 EQUIPMENT		1.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		2,584.1	2,816.6	3,070.2	3,346.5	3,647.7
<b>TOTAL</b>		2,632.9	2,868.5	3,126.8	3,408.1	3,714.9

FUNDING (Thousands of Dollars)

GENERAL FUND	2,418.4	3,634.7	2,872.0	3,130.3	3,412.1
FEDERAL FUNDS	214.5	233.8	254.8	277.8	302.8
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

Attached Social and Health Service Analysis.

IV. DATE May 7, 1981 PREPARED BY Dwayne Peoples  
 AGENCY Department of Health and Social Services  
 PHONE 465-3100  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) M. Hubbard M&B Approval M. Hubbard Date 5/8/81

AMEND CS HB 50

page 23 line 25

DENNIS L. DeWITT  
EXECUTIVE DIRECTOR

strike "669,600" AND insert "969,600"

AND the following conrol language.

\$300,000 of this line item shall be used to provide coverage for those persons who were dependant upon Merchant Seamen's Health Entitlement enternet services AND, because of a medical condition occurring prior to May 31, 1981 were unable to secure other health insurance or could only secure insurance which excluded the condition for which catastrophic / Mass benefits are being sought. for this <sup>portion of the</sup> program only there shall be 100% coverage after ~~a~~ <sup>\$</sup>100<sup>00</sup> ~~deduct~~ have been expended by the applicant.

Applicants under this provision shall be required  
to provide any evidence of other coverage  
and shall receive payment only to the extent  
costs for services are unpaid by any other  
health  
~~INSURANCE~~ cover.

**Sec. 47.07.070. Reimbursement for cost settled providers.** If permitted as allowable costs under the medicaid provisions of title XIX of the Social Security Act in accordance with existing federal law or regulation, reimbursement to "cost settled" providers of services shall be on the basis of fair rates for the reasonable cost of services rendered, to include the provision for

- (1) patient care;
- (2) charity and credit losses in accordance with the United States Department of Health, Education and Welfare regulations;
- (3) preservation, improvement and expansion of buildings and equipment;
- (4) debt services for amortization of principal and interest payments. (§ 1 ch 182 SLA 1972)

**Sec. 47.07.080. Definitions.** In this chapter

- (1) "cost settled" providers are those providers who will be reimbursed on the basis of reasonable cost as provided for in federal laws and regulations;
- (2) "department" means the Department of Health and Social Services;
- (3) "eyeglasses" are lenses, including frames when necessary, and other aids to vision prescribed by a physician skilled in diseases of the eye, or by an optometrist, whichever the patient may select, to aid or improve vision;
- (4) "clinic services" means services which are restricted to state-approved outpatient community mental health services which receive grants under AS 47.30.520 — 47.30.620 and state-operated mental health clinics. (§ 1 ch 182 SLA 1972; am § 2 ch 12 SLA 1976; am § 3 ch 221 SLA 1976)

**Effect of amendments.** — The first 1976 amendment added paragraph (3). The second 1976 amendment added paragraph (4).

### Chapter 8. Catastrophic Illness Assistance.

<b>Section</b>	<b>Section</b>
10. Reimbursement of providers	80. Reconsideration of decision by committee
20. Catastrophic illness committee	90. Hearing
30. Notice	100. Finality of decisions
40. Applications for assistance	110. Extension of time limits
50. Services excluded from coverage	120. Recovery from a collateral source
60. Calculation of applicant's share	130. Regulations
70. Standards for reimbursement to providers	140. Definitions

**Sec. 47.08.010. Reimbursement of providers.** According to the provisions of this chapter, the Department of Health and Social Services shall reimburse providers of medical care for unpaid costs incurred in the treatment of a person suffering an illness or accident which results in financial catastrophe to the person or his family. (§ 1 ch 107 SLA 1978)

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**Sec. 47.08.020. Catastrophic Illness Committee.** There is created the Catastrophic Illness Committee, consisting of a medical review officer from the Department of Health and Social Services, a member appointed by the governor who has suffered a catastrophic illness, and a representative of the Department of Commerce and Economic Development appointed by the governor. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.030. Notice.** The committee shall enlist the assistance of medical providers in making the public aware of the catastrophic illness assistance program. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.040. Applications for assistance.** An application for financial assistance under this chapter may be filed by a person who has suffered catastrophic illness or by a parent, spouse, or legal guardian of that person, or by any other interested party with the written consent of the person who has suffered the catastrophic illness. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.050. Services excluded from coverage.** Annually, the committee shall determine in light of appropriated funds and expected need the medical expenses reimbursable under this chapter, except that the following are not reimbursable:

- (1) dentistry and optometry unless prescribed by a licensed dentist or physician as medically necessary as the result of the injury or illness;
- (2) elective medical or surgical procedures;
- (3) drugs and medications not prescribed by a licensed physician;
- (4) services received as a result of a pregnancy or birth without unusual complications;
- (5) private psychological or psychiatric treatment or private alcoholism treatment, unless not available from public agencies or programs;
- (6) chiropractic services;
- (7) services not of a medical nature;
- (8) medical services currently provided to persons in the custody of the division of corrections;
- (9) costs incurred before July 1976. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.060. Calculation of applicant's share.** (a) As frequently as necessary the committee shall adopt, in light of appropriated funds and expected need, a formula to be used in determining the applicant's share of total medical expenses incurred as a result of a catastrophic illness, based on the applicant's annual gross income, number of dependents, amount of assets, and forthcoming third-party payments, all considered in light of the requirement that the applicant's share will be paid to the provider on a payment schedule covering a period of at least three years.

(b) For the purposes of applying the formula to determine the applicant's share, multiple catastrophic illness occurring within a

12-month period to the applicant or other members of the applicant's family shall be treated as one catastrophic illness.

(c) In applying the formula to determine the applicant's share, the total gross income and the total assets of the family of the applicant may be taken into account, with the following exceptions:

- (1) the applicant's permanent place of abode;
- (2) one noncommercial vehicle;
- (3) tools, equipment, vehicles and other assets required in a trade or business;
- (4) ordinary household and personal effects;
- (5) \$1,000 of liquid assets;
- (6) all nonliquid assets unless such an exclusion would bring about an inequitable result; however, all income derived from such property shall be taken into consideration in determining the recipient's gross income;
- (7) inalienable shares in a Native corporation created under the Alaska Native Claims Settlement Act, P.L. 92-203; 43 U.S.C. § 1601 et seq., for the period of their inalienability as specified in the Act;
- (8) Alaska longevity bonus payments;
- (9) any other assets specifically restricted for the use of the recipient by state or federal law.

(d) Assets received by the applicant as a custodian, guardian, conservator, or trustee for another are not considered assets of the custodian, guardian, conservator, or trustee himself.

(e) The applicant's share shall be reduced in the amount of any premiums paid for disability insurance or a prepaid medical plan up to \$500 if incurred in the 12-month period beginning with the occurrence of the injury or the onset of the illness.

(f) Notwithstanding the provisions of this section, the committee may waive payment of an applicant's share when the catastrophic illness is the proximate result of an immunization required by law. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.070. Standards for reimbursement to providers.** The amount that the committee reimburses providers for medical services rendered to a person who has suffered catastrophic illness may not be greater than 100 per cent of the total unpaid bills related to the catastrophic illness and shall be determined by the following standards:

(1) Only unpaid medical expenses for periods not to exceed 12 months, and related to catastrophic illness, may be considered. The initial 12-month period begins with the date of the first charges incurred because of the illness.

(2) The committee may not reimburse a provider if the applicant's total medical expenses related to the catastrophic illness are less than \$1,000 in any period not exceeding 12 months described in (1) of this section after all sources of third-party payment have been exhausted by the applicant or by someone acting on behalf of the applicant.

§ 47.08.080 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.08.120

(3) The committee may not reimburse a provider for the applicant's share of the total medical expenses; moreover, a reimbursement to the provider shall be conditioned on the provider's agreement that the provider enter into a payment schedule with the applicant which will result in full liquidation of the applicant's share. Payment schedules may not be for a term of less than three years. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.080. Reconsideration of decision by committee.** The committee shall promptly notify an applicant of its decision with written reasons for the amount of the award or denial. An applicant who is dissatisfied with a decision of the committee may apply to the committee for reconsideration within 30 days of receipt of the decision. The request for reconsideration must include a written statement of grounds for reconsideration and any supporting documentation which was not available to the committee for its original decision. Within 30 days after receipt of a request for reconsideration, the committee shall affirm, amend, or reverse its original decision. The committee shall promptly notify the applicant of its decision upon reconsideration with written reasons for its action. Information describing hearing rights and procedures must be furnished with the written notification of denial. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.090. Hearing.** An applicant who is dissatisfied with the committee's decision upon reconsideration may request a hearing in accordance with procedures established under AS 47.25.180. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.100. Finality of decisions.** Decisions as to catastrophic illness awards are final

(1) 30 days after the applicant receives the committee's decision unless a reconsideration is requested during that time;

(2) 30 days after the applicant receives the committee's decision upon reconsideration unless a hearing is requested during that time;

(3) 15 days after the applicant receives the hearing authority's decision if that decision is not appealed to the director during that time;

(4) upon being notified of the decision of the director if an appeal is taken to the director under AS 47.25.180. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.110. Extension of time limits.** Time limits for reconsideration or for requesting an appeal may be extended, at the discretion of the committee, upon application or upon the committee's own motion. A request for reconsideration or for a hearing shall be considered made on the date when the request is dispatched rather than the date when it is received by the committee. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.120. Recovery from a collateral source.** If the applicant or a provider receives payment from any other source for medical expenses which have been paid by the committee, the applicant or provider is liable to the committee in the amount of that payment. An

application may not be considered by the committee unless the applicant agrees to this provision. A provider may not be paid by the committee under this chapter unless the provider agrees to this provision. (§ 1 ch 107 SLA 1978)

**Sec. 47.08.130. Regulations.** The department may adopt regulations, in accordance with the Administrative Procedure Act, which establish rates of reimbursement to providers for medical expenses incurred, as well as other regulations necessary to carry out the purposes of this chapter. (§ 1 ch 107 SLA 1978)

## Chapter 08. Catastrophic Illness Assistance.

### Section

#### 140. Definitions.

##### **Sec. 47.08.140. Definitions.** In this chapter

(1) "applicant" means a person who has suffered a catastrophic illness and is applying for assistance under this chapter or is the subject of an application for assistance under this chapter;

(2) "applicant's share" means the amount of the total medical expense related to the catastrophic illness which the committee determines the applicant can reasonably be expected to pay based on income, assets, and number of dependents under AS 47.08.060;

(3) "catastrophic illness" means illness or injury which results in medical expenses of over \$1,000 during a period not to exceed 12 months, after all other sources of third-party payment have been exhausted;

(4) "committee" means the Catastrophic Illness Committee, created under AS 47.08.020;

(5) "elective medical or surgical procedures" means treatment which is not essential to the life or health of a person;

(6) "family" means two or more persons related by blood or marriage or adoption living as one economic unit;

(7) "liquid assets" means assets which can be readily converted to cash;

(8) "medical expense" means any financial obligation incurred in the course of treatment of illness as prescribed by a physician, including bills for ancillary services, patient transportation, transportation of a medical or family escort when reasonably necessary, or living expenses while receiving outpatient treatment in a community to which the applicant is not reasonably able to commute from his permanent place of abode;

(9) "nonliquid assets" means all assets which are not liquid assets;

(10) "permanent place of abode" means a dwelling, or a dwelling unit in a multiple dwelling, including lots and outbuildings or an appropriate portion of these, which are necessary to convenient use of the dwelling unit;

(11) "provider" means a licensed physician, pharmacist, dentist, or other health service worker or a licensed hospital, clinic, skilled nursing home, intermediate care facility or health maintenance organization which has provided services not excluded by AS 47.08.050 to an applicant as a result of a catastrophic illness;

(12) "third-party payments" means payments of medical expenses related to a catastrophic illness by sources other than the applicant or the committee, including but not limited to state and federal medical assistance programs, private health insurance, employment-related health insurance, military health insurance, workers' compensation, violent crimes compensation, Indian Health Service of the United States Department of Health, Education and Welfare, and awards in legal actions. (§ 1 ch 107 SLA 1978; § 60 ch 94 SLA 1980)

Effect of amendment. — The 1980 amendment substituted "workers' compensation" for "workmen's compensation" in paragraph (12).

### Chapter 10. Delinquent Minors and Children in Need of Aid.

Cited in Flores v. Flores, Sup. Ct. Op. No. 1875 (File No. 3832), 598 P.2d 892 (1979).

#### Sec. 47.10.010. Jurisdiction.

Quoted in N.P.A. v. State, Sup. Ct. Op. No. 2005 (File No. 4618), P.2d (1979).

Cited in Granato v. Occhipinti, Sup. Ct. Op. No. 1962 (File No. 3756), 602 P.2d 442 (1979).

Sec. 4

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A waiver nature a adjudicat. No. 2005 (1979).

Waiver: Although right to waived t failed to to waive N.P.A. v. No. 4618

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# COMMITTEE REPORT

## SENATE

1/20/82

FURTHER: Finance

Date: 8-5-10-82

Mr. President: HEALTH, EDUCATION & SOCIAL SERVICES  
The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had CSHB 357 (Rules) am

public assistance

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 10357  same title  
 new title  
and recommends no price  
 AND attaches a "Letter of Intent"  New Fiscal Note  
 reports it back without recommendation  
 referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
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\_\_\_\_\_  
CHAIRMAN

# AMENDMENT

OFFERED IN THE HOUSE:

By: \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. 357 (Pulse)

SENATE BILL No. \_\_\_\_\_

PAGE: 10

LINE: after line 2

\* Sec. 21 AS 47.40.040 is repealed and reenacted to read:

Sec. 47.40.040. DETERMINATION OF FULL COST OF SERVICES. (a) In this chapter, "full cost" of services shall be determined by the per person, per day cost on the preceding fiscal year plus a proportionate share of anticipated cost of living and staff salary increment increases for the fiscal year for which the full cost of services, determined to be necessary by the department, is being determined. The Department shall establish the 1983 fiscal year cost of care rates per person per day for each level of child care services (in cooperation) with owners or operators of residential child care facilities. The Department shall review available audits of residential child care facilities and <sup>hold</sup> public hearings in establishing daily rates under this section. Child care costs for foster homes shall be computed in the same manner as for child care and nursing home institutions except that no salary ~~costs~~ costs may be considered.

(b) In determining daily rates for each level of service under this section the following factors may not be included:

(1) expenses, including salaries and fees, incurred in raising money for the operation of a residential child care facility;

(2) money expended for construction, major equipment, and other capital expenditures;

(3) program and administrative expenses provided by private contributions, grants, and other public or private funding sources not provided under this chapter;

(4) expenses incurred for education or religious training of children residing at a residential child care facility; and

(5) expenses for services that exceed or do not meet the requirements of the department.

page 10, line 4:

Change "Sec. 21" to "Sec. 22"

page 10, line 55

Delete "and AS 47.40"

CSHB 357 (Rules) am

Senate HESS Committee changes to CSHB 357 (Rules) am relating to Adult Public Assistance:

Deleted policy statements relating to Federal government - Sections 5 and 16.

Page 2, lines 17-18 - delete "... and who has been determined eligible under regulations adopted by the department" to reduce the amount of agency discretion.

Page 3, line 11 - added language to allow a person in an institution to apply for APA in anticipation of leaving to avoid a payment lag.

Page 4, lines 14-15 - delete "as in its opinion is justified"

Page 4, line 8 - deleted language for agency review of files every 3 months, as it seemed this short time period was an unreasonable expectation.

Page 5, lines 4-6 - Changed language to indicate that a hearing will be conducted according to department regulations.

Page 5, line 11 - changed " more than one month" to future months, to encourage advance payments rather than delayed payments.

Page 5, lines 20-24 - changed language so that department would document investigations and continue APA payments pending a hearing decision.

Page 6, line 6 - changed "may" to "shall"

Page 6, line 27 - added language to allow a person receiving APA to leave the state temporarily for medical treatment.

Page 8, lines 20-21 - deleted "or a regulation adopted under any of thoses sections" subject to a class B misdemeanor.

The Committee added new sections 10 and 14 to the bill to guarantee interim payments of state APA supplement to those awaiting SSI disability determination (a process which takes from 6 months to 2 years) while not granting medicaid coverage during that period since mistaken eligibility might endanger the allowed medicaid penalty. Upon SSI approval, the applicant will receive retroactive medicaid eligibility prior to application date. The applicant could receive emergency medical care through the GRM program during the interim.

Changes to HB 357:

H HESS: CS incorporated amendments as listed in AG memo.

H Finance: 47.40 repealer

H Rules: 3 amendments proposed by DHSS (see letter)

Floor: repealers discussed, passed.

A M E N D M E N T

By Parr

\* Section 1. AS 47.25.250 is amended to read:

Sec. 47.25.250. DISCRETIONARY [TEMPORARY] RELIEF. When a needy person is not entitled to assistance under AS 47.25.120 - 47.25.300 [AND HAS NO RELATIVES IN THE STATE LIABLE FOR HIS SUPPORT UNDER AS 47.25.230 AND 47.25.240], the needy person may receive [TEMPORARY] assistance in the form and amount which the department considers necessary. [TEMPORARY ASSISTANCE FOR NEEDS OTHER THAN TRANSPORTATION AND MEDICAL CARE MAY NOT EXCEED \$60 PER PERSON PER MONTH.]

Full Cost of Care Facilities  
Rates as Shown  
FY 1980 - 1982

	Audited		Provisional (B) (as of 1/1/82)	1982		
	1980	1981		Preliminary	Final	
JCS:						1
Jesse Lee		11235	12546	13470		2
Aquarius		8912	10760	10661		3
Collette		8052	11751	11665		4
North Star		7930	10355	10261		5
Mary Johnson-Rabbit Creek		16308	16640	16884		6
Emergency Shelters		11431	14985	18896		7
						8
						9
AK Baptist Family Services		6035	11702			10
Alaska Youth Village (c)		7230	(c)			11
Sethel Group Home			5906	5772(A)		12
Sethel Receiving Home		6402	7552			13
South Memorial		11360	14690			14
Convent High School			4326			15
Hilltop Home	5780	6918	8553			16
Kanai Penins Comm D.C. Ctr (D)			9174			17
Ketchikan: Teen I			7426			18
Teen II			8161	6770		19
Kodiak Baptist Mission	2387	5442	6161	6143(A)		20
Vons Receiving Home			11497	10920		21
South Slope Boys Club Home	9791		16835	15944		22
North Star Child Home		5596	6225		6225	23
Presbyt. Hosp. House	8575		11198			24
Sitka Rec. Home		3839	4066			25
Training Pt Boys Ranch		8935	10537			26
						27
Kuan Receiving Home		7689	10617			28
						29
St Jude Center			7233			30
St Mary's Mission			833			31
Ketchikan Dist. Care Unit			15256			32
						33
						34
						35

- (A) Report completed, not yet issued, 5/25/82
- (B) Provided by Div of Family & Youth Services
- (c) Not serving State children, any more
- (D) Scheduled for early FY 83.

Note: Years shown "audited" are audited rate, set by audit of prior year's cost report

All units were audited for rates for FY 1981 or 1982 except:

Presbyt. Hosp. House: Last audited rate for FY 1980. Audit for FY 1982 rate currently in process

St. Jude Center,  
St. Mary's Mission  
Ketchikan Dist. Care Unit } all new

Kanai Peninsula Comm Day Care Ctr: Last audited rate was for FY 79

Convent High School: Very low utilization

May 31, 1982

LETTER OF INTENT

ON

CS FOR HOUSE BILL NO. 357 (Rules) am

and

SENATE CS FOR CS FOR HOUSE BILL NO. 357 (HESS) am S

It is the intent of the Conference Committee with limited powers of Free Conference that the Department of Health and Social Services not have the authority to contract with the federal government for public assistance delivery under this act.

The Committee also recommends that the Governor and the Legislative Budget and Audit Committee, in allocating funds from the Federal Budget Impact Fund, give priority to making up the 2% federal cut in the Medicaid matching rate and the deficit caused by Indian Health Service reduction in medical travel funds so that this money will not be taken from the General Relief Medical Program.

\_\_\_\_\_  
Rep. Terry Martin  
Chairman

\_\_\_\_\_  
Sen. Charles H. Parr  
Chairman

\_\_\_\_\_  
Rep. Patrick J. Carney

\_\_\_\_\_  
Sen. Don Gilman

\_\_\_\_\_  
Rep. Don Clocksin

\_\_\_\_\_  
Sen. John Sackett

hospital  
association

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

May 18, 1982

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

Re: HB 357

Dear Don:

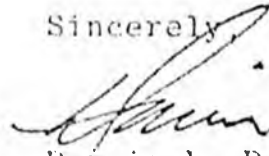
Thank you for having Nina Johnson call Section 10 of SCS for CS for HB 357 (HESS) to my attention.

The Hospital Association would very much like to see it removed. If that is not possible, I would suggest that a presumptive eligibility for General Relief, including assistance, vendor payment and medical aid be granted applicants until a final determination is made. This would give at least minimal assistance to applicants and give the Department a real incentive to get a final determination because 1) they can get 48% federal funding upon determination of eligibility or 2) will be carrying an ineligible person at 100% state cost if they delay a denial.

The presumptive eligibility approach would encourage good program management while providing basic assistance to those who are being held in 'limbo'.

Thank you for your consideration in this matter.

Sincerely,



Dennis L. DeWitt  
President



DLD:bf

# STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

JAY S. HAMMOND, GOVERNOR

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

DOCUMENT NO. 180-82

May 24, 1982

The Honorable Vic Fischer  
Senator  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

ATTN: Nancy Groszek

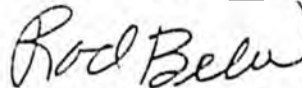
Dear Senator Fischer:

During testimony before your committee I mentioned that the financial risk associated with Medicaid coverage for presumptive disability cases was significant. One ineligible case can greatly distort the State's fiscal liability as calculated by the federal Medicaid formula for assessing error rate penalties.

For example, during the April through September 1981 Quality Control Review period one presumptive case which received \$3777 in Medicaid services was found ineligible by federal Medicaid officials. Our total payment error rate for this same period for all cases reviewed was \$5432. This single case represented 70% of that total amount. Because of this one case the State could be liable for a fiscal penalty of \$4,189,800 after applying the federal formula.

This recipient went on to appeal her denial to federal officials and eventually won. It remains to be seen whether the State can prevail in its argument that the case be thrown out of the liability calculation.

Sincerely,



Rod Betit  
Director

# STATE OF ALASKA

## DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

JAY S. HAMMOND, GOVERNOR

POUCH H-07  
JUNEAU, ALASKA 99811  
PHONE:

(907)465-3355

DOCUMENT NO. 184-82

May 27, 1982

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

RE: GRM Exceptions

Dear Senator Parr:

As you requested, the following is an overview of each GRM case currently considered an exception. As you may know the 300% Medicaid eligibility income for persons in Nursing Homes is \$794.00. Each of these persons are above that income standard:

- I. 26 year old male  
Ketchikan, Alaska

Quadriplegic who earned his GED in two months last year after being told by Medical Review and DVR that he needed to show motivation. DVR has been involved with him for several years but has not followed through on any agreements to provide training. The first concrete step was to send him to Anchorage for 3 week training evaluation. Consistent problem has been that DVR couldn't figure out what Mark could be trained for because he has minimal use of his body and is dependent for all his care. Can operate motorized wheel chair and feed himself. His attitude has changed positively in the past year and the drug and alcohol problems have been resolved.

Recommendation: Coordinate with DVR while he's in training, provide supplemental funding for him in an apartment with attendant care. This will require more cooperation from DVR than we've seen in the past, but this is our chance to help free this man from a 'nursing home life'.

### Financial Situation

Income  
SSI

\$874.00/month