

ALASKA LEGISLATIVE COMMITTEE FILES 1907

1585

SHESS

HB

357

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III.

ACCESS TO RECORDS

SFP shall have access to records in PHH's possession pertaining directly to the child placed under SFP's care and guidance and which will enable them to provide appropriate care. These records include but are not limited to the child's admission form, verifying the legal custody of the child, the child's social history, the child's school records, the child's medical reports, any evaluation reports concerning the child and any written signed medical and religious consent forms concerning the child. However, information regarding other members of the child's family which does not pertain to the child will not be shared with SFP.

IV.

REQUIRED RECORDS

SFP shall be required to keep a daily log of events concerning the child in a manner to be specified by PHH. SFP shall also be required to keep the medical and school records of the child current and updated.

SFP shall also keep any other records as required by PHH or the State now or at any future time while the child is under SFP's care and guidance.

V.

CONFIDENTIALITY

SFP shall safeguard and keep confidential all records and reports regarding the child under SFP's care and guidance.

VI.

TRANSPORTATION OF CHILD

SFP shall receive and transport the child placed under SFP's care and guidance at 1401 Kellum Street, Fairbanks, Alaska to SFP's residence.

SFP shall provide transportation consistent with the child's needs, including but not limited to the child's medical, dental, educational, and recreational needs. All vehicles will be operated by licensed drivers in a safe and prudent manner.

The child in care is not permitted to operate a vehicle without prior permission of the Director of the Division of Family and Youth Services.

VII.

COST OF CARE RATE

PHH and SFP agree that PHH shall pay and SFP shall receive the amount of _____ dollars and _____ cents (_____) for each day or part of a day that a child placed by PHH is under SFP's care and guidance.

PHH and SFP agree that this daily amount represents the amount necessary to reimburse SFP for the child's proper care and guidance which includes but is not limited to the child's nutritional needs, clothing needs, medical and dental needs, educational needs, religious needs, recreational needs, and transportation needs.

PHH shall pay SFP the above daily amount at the end of each calendar month during which a child is under SFP's care and guidance.

VIII.

PERIODIC CONSULTATIONS

PHH, SFP, and the child placed under SFP's care and guidance shall conduct periodic consultations consistent with the purposes of this agreement. Such consultations which shall occur no less than once a week shall be designed to provide a structured time for mutual information sharing.

IX.

COUNSELLING SERVICES

PHH shall provide the SFP and the child with individual and family counselling and crisis intervention services as the need is expressed by any one of the previously mentioned parties. Notwithstanding PHH's providing individual and family counselling services, SFP shall be responsible for and will supervise the performance of SFP's duties under this agreement.

X.

INDEPENDENT CONTRACTOR STATUS

PHH and SFP intend that the relationship under this agreement shall be that of PHH as employer and SFP as independent contractor. SFP shall not be deemed to be the employee or agent of PHH or the Department of Health and Social Services. None of the benefits provided by PHH to its employees, including but not limited to fire insurance, vandalism and malicious mischief insurance, bodily injury liability insurance, automobile liability insurance, and group health and welfare insurance, is available from PHH to SFP.

SFP shall be solely responsible for the performance of SFP's duties under this agreement.

SFP are expected to provide, at their own expense, property, personal liability and automobile insurance adequate to cover personal losses and personal liability of at least \$100,000/300,000.

PHH is not liable for damages to the SFP's person or property by the child.

XI.

RIGHT OF INSPECTION

In the performance of SFP's duties under this agreement, SFP has the authority to control and direct the details of SFP's performance. However, the results of SFP's performance must meet the approval of PHH. PHH has a general right of inspection of SFP's residence in order to monitor and secure SFP's satisfactory performance of duties under this agreement.

Additional and separate monitoring for the purpose of licensing review may also be conducted through the Department of Health and Social Services.

XII.

MAINTENANCE OF FAMILY TIES

SFP shall abide by the family contact and visitation plan agreed upon in the placement case plan, with prior approval from PHH for any deviations. Absent such a plan, the SFP shall make reasonable efforts to maintain meaningful family ties between the child placed under SFP's care and guidance and the natural family of the child. The term "reasonable efforts" includes permission for correspondence to and from the child and parental visits to SFP's residence to visit the child. Only PHH, and not SFP, has the authority to determine when and if the child placed under SFP's care and guidance shall visit the residence of the child's parent or parents.

SFP shall maintain the given name of the child placed under SFP's care and guidance.

XIII.

TERMINATION OF AGREEMENT

Either PHH or SFP can terminate this agreement at any time by providing sufficient notice of termination to the other party. Sufficient notice of termination is that which enables post placement plans to be made and carried out with minimum disruption to the child.

XIV.

OTHER PROVISIONS

SFP agrees to be bound by the legal policy of PHH not to discriminate with reference to race, color, national origin, or religion concerning the child under SFP's care and guidance.

SFP further agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now or may in the future become applicable to SFP or to SFP's duly licensed foster home.

SFP agrees to accept no other children into their care, either as foster children or for any other types of care, including day care.

XV.

WHEN AGREEMENT EFFECTIVE

This agreement becomes effective when PHH and SFP execute this agreement. PHH must sign this agreement by and through its duly authorized Executive Director and a duly authorized supervisor of ESP. SFP must sign individually.

Dated and signed at Fairbanks, Alaska this _____ day of _____, 19_____.

PRESBYTERIAN HOSPITALITY HOUSE

SPECIALIZED FOSTER PARENT

by: _____

by: _____

Executive Director of
Presbyterian Hospitality
House (PHH)

Individually

PRESBYTERIAN HOSPITALITY HOUSE

SPECIALIZED FOSTER PARENT

by: _____

by: _____

A Duly Authorized Supervisor
of Presbyterian Hospitality
House (PHH) for the Extended
Supervision Program (ESP)

Individually

ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
FOURTH JUDICIAL DISTRICT)

THIS IS TO CERTIFY that before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____ on the _____ day of _____, 19_____, at Fairbanks, Alaska. I know _____ to be the Executive Director of Presbyterian Hospitality House, who said that she knows the contents of the foregoing Agreement, and acknowledged the same to be the act of said corporation, done by the authority of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19_____.

Notary Public in and for Alaska.
My commission expires:

STATE OF ALASKA)
) ss.
FOURTH JUDICIAL DISTRICT)

THIS IS TO CERTIFY that before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____ on the _____ day of _____, 19_____, at Fairbanks, Alaska. I know _____ to be a duly authorized Supervisor of Presbyterian Hospitality House for the Extended Supervision Program, who said that he knows the contents of the foregoing Agreement, and acknowledged the same to be the act of said corporation, done by the authority of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this _____ day of _____, 19_____.

Notary Public in and for Alaska.
My commission expires:

EXTENDED SUPERVISION PROGRAM

Projected Budget
FY 81-82

	<u>Per Child Per Month</u>	<u>Per Year</u>	<u>5 Children Per Month</u>	<u>Per Year</u>
Fee to ESP Parent	1033.23 (33.33 per day)	12165.45	5166.15	60827.25
Counseling (To child & family)	240.00 (60.00/hr)	2880.00	1200.00	14400.00
Crisis Intervention	30.00	360.00	150.00	1800.00
Staff Meeting (In home once/month)	32.25	387.00	161.25	1935.00
Transportation & Mileage	20.00	240.00	100.00	1200.00
School (Inhouse, GED prep, supervision of public school performance)	43.50	522.00	217.50	2610.00
Administrative Overhead (10%)	<u>121.50</u>	<u>1458.00</u>	<u>607.50</u>	<u>7290.00</u>
	1520.48	18012.45	7602.40	90062.25

Figuring on average 60% residency this first year, while we finish recruiting and get a better feel for the children who can make best use of this program:

\$54037.35

COMPROMISE LANGUAGE TO
CS FOR HOUSE BILL NO. 357 (RULES) am
REGARDING FULL COST OF CARE STATUTE

For an Act entitled: "An Act relating to public assistance and other assistance provided on behalf of the state to individuals; and providing for an effective date."

* Sec. 19. FINDINGS. The legislature finds that the methods for establishing payment rates for assistance provided on behalf of the state by residential child care facilities set out in AS 47.40 is not adequate. The legislature further finds that during the period of study operation of AS 47.40 should be suspended. Between June 30, 1982 and July 1, 1984, the Department of Health and Social Services shall conduct a study of alternatives to AS 47.40. The study shall include, among other matters determined by the department, redefining the manner in which the rate is calculated, allowable reimbursement for capital costs, and utilization of other than departmental sources of funds to finance services and construction of such institutions.

* Sec. 20. The operation of AS 47.05.010(14), AS 47.40.010, AS 47.40.040, and AS 47.40.050 is suspended from July 1, 1982 through June 30, 1984. During the period of suspension, payment for services provided by residential child care facilities shall be made in accordance with the provisions of Sec. 21 and 22 of this Act.

* Sec. 21. For fiscal year 1983, the payment per day for each child placed by the Department of Health and Social Services in residential child care is:

ALASKA CHILDRENS SERVICES RECEIVING HOME (ANCHORAGE)	\$149.85
ALASKA CHILDRENS SERVICES JESSE LEE HOME (ANCHORAGE)	165.46
ALASKA CHILDRENS SERVICES RABBIT CREEK GROUP HOME (ANCHORAGE)	166.40
ALASKA CHILDRENS SERVICES NORTH STAR HOME (ANCHORAGE)	103.55
ALASKA CHILDRENS SERVICES AQUARIUS HOUSE (ANCHORAGE)	107.60
ALASKA CHILDRENS SERVICES COLLETTI HOUSE (ANCHORAGE)	117.51
ALASKA BAPTIST FAMILY SERVICE CENTER (ANCHORAGE)	117.02
BOOTH MEMORIAL HOME (ANCHORAGE)	146.90
HILLTOP HOME, INC. (ANCHORAGE)	85.53
KENAI PENINSULA COMMUNITY CARE CENTER (KENAI)	91.74
KODIAK BAPTIST MISSION (KODIAK)	61.61
TURNING POINT BOYS RANCH (WILLOW)	105.37
NORTH STAR CHILDRENS HOME (DOT LAKE)	62.25
PRESBYTERIAN HOSPITALITY HOUSE (FAIRBANKS)	111.98
JUNEAU RECEIVING HOME (JUNEAU)	106.17
ST. JUDE CENTER, INC. RECEIVING HOME (JUNEAU)	72.33
NOME RECEIVING HOME (NOME)	116.97
NORTH SLOPE BOROUGH CHILDRENS RECEIVING HOME (BARROW)	168.35
KETCHIKAN TEEN HOME I (KETCHIKAN)	74.26
KETCHIKAN TEEN HOME II (KETCHIKAN)	81.61
KETCHIKAN CHILDRENS HOME INTENSIVE TREATMENT UNIT (KETCHIKAN)	152.56
SITKA RECEIVING HOME (SITKA)	40.66
BETHEL RECEIVING HOME (BETHEL)	75.52
BETHEL GROUP HOME (BETHEL)	59.06
COVENANT HIGH SCHOOL (UNALAKLEET)	51.16

* Sec. 22. During fiscal year 1984 the Department of Health and Social Services shall offer to pay for assistance provided on behalf of the state by a residential child care facility in the amount not to exceed the rate established under Section 21 for that facility for fiscal year 1983, plus five percent.

* Sec. 23. This Act takes effect July 1, 1982.

HB 357

[To be added to AS 47.25.590 in
existing Sec. 16 of the Act]

(d) The department may enter into an agreement under 42 U.S.C. sec. 1382e through which funds made available to the department under AS 47.25.430-47.25.615 are transferred to the federal government and spent by the federal government in accordance with AS 47.-25.430-47.25.615.

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.

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. 139-82

April 12, 1982

The Honorable Albert Adams
Representative
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Adams:

During testimony before House Finance on Wednesday, April 17, I recommended several modifications to Section 6 of CSHB357 (Finance) which were not adopted prior to passage of the bill from the committee. The changes needed are as follows:

- Page 2, Line 12 - Delete wording "Unless otherwise provided by law,".
- Page 2, Line 13 - Delete word "local" preceding "government".
- Page 2, Line 23 - Add wording "with a person or local government" immediately after the phrase "under this section".


Department of Law legal counsel advises me that these changes are crucial for these reasons:

- (1) Line 12: Make it clear that the Department can enter into service delivery contracts. The wording "unless otherwise provided by law" sets up a potential catch 22 where the Department might be prevented from contracting due to the specificity of language found elsewhere in the present statutes calling for the Department to perform certain functions.
- (2) Line 13: Make it clear that the Department may contract with federal agencies to deliver departmental services. Current wording of CSHB357 restricts this flexibility to local governments only. Of particular concern is our intent to transfer the Adult Public Assistance programs to the federal government during FY83.
- (3) Line 23: Make it clear the Department may contract directly with the federal government to deliver departmental services without publishing a request for proposals. Where the Department might exercise this option, "Request for Proposals" would be inappropriate because there is only one federal government. Appropriate federal and state staff would simply negotiate the terms of any such contractual arrangement under the legal guidance of the Department of Law.

April 12, 1982

The Department of Health and Social Services and the Department of Law continue to support the need for the above referenced changes. Any assistance you may be able to offer in this regard will be greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Rod Betit". The signature is written in dark ink and is positioned below the word "Sincerely,". A horizontal line is drawn across the signature.

Rod Betit
Director

cc: Thomas H. Robertson,
Assistant Attorney General

Allen Korhonen,
Deputy Commissioner

Alice Farnan

4/20/82

SSI CLAIMS REPORT - PROCESSING TIME FOR OCTOBER 1981 THROUGH MARCH 1982

ALL ACTIVE FIELD OFFICES IN THE NATION

Award

Blind Disabled

		AGED MPT	BD COUNT	RD MPT	BD M COUNT	BD M DENY MPT
SF-SUTTER SI CA	MAR2	26.5	113.0	71.0	413.0	83.0
LOS ANGELES CA	MAR2	14.4	186.0	111.0	494.0	90.1
FRESNO CA	MAR2	29.9	74.0	64.5	204.0	60.8
PAKLAND-D/T CA	MAR2	21.1	153.0	69.6	496.0	80.4
SAN DIEGO CA	MAR2	21.9	144.0	76.0	347.0	92.3
SACRAMENTO CA	MAR2	25.0	98.0	85.8	305.0	99.7
EUREKA CA	MAR2	16.3	82.0	93.6	130.0	96.8
PASADENA CA	MAR2	13.0	90.0	71.0	306.0	91.7
LONG BEACH CA	MAR2	16.0	145.0	72.1	443.0	97.4
SAN BERNARDINO CA	MAR2	26.1	162.0	64.0	273.0	86.6
SAN JOSE CA	MAR2	27.4	131.0	76.3	398.0	63.3
SANTA BARBARA CA	MAR2	27.8	76.0	64.7	109.0	71.8
STOCKTON CA	MAR2	27.0	174.0	80.8	454.0	94.5
BAKERSFIELD CA	MAR2	23.7	113.0	54.7	307.0	64.6
SANTA ROSA CA	MAR2	24.9	105.0	75.9	257.0	94.6
GLENDALE CA	MAR2	13.6	95.0	64.1	243.0	79.0
MOUNTAIN PARK CA	MAR2	17.6	126.0	84.1	501.0	76.0
SAN MATEO CA	MAR2	27.7	47.0	73.8	88.0	78.8
HOLLYWOOD CA	MAR2	16.4	92.0	80.5	377.0	85.0
REDDING CA	MAR2	28.3	118.0	73.0	221.0	104.2
L.A. WESTWOOD CA	MAR2	15.7	75.0	67.7	176.0	72.0
INGLEWOOD CA	MAR2	22.0	143.0	68.0	528.0	79.6
SANTA ANA CA	MAR2	32.4	131.0	78.3	172.0	80.4
VALLEJO CA	MAR2	36.9	41.0	90.0	105.0	111.4
VENTURA CA	MAR2	15.4	65.0	47.9	140.0	63.4
VAN NUYS CA	MAR2	15.9	152.0	50.9	324.0	70.4
BERKELEY CA	MAR2	19.6	67.0	72.2	125.0	84.0
SAN FRAN-PARKSIDE CA	MAR2	20.1	64.0	56.7	40.0	76.4
MODESTO CA	MAR2	16.7	130.0	79.2	391.0	100.8
CHICO CA	MAR2	25.1	47.0	68.0	124.0	106.0
VISALIA CA	MAR2	20.5	69.0	64.0	267.0	67.3
PUMONA CA	MAR2	33.1	126.0	87.0	350.0	90.0
WHITTIER CA	MAR2	16.6	48.0	65.0	142.0	85.6
TORRANCE CA	MAR2	22.0	155.0	77.5	279.0	73.9
SALINAS CA	MAR2	18.2	91.0	74.5	151.0	82.4
EL CENTRO CA	MAR2	25.6	51.0	87.2	102.0	111.1
SAN LUIS OBISPO CA	MAR2	18.7	54.0	67.1	133.0	71.2
OCEANSIDE CA	MAR2	24.1	67.0	75.1	127.0	85.5
SAN RAFAEL CA	MAR2	25.6	45.0	71.5	80.0	95.3
MARYSVILLE CA	MAR2	31.6	48.0	65.6	162.0	99.5
HONOLULU HI	MAR2	17.2	148.0	62.7	223.0	66.4
HILU HI	MAR2	24.4	25.0	72.8	94.0	72.1
LIHUE HI	MAR2	30.4	9.0	54.3	7.0	87.7
JUNEAU AK	MAR2	21.6	12.0	93.4	27.0	81.7
ANCHORAGE AK	MAR2	21.5	74.0	78.2	142.0	74.2
FAIRBANKS AK	MAR2	37.0	34.0	80.6	71.0	85.9
LONG BEACH NY	MAR2	17.5	30.0	56.4	85.0	64.4
CULLMAN AL	MAR2	15.7	56.0	70.6	164.0	60.9
SCOTTSDALE AL	MAR2	14.9	34.0	50.5	104.0	55.4

*Follows Reporting
Requirements*

MEMORANDUM OF AGREEMENT

between

DIVISION OF PUBLIC ASSISTANCE,
ALASKA DEPARTMENT OF HEALTH AND SOCIAL SERVICES

and

DIVISION OF VOCATIONAL REHABILITATION,
ALASKA DEPARTMENT OF EDUCATION

I. PURPOSE

The purpose of this Agreement is to set forth the terms and conditions under which the Division of Public Assistance and the Division of Vocational Rehabilitation shall cooperate to promptly and accurately establish the eligibility of certain applicants for Aid to the Blind, Aid to the Disabled, Medicaid, and General Relief - Medical Assistance.

II. EFFECTIVE DATE

This Agreement shall be effective June 1, 1982, between the Division of Vocational Rehabilitation (DVR) and the Division of Public Assistance (DPA) and shall remain in effect until amended or terminated. This Agreement may be modified in writing at any time by mutual consent. This Agreement may be terminated by either party upon 30 days written notice.

III. Responsibilities of the Division of Public Assistance (DPA)

The Division of Public Assistance agrees to:

- (1) Furnish to the Division of Vocational Rehabilitation all applications and supporting documentation relating to a) the physical, mental, and social condition of applicants; and b) their work history. For purposes of this

agreement an "applicant" is a person who has applied for either Aid to the Blind or Aid to the Disabled (APD) assistance and who has:

(a) Been found eligible by DPA for APD or ABL for assistance in all respects except for the condition of blindness or disability; and

(b) Been determined to be unqualified to receive either Social Security disability payments or Supplemental Security Income disability assistance on grounds other than lack of disability or blindness.

(2) Pay to DVR (DDU) all necessary costs related directly to obtaining evidence for DVR in order to assess disability or blindness, including such costs as medical or psychological examinations, necessary transportation of the applicant (and escort, if this is required) to and from the place of examination, and food and lodging expenses of the applicant (and escort, if required). The terms, conditions, and procedures governing such payment should be those specified in 7AAC 43 and 7AAC47, 42CFR, and relevant state and federal statutes governing the Medicaid and General Relief - Medical assistance programs.

(3) Pay to DVR the sum of \$200.00 for each completed determination of disability or blindness, and such lesser

sum as the divisions shall jointly agree is appropriate for each determination which has been begun but cannot be completed because of conditions beyond the control of either division. Payment shall be by a Reimbursable Services Agreement in accordance with approved State accounting practices.

- (4) Provide notice to each applicant of the disability or blindness determination made by DVR, or take action denying any application from a person who fails without good cause to cooperate as necessary to complete the determination process.
- (5) Conduct all activities related to appeals in accordance with 7AAC 49, including compensating DVR for any costs incurred as a result of an appeal.

IV. Responsibilities of the Division of Vocational Rehabilitation (DVR)

The Division of Vocational Rehabilitation agrees to:

- (1) Determine the disability or blindness of each applicant referred by the Division of Public Assistance, in accordance with definitions and the requirements of Titles II and XVI of the Social Security Act, as amended; 20 CFR 400 ff, as amended, and 7AAC 40, as amended; and notify DPA of this decision in writing within 30 days of such referral.
- (2) Insure that notice to the Division of Public Assistance

will contain the degree of detail required under existing agreements between the Division of Vocational Rehabilitation and the Social Security Administration. Such notices will also include a determination of whether or not the applicant can perform work which does not exist in Alaska, but which exists elsewhere in the national economy.

- (3) Notify the Division of Public Assistance when, in its opinion, an applicant has failed to fulfill his or her responsibility to cooperate fully in providing evidence essential to the determination, or a medical or psychological examiner has failed to provide information for which DPA has made arrangements to pay.
- (4) Cooperate fully in all activities required of DPA under 7AAC 49, including providing upon written request all evidence in its possession relating to an eligibility decision which is being appealed.

V. Joint Responsibilities

Both the Division of Public Assistance and the Division of Vocational Rehabilitation jointly agree to:

1. Provide for the confidentiality of information in accordance with AS47.05.010-AS47.05.030 and 7AAC 37.
2. Establish detailed procedures for the interchange of necessary documents and information without delay, and without disruption of activities not relating to this

agreement, and jointly or separately instruct staff in these procedures.

3. Formally and jointly review at least once each calendar quarter the provisions of this Agreement, the performance under it and the procedures established to carry out the purposes of the Agreement, in order to promptly identify and remove any impediments to the timely and accurate determination of eligibility.

Approved for the Division of Public Assistance this _____ day
of _____, by _____
Director, Division of Public Assistance

Approved for the Division of Vocational Rehabilitation this _____ day
of _____, by _____
Director, Division of Vocational Rehabilitation

(10) "intoxicated person" means a person whose mental or physical functioning is substantially impaired as a result of the use of alcohol;

(11) "office" means the office of alcoholism within the Department of Health and Social Services;

(12) "treatment" means the broad range of emergency, outpatient, intermediate, and inpatient services and care which may be extended to alcoholics and intoxicated persons, including diagnostic evaluation, medical, psychiatric, psychological, and social service care, vocational rehabilitation and career counseling. (§ 1 ch 207 SLA 1972; am § 4 ch 116 SLA 1978)

Effect of amendment. — The 1978 amendment inserted "or through a grant awarded under AS 47.30.475" in paragraph (3).

Quoted in Peter v. State, Sup. Ct. Op. No. 1112 (File No. 2185), 531 P.2d 1263 (1975).

Chapter 40. Purchase of Services.

Section	Section
10. Purchase of services	50. Services
20. Licensing and supervision	60 — 70. [Repealed]
30. Required accounting procedures	80. Definitions
40. Determination of full cost of services	

Sec. 47.40.010. Purchase of services. (a) When the department purchases services for persons for whom the state has assumed responsibility under the laws of the state, the department shall

- (1) adopt regulations establishing the levels of care to be provided;
- (2) determine the rates of payment for the full cost of services required;
- (3) pay all expenses related directly to the full cost of services at the levels of care required;
- (4) make the placement of persons in accordance with the levels of care provided for in the regulations.

(b) Services of jails and other penal institutions may not be included in services purchased by the state in this chapter. (§ 1 ch 136 SLA 1970)

Sec. 47.40.020. Licensing and supervision. Anyone providing services which are purchased by the department under this chapter shall, if required by the department, be licensed and supervised in the same manner as boarding homes, foster homes and other institutions as provided for in AS 47.35.010 — 47.35.080. (§ 1 ch 136 SLA 1970)

Sec. 47.40.030. Required accounting procedures. Anyone who solicits or receives funds from the department for the cost of services provided under this chapter shall

- (1) meet accepted standards of fiscal accountability for public funds and shall, upon request, submit a complete financial statement by an independent, certified public accountant to the department and to the division of legislative audit;

(2) upon request before the meetings provided for in AS 47.05.010 (14), demonstrate the actual cost of services offered using cost accounting procedures as provided for by the department;

(3) upon request, furnish the division of legislative audit all fiscal information, books, records, and accounts pertaining to services paid for under this chapter. (§ 1 ch 136 SLA 1970)

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 in 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. 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 may be considered.

(b) Full cost of services does not include the following:

- (1) expenses, including salaries and fees, incurred in raising funds;
- (2) funds expended for construction, major equipment and other capital expenditures;
- (3) depreciation and replacement costs of, and costs of additions to, major property and equipment;
- (4) religious training and education; and
- (5) services provided which are substandard to, or exceed, the requirements of the department. (§ 1 ch 136 SLA 1970)

Sec. 47.40.050. Services. When determining the levels of service to be required the department shall consider program services as outlined within the Catalogue of Functional or Program Service Categories published by the United Funds and Councils of America, September 1967. (§ 1 ch 136 SLA 1970)

Sec. 47.40.060. Temporary placement.
Repealed by § 1 ch 210 SLA 1970.

Editor's note. — The repealed section derived from § 1, ch. 136, SLA 1970.

Sec. 47.40.070. Permanent placement.
Repealed by § 1 ch 210 SLA 1970.

Editor's note. — The repealed section derived from § 1, ch. 136, SLA 1970.

Sec. 47.40.080. Definitions. In this chapter

- (1) "anyone" means any person, city, organized borough and private or voluntary institution or agency;
- (2) "services" means family, child welfare and nonprofit nursing home services but does not include health, hospital, profit-making nursing homes or medical services;

COMPARISONS OF DEPARTMENTAL ALLOWANCES FOR IN STATE CHILD CARE INSTITUTIONAL INCREASES
AND ACTUAL INSTITUTIONAL RATE INCREASES OVER DEPARTMENTAL ALLOWANCES

AVERAGE DAILY RATE INCREASES: FISCAL YEAR 1979 - 1982 (SIX MONTHS)

FISCAL YEAR	DEPARTMENTAL DECISIONS	ACTUAL RATE INCREASE	INSTITUTIONAL EXCESS RATE INCREASE OVER DEPARTMENTAL PERCENTAGE ALLOWANCES	AVERAGE DAILY RATES (ALL INSTITUTIONS)
1979	5% SALARY INCREASE 6% COST-OF-LIVING INCREASE 5.4% AVERAGE INCREASE	28.2%	+22.8%	\$ 61.95
1980	7% SALARY INCREASE 10% OTHER EXPENSE INCREASE 8.5% AVERAGE INCREASE	20.3%	+11.8%	74.52
1981	12% ACROSS-ALL-EXPENSES INCREASE INCLUDING SALARIES	13.8%	+ 1.8%	84.84
1982 - (6 MONTHS) JULY 1, 1981 - DEC 31, 81	14% ACCROSS-ALL-EXPENSES INCREASE INCLUDING SALARIES	29.6%	+15.6%	109.96

ATTACHMENT 1
 IN-STATE INSTITUTIONAL CARE
 ESTIMATED RATES AND COSTS

	Base FY 82 Provisional Avg. Daily Rate x	Adjustments for Allowable Expendi- tures not Included in Base Rate x	Cost of Living For FY 83 =	Estimated Provisional Average Daily Rate For FY 83 x	264 FTE's x 365 days = FY 83 Costs for In-State Care
1. Governor's Budget (Based on 02/81 Rate Hearings)	\$101.50 Est.	5% Est.	6% Est.	\$112.96	\$10,884,825
2. FY 82 Actual Avg. Daily Rate	\$109.50	5% Est.	0%	\$115.46	\$11,125,726
3. FY 82 Actual Avg. Daily Rate	\$109.96	15% (Increase over FY 81 Avg. Rate)	0%	\$126.45	\$12,184,722
4. FY 82 Actual Average Daily Rate	\$109.96	8%	0%	\$123.74	\$11,923,767
5. FY 82 Actual Average Daily Rate	\$109.96	8%	11% requested at 02/82 Rate Hearings	\$137.36	\$13,235,806

Out-of- + State Care +	Other Costs: Travel, Medical Special Needs =	Total FY 83 Est. Costs	FTEs at Gov. Level \$10,884,825 +Rate + 365 Days	Reduction From Gov. Level	FTEs After \$943,700 Reduction Level; \$9,941,125 + Rate + 365 Days	Reduction From Gov. Level
\$674,666 Est. 20 FTE's @ \$92.42)	\$380,234 Est.	\$11,939,725	264	N/A	241	23
\$674,666	\$380,234	\$12,180,626	258	6	236	28
\$674,666	\$380,234	\$13,239,622	236	28	215	49
\$674,666 Est.	\$380,234	\$12,978,667	241	23	220	44
\$674,666	\$380,234	\$14,290,706	217	47	198	66

Review of Full Cost of Care
Method for Financing Institutional Child Care

The total cost for institutional care of juveniles in Alaska has risen dramatically in recent years. The reasons for this cost rise are due, first, to an increase in the number of children in the institutions and, second, to an increase in the rates to keep a child in an institution. The purpose of this short paper is to examine the daily costs to keep a child in an institution and the effect of the full cost of care method of calculating rates in raising costs.

The State of Alaska does not run institutions for children - it pays local non-profit corporations to provide the services. The full cost of care statute, enacted in 1970 and appearing in AS 47.40.040, was designed to establish the method of calculating how the State would pay for services. The full cost of care method has created serious financial problems. The method makes accurate budgeting virtually impossible - the history of the institutional care program has been riddled with budget amendments and supplementals. Briefly, the following is how the method works.

Hearings are conducted by the Department of Health and Social Services in February of each year to receive information from institutions on the daily rates the State should pay and the levels of service to be provided. This information is submitted to the Legislature accompanied by the Department recommendations. The daily rates the State will pay per child in each institution is calculated based on last year's financial experience. For the prior year the total allowable expenditures (non-allowable expenses are listed in the statute) for operating the institution is divided by the number of days of care provided by the institution. The figure serves as a base daily rate upon which to increase rates further by an inflation factor. The full cost of care statute requires the Department of Health and Social Services to review salary levels for all institution staff and to approve establishment of individual positions associated with new programming. This requires in-depth involvement of the Department in institution affairs, creating difficulties for both institutions and the Department.

Several features of the full cost of care system need to be highlighted. First, when calculating the total cost for the institution in the prior year, no consideration is given to the vacancy rate in the institution. If the institution is licensed for 10 children, but cares for only 5, the overhead costs must be paid for by 5 rather than 10 individuals thereby effectively increasing rates. Because the State must pay at the higher rates if the institution is only half full, the institutions are not encouraged to maintain occupancy at the most cost effective levels. In FY 81, for example, the average occupancy rate over all institutions was only 70%, yet the State was paying overhead costs (included in the daily rate calculation) as if institutions were 100% filled.

In addition, the vacancy rate problem is made even worse by the fact that the State has no control over the total number of institutional child care beds licensed. Under current regulations the State must license institutions if they meet basic criteria - there is no provision for denying an institution licensed beds because the total number of beds in the State is greater than is currently needed. To raise the total average rate of occupancy by limiting the number of beds available would allow for more efficient utilization of the facilities remaining. This would have a long range effect of reducing daily cost of caring for children.

The full cost of care method of calculating rates for this year based on last year's experiences also can create problems of cycles of feast and famine for institutions should their occupancy rate rise and fall. If occupancy last year was, say, 50%, the overhead costs built into the daily rate is relatively high. Should the addition of children raise the rate of occupancy in the current year, then the institution will receive more money than the daily rates intended. Similarly, if occupancy rates were high in the prior year upon which rates for this year were calculated, and the number of children decreased, this year's rates would not adequately cover overhead expenses. In short, the full cost of care system of calculating costs (and therefore revenues to the institutions) tend to create greater uncertainty for institutions and often results in the daily rates the State pays for care not accurately reflecting the actual services provided.

Second, because the daily rates the State must pay to institutions this year is based on total expenditures from last year, the State picks up the tab in future years for any other income (non-State income) received by the institution, be it private donation, community contributions, and even federal sources of funds. This means that the cost to the State can rise dramatically in a cumulative fashion. In addition, communities are not encouraged to provide on-going support for institutions benefiting the community. Donations and community support become not a source of basic continuing resources but a lever to increase State contributions in future years. Figures presented below indicate increases in rates the State must pay for picking up the obligation this year to pay institutions whatever other revenues they received last year.

Third, the sequence of events involved in setting rates under the full cost of care method results in inaccurate budgeting, leading to budget amendments and supplementals. Determining total expenditures for the prior year, upon which current rates are calculated, requires audits. The time involved in completing audits after the fiscal year has passed means that daily rates per child cannot be established in time for budget preparation (October at the very latest). Rate setting hearings, scheduled in February, therefore fix rates that are only guessed at in the Governor's budget. And, of course, if more kids are referred to institutions by the courts in the course of the fiscal year, greater total expenses may result. Rate setting hearings and the yearly schedule of events, essential features of the full cost of care method, contribute to the financial unpredictability of the institutional care program.

In short, the full cost of care method of calculating how much the State will pay to local institutions to meet the cost of caring for children has the following undesirable effects. First, there is very little State control over either the costs of caring for children or the quality of care given to children. Second, this lack of control has contributed to dramatic increase in costs per child over the years without necessarily an increase in quality of care. Third, there is no incentive in the payment system for institutions to operate efficiently or effectively. Fourth, the full cost of care method makes responsible annual budgeting very difficult.

There is an alternative to the full cost of care method of calculating and paying for care of children in institutions: that is, simply contracting with institutions (based on a Request for Proposal selection process) for a certain number of beds for a given fiscal year. The major benefits for the State would be purchasing services the Department of Health and Social Services desires and describes in a contract document as opposed to accepting what is available from child-care agencies. (This would result in some agencies revising and adjusting programs now being offered). The Department would also be able to contract for the number of beds to meet their needs thus eliminating the payments for a large number of empty beds. Also, the Request for Proposal selection method will encourage institutions to focus on what they do best and lower costs through the competitive process.

Contracting for services, as a substitute for the full cost of care method paying for services, has major advantages which will lead to lower costs to the State and to better control over the quality of care for children. But contracting directly for services is not possible without the repeal of the full cost of care statute.

David Gentry
Budget and Management
3-3-82

Budget History - Institutional Care

<u>Fiscal Year</u>	<u>Authorized</u>	<u>% Change from Authorized Previous year</u>	<u>Actual</u>	<u>Budget Amendment</u>	<u>Supplemental</u>
83	11,939.7 (proposed)	+ 8.6%		(Minimum 1,000.0 forthcoming)	
82	10,996.0	+49.9%			
81	7,333.6	+49.7%	7,243.8	2,482.0	
80	4,898.8	+ 3.8%	5,558.8		
79	4,719.5	+24.2%	5,002.4		314.8
78	3,799.8	+75.3%	4,217.4		415.8
77	2,168.0	+19.7%	2,955.9		295.4
76	1,811.3	+26.1%	2,264.8		260.0
75	1,436.4		1,955.0		

32.2% Average Annual Increase

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Attachment

Rate Increases FY79-83: Institutional Care

	<u>FY79</u>	<u>FY80</u>	<u>FY81</u>	<u>FY82</u>	<u>Estimated FY83</u>
Daily rate	\$61.95	\$74.52	\$84.84	\$109.96	\$142.89
Cost of Living Increases; Salary Increases	5.4%	8.5%	12.0%	14.0%	13.0%
Increase due to other revenue sources in prior year	22.8%	11.8%	1.8%	15.6%	15.0%
Total increases	28.2%	20.3%	13.8%	29.6%	28.0%

Facility	INSTITUTION RATES						Provisional Rate FY 82	Estimated Rate FY 83
	Audited Rates							
	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81		
Alaska Children's Services Inc.								
Jesse Lee	42.03	61.55	81.59	91.16	100.43	124.47	147.70	160.99
North Star House	33.91	39.88	67.01	40.56	57.69	79.99	103.55	112.87
Aquarius	27.43	36.26	47.61	47.01	85.72	89.90	107.60	117.28
Colletti	27.16	36.94	50.42	38.98	56.12	81.24	117.51	128.09
Anchorage Receiving Home								
Youth Services Center	45.99	54.26	71.76	109.99	99.51	115.32	179.68	195.85
Bunnell Home				60.77	-0-	-0-	-0-	-0-
Mary Johnson Home				109.99	122.33	142.30	1) 166.40	181.38
Rabbit Creek Group Home								
Alaska Baptist Family Service Center					51.51	60.35	117.02	127.55
Alaska Youth Village <i>wait list closing?</i>	31.17	37.19	57.93	67.40	75.27	72.30	77.40	84.37
Barrow Receiving Home								
(North Slope Children's Home)			110.19	110.19	106.05	106.05	168.35	183.50
Bethel Group Home	24.68	44.09	36.04	46.96	42.32	42.01	59.06	64.38
Bethel Receiving Home					55.63	64.02	75.52	82.32
Booth Memorial Home	50.30	60.65	75.63	92.26	109.08	113.60	146.90	160.12
Covenant High School		14.89	18.42	16.52	-0-	28.17	51.16	55.76
Hillcrest Receiving Home	35.32	33.55	46.30	56.61	-0-	-0-	-0-	-0-
Hilltop Home	35.47	42.43		51.00	59.70	74.32	85.53	93.23
Juneau Receiving Home	26.76	47.81	62.04	66.03	71.64	76.89	85.47	93.16
Juneau Teen Home								
Boys	22.52	39.67	39.57	46.12	-0-	-0-	-0-	-0-
Girls	32.71	39.67	39.57	46.12	-0-	-0-	-0-	-0-
Kenai Peninsula Community Care Center	36.58	48.06	51.54	58.23	64.79	81.84	89.14	97.16
Ketchikan Children's Home			48.50	60.52	#1 54.74	59.55	74.26	80.94
					#2 58.86	68.12	81.61	88.95
Kodiak Baptist Mission and Group Home	14.89	20.56	20.72	18.19	38.24	54.42	61.61	67.15

AGENCY Health & Social Services

Social & Economic Assistance
PROGRAM for the General Population

BRU Juvenile Custody

COMPONENT Institutional Care

REVISED

Page 4 of 5 DATE _____

FY 83

23 10 CONTINUED

Facility	INSTITUTION RATES						Provisional Rate FY 82	Estimated Rate FY 83
	FY 76	FY 77	Audited FY 78	Rates FY 79	FY 80	FY 81		
Nome Group Home					-0-	-0-	-0-	-0-
Nome Receiving Home	42.87	43.67	62.25	59.97	83.56	105.99	116.97	127.50
North Star Home	18.94	22.92	42.45	40.83	51.07	54.02	66.20	72.16
Presbyterian Hospitality House	61.48	62.36	65.52	64.86	85.75	98.34	*112.11	2) 122.20
"R" House					85.75	98.34	*112.11	2) 122.20
Sitka Receiving Home			42.26	57.32	45.31	38.39	*43.76	2) 47.70
St. Judes			68.71	68.71	72.33	72.33	*82.46	2) 89.88
Turning Point Boys Ranch	44.92	43.31	46.81	68.71	73.09	84.33	*96.14	2) 104.79

* No FY 82 rate available at this time. This rate reflects FY 81 rate + 14%.

1) Mary Johnson Home now called Rabbit Creek Group Home.

2) Based on FY 81 rate + 14% for FY 82 and 9% for FY 83.

AGENCY Health & Social Services

PROGRAM Social & Economic Assistance
for the General Population

23 18 CONTINUED

BRU Juvenile Custody

FY 83

COMPONENT Institutional Care

REVISED

Page 5 of 5 DATE

* Section 1. AS 14.30 is amended by adding a new section to read:

Sec. 14.30.075. VISION AND HEARING SCREENING EXAMINATIONS. (a)

A vision and hearing screening examination shall be given to each child attending ~~public~~ school in the state. The examination shall be made when the child enters school or as soon thereafter as is practicable, and at regular intervals specified by regulation by the governing body of the district.

(b) The Department of Health and Social Services shall

- (1) set standards for the performance of vision and hearing screening;
- (2) train and certify public health nurses and school district employees to conduct hearing and vision screening tests;
- (3) assist with referral and follow-up of children needing professional examination or treatment; and
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THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

KANIILAQ GROUP HOME
a FY-83 Proposal

The KaniilAQ Group Home is being planned to open as a eight bed co-educational residence for children in the P.R. Ferguson/Human Services Complex in Kotzebue. Of the eight beds, two are tentatively to be reserved for emergency shelter (length of stay ninety days or less) and six for long term residents. The intent is to provide a home for adolescents (12 to 17 years of age) in the NANA region who are determined by the state to need a foster home as well as serving the need in the region for shelter for children above toddler age that the state has taken into emergency custody.

Currently the region relies on individual foster home placement, or placement in institutions in urban areas for children who cannot remain in their own homes. Individual placement has been found to be particularly difficult for adolescents often ending in institutional placement outside the NANA Region. In addition emergency situations have sometimes resulted in children spending the night in jail. Both of these situations are unacceptable in the NANA region and are the inspiration of this proposal.

The group home will be used to bring the family back together again, thus reducing the amount of time an adolescent is institutionalized. This will be accomplished by indepth counseling with the adolescent and his/her parents. The children will be enrolled in the Kotzebue Public Schools and they will be kept in a home atmosphere with live-in house parents. The home will offer a structured living environment and goals will be established for every child in placement.

This is a new program for the NANA Region therefore the start up cost will run high for the first year.

Some day;
I like it!
Don Gilman, Bally Lake Dam

MANILA ASSOCIATION
 PROPOSED GROUP HOME PROGRAM
 FY83

<u>PERSONNEL</u>	\$240,552	
Human Services Director (share of salary)		\$ 6,600
Program Manager/Counselor		30,000
Counselor		28,000
Youth Workers 3@ 23,500		70,500
House Parents 3@ 23,500		70,500
Total Salaries		<u>205,600</u>
Fringe @ 17%		34,952
<u>SUPPLIES</u>	29,300	
Recreational/Program		500
Office		500
Food		26,000
Allowance		1,000
Housekeeping		500
Linens		800
<u>COMMUNICATIONS</u>	1,800	
Telephone		1,200
Postage		600
<u>TRAVEL AND PER DIEM</u>		
Staff for training and business	3,400	
<u>MISCELLANEOUS</u>	4,300	
Professional Fees		
Training Consultants		1,500
Psychiatric and Psychological		2,500
Subscriptions		300
<u>EQUIPMENT</u>	1,680	
<u>INDIRECT</u> 53% of salaries	<u>108,968</u>	
<u>TOTAL BUDGET</u>	\$390,000	

5/25/82

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

Page 2 lines 4, 5

* Sec. 3. For fiscal year 1983, the payment authorized per day for each child placed by the Department of Health and Social Services in existing residential care facilities is:

Page 2 between lines 22 and 23, add a new line as follows and renumber lines accordingly:

"Mannilaq Group Home \$167.⁰⁰78"

Page 3 line 2, add:

~~This does not preclude the Department from contracting with~~
~~new facilities not listed above at a rate to be determined~~
by the department.

Page 3 line 4, add:

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Sec. 14.30.075. VISION AND HEARING SCREENING. (a) Vision and hearing screening shall be conducted for each child attending school in the state. Screening shall be done when the child enters school or as soon thereafter as is practicable, and at regular intervals in accordance with regulations established by the Department of Health and Social Services.

(b) The Department of Health and Social Services shall train and certify public health nurses and school district employees to conduct hearing and vision screening tests, assist with referral and follow-up of children needing professional examination or treatment, and assist with maintenance and repair of screening equipment.

Original sponsor: Rules/Governor

Offered: 4/16/82
For Calendar, Saturday
4/17/82

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 357 (Rules) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to public assistance."

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

8 * Section 1. AS 44.29.020 is amended to read:

9 Sec. 44.29.020. DUTIES OF DEPARTMENT. The Department of Health
10 and Social Services shall administer the state programs of public health
11 and social services, including: (1) maternal and child health services;
12 (2) preventive medical services; (3) public health nursing services; (4)
13 (repealed) (5) nutrition services; (6) health education; (7) labora-
14 tories; (8) mental health treatment and diagnosis; (9) management of
15 state institutions; (10) medical facilities; (11) adult public [OLD AGE]
16 assistance; (12) aid to dependent children; (13) [AID TO THE BLIND];
17 (14) child welfare services; (15) general relief; (16) licensing and
18 supervision of child care facilities; and (17) probation and parole
19 supervision.

20 * Sec. 2. AS 47.05.010(1) is amended to read:

21 (1) administer adult public [OLD AGE] assistance, aid to
22 dependent children, [AID TO THE BLIND,] and all other assistance pro-
23 grams, and receive and spend funds made available to it;

24 * Sec. 3. AS 47.05.010(2) is amended to read:

25 (2) adopt regulations necessary for the conduct of its busi-
26 ness and for carrying out federal and state laws granting adult public
27 [OLD AGE] assistance, aid to dependent children, [AID TO BLIND PERSONS]
28 and other assistance;

29 * Sec. 4. AS 47.05.010(5) is amended to read:

1 (5) cooperate with the federal government in matters of
2 mutual concern pertaining to adult public [OLD AGE] assistance, aid to
3 dependent children, [AID TO BLIND PERSONS] and other forms of public
4 assistance;

5 * Sec. 5. AS 47.05.050 is amended to read:

6 Sec. 47.05.050. POLICY. ~~It is the public policy of the state to~~
7 ~~cooperate and coordinate with the United States government and its~~
8 ~~agencies in providing for and administering federal and state laws for~~
9 ~~adult public [OLD AGE] assistance and the other assistance which is~~
10 ~~provided for or extended to the people of the state.~~

Senator
Parr
wants to
delete. I
agree

11 * Sec. 6. AS 47.25.430 is repealed and reenacted to read:

12 ARTICLE 4. ADULT PUBLIC [OLD AGE] ASSISTANCE.

13 Sec. 47.25.430. ADULT PUBLIC ASSISTANCE. (a) Financial assis-
14 tance shall be given under AS 47.25.430 - 47.25.615, so far as practic-
15 able under appropriations made by law to every aged, blind, or disabled
16 needy resident who has not made a voluntary assignment or transfer of
17 property to qualify for assistance, ~~and who has been determined eligible~~

18 ~~under regulations adopted by the department.~~ As used in this subsection,
19 "resident" means a person who is living in the state voluntarily with
20 the intention of making the state (his) home and is not living in the
21 state for a temporary purpose.

22 (b) The department shall determine the amount of assistance with
23 due regard to the resources and needs of the person and the conditions
24 existing in each case. Assistance shall be in an amount which will
25 provide the applicant with reasonable subsistence compatible with
26 decency and health in accordance with standards established by the
27 department and with the standards established under Title XVI of the
28 Social Security Act. When benefit amounts under Title XVI of the Social
29 Security Act are increased as a result of an increase in the cost of

Delete!
Gives dept
too much
discretion

1 living, the state shall pass along the increase to recipients, and shall
2 increase the amount of the state contribution to recipients by a percent-
3 age of the state contribution equal to the percentage increase in the
4 benefit amounts under Title XVI. Direct payments for medical services
5 and remedial care may not be considered in determining the maximum
6 amount payable.

7 (c) No payment under AS 47.25.430 - 47.25.615 may be made to a
8 person who is a resident of a public institution (except as a patient in
9 a public medical institution) or a person who is a patient in a public
10 or private institution for treatment of a mental disease.

11 (d) A resident of an institution may, ^{or in anticipation of leaving the} upon leaving the institution, ^{institution}
12 apply for assistance under AS 47.25.430 - 47.25.615 instead of the
13 support and maintenance provided in the institution.

14 * Sec. 7. AS 47.25.435 is amended to read:

15 Sec. 47.25.435. EXCLUSION OF INCOME. Notwithstanding the provi-
16 sions of AS 47.25.430 - 47.25.615 [47.25.610], if the applicable provi-
17 sions of the federal Social Security Act, as amended, permit, in deter-
18 mining the need of an applicant for, or a recipient of, an [OLD AGE]
19 assistance grant under AS 47.25.430 - 47.25.615 [47.25.610], the de-
20 partment shall exclude from the computation of the applicant's or
21 recipient's income the amounts specified in 42 U.S.C. sec. 1382a(b),
22 as amended, amounts specified in regulations adopted to implement the
23 supplemental security income provisions of federal law, and any amounts
24 specified by the department by regulation so long as exclusion of those
25 amounts is not in conflict with federal law [A SUM NOT TO EXCEED \$65 A
26 MONTH PLUS ONE-HALF OF THE BALANCE OF THE INCOME THAT IS EARNED IN ANY
27 MANNER, UNTIL FINANCIAL INELIGIBILITY IS REACHED. THE DEPARTMENT MAY
28 PROMULGATE REGULATIONS IT CONSIDERS APPROPRIATE TO CARRY OUT THE PROVI-
29 SIONS OF THIS SECTION].

1 * Sec. 8. AS 47.25.450 is amended to read:

2 Sec. 47.25.450. INVESTIGATION OF APPLICANT. Upon application, the
3 [THE] department shall investigate promptly and record the circumstances
4 of each applicant [PERSON APPLYING FOR OLD AGE ASSISTANCE] to determine
5 the facts supporting the application and other information required by
6 the department.

7 * Sec. 9. AS 47.25.460 is repealed and reenacted to read:

8 Sec. 47.25.460. AWARD, REDUCTION, TERMINATION, AND APPEAL. (a)
9 Upon completion of the investigation, the department shall promptly
10 decide whether the applicant is eligible for and should receive adult
11 public assistance, the amount of it, the manner of paying it, and the
12 date on which it starts. The department may make additional investiga-
13 tion which it considers necessary, and shall make its decision as to the
14 granting of assistance and the amount and nature of it ~~as in its opinion~~
15 ~~is justified~~ and in conformity with AS 47.25.430 - 47.25.615. The
16 department shall notify the applicant of its decision in writing.

17 (b) Assistance under AS 47.25.430 - 47.25.615 is subject to review
18 ~~every three months~~ and at such ~~other~~ times as circumstances warrant. If
19 a recipient of adult public assistance or the spouse of a recipient with
20 whom the recipient is living acquires nonexempt property exceeding
21 resource limitations, or income sufficient to maintain the recipient
22 properly, then the assistance granted to the recipient must either be
23 terminated or reduced to an amount reflecting the reduced need as deter-
24 mined by the department in accordance with applicable regulations. Upon
25 review, the department may, after having provided opportunity for a
26 hearing under (c) of this section, change the assistance granted or
27 terminate it entirely if it finds that the circumstances are changed
28 sufficiently to warrant this action.

29 (c) A recipient whose award is proposed to be modified or termi-

Gives dept. too much discretion

Dept. now doesn't have enough staff to conduct review every 3 months

1 nated, or an applicant whose application is denied by the department
2 shall be granted an opportunity for a hearing before a representative of
3 the department, appointed for that purpose. The hearing shall be held
4 promptly after request for it is made. ~~The representative designated to~~
5 ~~conduct the hearing shall be governed by the regulations prescribed for~~
6 that purpose by the department. *conducted in accordance with*

7 (d) Each award shall be paid on a monthly basis. In case it is
8 impracticable by reason of slow or interrupted means of communication
9 for a warrant covering a month's assistance to reach the recipient in
10 due course, the department may transmit warrants covering assistance for
11 ~~more than one month~~ *future months* and may deliver all of them to the recipient at one
12 time.

13 * Sec. 10. AS 47.25.470 is amended to read:

14 Sec. 47.25.470. PAYMENT WHEN RECIPIENT INCAPACITATED. If a person
15 receiving assistance is incapable of taking care of himself or of the
16 funds granted under AS 47.25.430 - 47.25.615 [47.25.610], the department
17 may direct the payment of the funds to his legally appointed guardian or
18 to another person as designated by the department for his benefit.

19 * Sec. 11. AS 47.25.500 is amended to read:

20 Sec. 47.25.500. RECOVERY OF ASSISTANCE [ALLOWANCES] IMPROPERLY
21 GRANTED. (a) If the department ~~believes~~ *has reasonable grounds for believing* that assistance [FINDS THAT AN
22 OLD AGE ALLOWANCE] was ~~improperly granted,~~ *document the grounds in the case file,* it shall investigate and, if
23 it appears as a result of the investigation that assistance was improper-
24 ly granted, it may, ~~after providing an opportunity for a hearing,~~ *and continued benefits pending a hearing decision* termi-
25 nate or reduce assistance [CANCEL THE ALLOWANCE] and notify the recipient
26 to that effect. The [, AND THE] state [THEN] has a claim against a
27 [THE] person who received an [THE] improper amount of assistance [ALLOW-
28 ANCE]. The claim may [SHALL] be enforced by an action instituted in the
29 name of the state by the attorney general to recover the amount paid to

1 the person, with interest, together with the necessary costs of the
2 action.

3 (b) If the department finds that recovery would work a financial
4 hardship on the recipient to the extent that his health and well-being
5 would be threatened or that the costs of recovery would exceed the amount
6 of assistance improperly granted, it ~~may~~ ^{shall} waive recovery or reduce the
7 amount to be recovered [THE UNITED STATES SHALL, IF IT REQUIRES, BE
8 REIMBURSED OUT OF THE MONEY ON A PRO RATA BASIS IN PROPORTION TO THE
9 AMOUNT IT EXPENDED IN THE CASE, AND THE REMAINING AMOUNT SHALL BE PAID
10 TO THE STATE FOR THE OLD AGE ASSISTANCE FUND].

11 * Sec. 12. AS 47.25.515 is amended to read:

12 Sec. 47.25.515. CANCELLATION OF WARRANTS. (a) Warrants issued to
13 a recipient of [AN OLD AGE] assistance under AS 47.25.430 - 47.25.615
14 [RECIPIENT] after the date of death of the recipient shall be returned
15 to the Department of Administration and canceled.

16 (b) Assistance [OLD AGE ASSISTANCE] warrants issued before the
17 death of the recipient but not negotiated at death shall be returned to
18 the Department of Administration, and shall be canceled, unless claimed
19 by the authorized representative of the estate of the recipient within
20 90 days of the date of death.

21 (c) The state is [SHALL] not [BE] liable to the estate, heirs, or
22 creditors of the deceased [OLD AGE] assistance recipient for payment on
23 warrants canceled under (a) or [AND] (b) of this section.

24 * Sec. 13. AS 47.25.520 is amended to read:

25 Sec. 47.25.520. LEAVING THE [REMOVAL FROM] STATE. A person re-
26 ceiving assistance who leaves [REMOVES FROM] the state may not there-
27 after receive assistance unless the department otherwise directs, *or the person returns to Alaska to reside*

28 * Sec. 14. AS 47.25.550 is amended to read:

29 Sec. 47.25.550. ALIENATION AND ATTACHMENT. Assistance granted

1 under AS 47.25.430 - ~~47.25.615~~ [47.25.610] is inalienable by an assign-
2 ment or transfer and is exempt from garnishment, levy, or execution
3 under the laws of this state.

4 * Sec. 15. AS 47.25.580 is amended to read:

5 Sec. 47.25.580. ACTION AGAINST PERSON LIABLE FOR CARE OF RECIP-
6 IENT. If during the continuance of assistance [AN ALLOWANCE] the depart-
7 ment finds that a person liable for the support of the recipient of
8 assistance is able to provide the necessary care and support of the
9 recipient, and the person liable for the care and support of the reci-
10 pient fails or refuses to support and care for the recipient then the
11 state has a cause of action for the assistance against the person liable
12 for it. The action may [SHALL] be brought in the name of the state by
13 the attorney general against the person liable for the recovery of the
14 amount of money, with interest, paid to the recipient, together with the
15 costs and disbursements of the action. The [UNITED STATES SHALL, IF IT
16 REQUIRES, BE REIMBURSED OUT OF THE MONEY COLLECTED ON A PRO RATA BASIS
17 IN PROPORTION TO THE AMOUNT IT EXPENDED IN THE CASE, AND THE REMAINING]
18 amount collected shall be paid to the Department of Revenue [FOR THE OLD
19 AGE ASSISTANCE FUND].

20 * Sec. 16. AS 47.25.590 is amended to read: *repeal 47.25.590*

21 Sec. 47.25.590. POLICY AND PURPOSE. (a) It is ~~the~~ policy of the
22 state and ~~the purpose of AS 47.25.430 - 47.25.615 [47.25.610] to cooper-~~
23 ~~ate and coordinate with the United States government and its agencies in~~
24 ~~providing for and administering the laws of the federal and state govern-~~
25 ~~ments having for their purpose adult public [OLD-AGE] assistance for~~
26 ~~residents of this state.~~

27 (b) The purpose of AS 47.25.430 - ~~47.25.615~~ [47.25.610] is to
28 furnish financial assistance as far as practicable to needy [,] aged,
29 blind, and disabled persons [INDIVIDUALS], and to help them attain

See
Sec. 5
Pg. 2, *lines*
6-10

1 self-support or self-care.

2 (c) The department may enter into contracts or arrangements with
3 any federal agency, department, or official under which funds made
4 available to the federal agency, department, or official may be trans-
5 ferred to the department and spent in accordance with AS 47.25.430 -
6 47.25.615.

7 * Sec. 17. AS 47.25.600 is amended to read:

8 Sec. 47.25.600. OBTAINING ASSISTANCE BY FRAUD. A person is guilty
9 of a class B misdemeanor [, AND UPON CONVICTION IS PUNISHABLE BY A FINE
10 OF NOT MORE THAN \$500, OR BY IMPRISONMENT IN A JAIL FOR NOT MORE THAN
11 SIX MONTHS, OR BY BOTH,] if he (1) by a false statement, representation,
12 or impersonation, or other fraudulent device, obtains or attempts to
13 obtain or aids or abets another to obtain (A) assistance to which he is
14 not entitled, (B) greater assistance than he is entitled to, (C) payment
15 of a forfeited grant or allowance; or (2) aids and abets in buying or
16 otherwise disposing of the property of the recipient of assistance for
17 the purpose of avoiding liability for the assistance granted.

18 * Sec. 18. AS 47.25.610 is amended to read:

19 Sec. 47.25.610. VIOLATIONS. A person who violates a provision of
20 AS 47.25.430 - 47.25.615 [47.25.610] or a regulation adopted under any
21 of those sections is guilty of a class B misdemeanor [AND IF NO OTHER
22 PENALTY IS PROVIDED, THE PERSON, UPON CONVICTION, IS PUNISHABLE BY A
23 FINE OF NOT MORE THAN \$500, OR BY IMPRISONMENT IN A JAIL FOR NOT MORE
24 THAN SIX MONTHS, OR BY BOTH].

25 * Sec. 19. AS 47.25 is amended by adding a new section to read:

26 Sec. 47.25.615. DEFINITIONS. In AS 47.25.430 - 47.25.615

27 (1) "aged" means 65 or more years of age;

28 (2) "assistance" means money payments to or medical care on
29 behalf of, or any type of remedial care recognized by the department on

*Policy
decision!
Do you
want to
hold someone
guilty of
a crime for
violating a
regulation*

1 behalf of needy aged, blind, or disabled persons who are 18 or more
2 years of age and residents of the state;

3 (3) "blind" means having no vision or having vision that is
4 so defective as to prevent the performance of ordinary activities for
5 which eyesight is essential;

6 (4) "department" means the Department of Health and Social
7 Services;

8 (5) "disabled" means being unable to engage in substantial
9 gainful activity by reason of a medically determinable physical or
10 mental impairment that can be expected to result in death or that has
11 lasted or can be expected to last for a continuous period of not less
12 than 12 months;

13 (6) "public institution" means a governmentally owned estab-
14 lishment that furnishes food, shelter, and some additional treatment or
15 services to 16 or more persons;

16 (7) "public medical institution" means a public hospital or a
17 public institution providing medical care, except an institution for the
18 treatment of mental disease.

19 * Sec. 20. AS 47.25.480, 47.25.510, 47.25.620 - 47.25.710, 47.25.730 -
20 47.25.880, 47.25.905 - 47.25.970, and AS 47.40 are repealed.

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Alaska State Legislature
House

Lusa

MESSAGE TO THE SENATE

Date

May 18, 1982

MR. PRESIDENT:

The House has failed to concur in the Senate amendment to CSHB 357(Rls)am (relating to public assistance), namely, SCS CSHB 357(HESS)amS (relating to public assistance and other assistance provided by the state; eff. date) and respectfully requests the Senate to recede from its amendment.

In the event the Senate does not recede, the Speaker has appointed the following members to a CONFERENCE COMMITTEE to meet with a like committee from the Senate:

Representative Martin, Chairman

Representative Carney

Representative Clocksin

*Perr
Gilman
Sackett*

(2-31-3-4)

Emylow Lloyd

Chief Clerk of the House

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

NOV 16 1981

JAY S. HAMMOND, GOVERNOR

POUCH H 01
JUNEAU, ALASKA 99811
PHONE: 465-3030

November 12, 1981

The Honorable Charlie H. Parr
Alaska State Senate
545 Third Avenue
Suite D
Nerland Building
Fairbanks, Alaska 99701

Dear Senator Parr:

Following our meeting of two weeks ago, we have attempted to delineate the process the Division of Public Assistance follows with SSI and the State Supplement to SSI. We have also started a review of the system with DVR to see if the state can streamline their part to some extent.

The most cumbersome procedures involve adults who feel they are disabled, so the following discussions are built around a client under 65 years of age who is applying for SSI/APA due to disability.

Frequently, an applicant contacts an office of the state's Division of Public Assistance and is given an APA application and an interview appointment. At the time of the interview, a referral form is prepared and sent to Social Security, alerting them to the applicant's situation, and triggering their (SSI's) application process.

The Division of Public Assistance eligibility technician then makes a preliminary disability decision, and predicts what SSI would give the client monthly if they were to determine him eligible. The DPA technician then calculates the amount of state assistance required to bring the client up to the state's need standard and establishes a case.

The typical case would look something like this:

Single adult, rent over \$35/month		
Disabled under parameters established by Social Security		
No income		
Very few resources		
APA need standard	=	526
SSI grant, if eligible	=	265
APA grant amount	=	261 = monthly benefit from the state

November 12, 1981

If the client is ultimately determined eligible for SSI by the Social Security District Office, DPA then double checks the actual SSI grant and insures that our supplemental payment is correct.

The main difficulty in such cases is in determining whether or not an applicant meets the medical definition of being "disabled".

The enclosed booklet specifically describes the physical characteristics of disability.

Disability determinations are made in four situations, and by different methods:

- 1) If the client is below the SSI income level, then the medical exams and disability decision are the responsibility of the Division of Vocational Rehabilitation, which is under contract for this purpose with SSI. Voc Rehab handles these actions as administrative decisions, based on comparisons of medical data with the federal specifications.
- 2) If the client is above the SSI income level, but below the state APA income level, (potentially eligible for state-only assistance) then a Division of Public Assistance review team makes the disability decision. The Division of Public Assistance is presently negotiating a memo of agreement with DVR to provide "standard" DVR disability determinations for our AD clients as well as for SSI.
- 3) If a fair hearing is requested of SSI based on a negative finding, a federal administrative judge travels to Alaska to conduct the hearing and render a decision. The state always abides by the federal decision.
- 4) On state-only cases, the Public Assistance staff conducts the fair hearing and makes the decision.

As you are aware, this dual system involves much inefficiency, confusion and program loss.

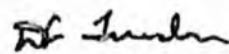
Yesterday we met with the Division of Vocational Rehabilitation and have identified some issues and procedures that require further attention. We will be pursuing these through meetings of our program people in the immediate future.

Also, enclosed is a federal summary of SSI service levels in Alaska which was provided at our request and which is fairly specific.

There are several issues in the APA-SSI relationship, and I would be happy to discuss these program issues with you further if you wish.

I hope this information has been helpful, and I thank you for your interest.

Sincerely,


for Helen D. Beirne
Commissioner

Enclosures

contrast, the Alaska legislature has chosen not to give any aid, under the AFDC program, to children between the ages of 18 and 21. Congress expressly left to the states the option not to participate in the program of aid for that age group. *Horace v. McGinnis*, Sup. Ct. Op. No. 767 (File No. 1448), 494 P.2d 534 (1972).

Design. — AFDC is designed to preserve in the parents "the maximum of self-support and personal independence consistent with the maintenance of continuing parental care and protection." *Henry v. Betit*, 323 F. Supp. 418 (D. Alas. 1971).

Incentives to seek employment may be maximized. — To effectuate the goal of self-support and personal independence, the state may structure its AFDC program to maximize incentives to seek employment as an alternative to welfare. *Henry v. Betit*, 323 F. Supp. 418 (D. Alas. 1971).

Constitutionality of classifications. — In the area of economics and social welfare, a state does not violate the equal protection clause merely because the classifications made by its laws are imperfect. *Henry v. Betit*, 323 F. Supp. 418 (D. Alas. 1971).

If a classification has some reasonable basis, it does not offend the Constitution simply because the classification is not

made with mathematical necessity or because in practice it results in some inequality. *Henry v. Betit*, 323 F. Supp. 418 (D. Alas. 1971).

Classifications which are unrelated to, or which detract from, the fundamental purposes of AFDC as defined in AS 47.25.400 have been stricken as arbitrary and violative of equal protection. *Henry v. Betit*, 323 F. Supp. 418 (D. Alas. 1971).

Involuntary unemployment of father as valid classification. — Classification of families as ineligible to receive benefits under the Alaska AFDC program solely because the need of their children is caused by the involuntary unemployment, as opposed to the death, absence, or incapacity of the father, is a valid classification. *Henry v. Betit*, 323 F. Supp. 418 (D. Alas. 1971).

42 U.S.C. § 607 (1969), which made additional grants available to states wishing to provide assistance to children whose need is due to the unemployment of the father, although it purports to amend the definition of needy child contained in § 606(a), is optional and not applicable unless described in the plan submitted by the state to the Secretary of Health, Education and Welfare. *Henry v. Betit*, 323 F. Supp. 418 (D. Alas. 1971).

Sec. 47.25.420. Short title. AS 47.25.310 — 47.25.420 may be cited as the Aid to Families with Dependent Children Act. (§ 51-2-41 ACLA 1949; am § 7 ch 73 SLA 1963)

Article 4. Old Age Assistance.

Section	Section
430. Persons entitled to old age assistance	520. Removal from state
435. Exclusion of income	530. Reports by department
440. Application for assistance	540. Annual reports
450. Investigation of applicant	550. Alienation and attachment
460. Award and appeal	560 — 570. [Repealed]
470. Payment when recipient incapacitated	575. Property taken under eminent domain powers
480. Cancellation or reduction of assistance	580. Action against person liable for care of recipient
490. Imprisoned recipients	590. Policy and purpose
500. Recovery of allowances improperly granted	600. Obtaining assistance by fraud
510. Modification of assistance	610. Violations
515. Cancellation of warrants	

Sec. 47.25.430. Persons entitled to old age assistance. (a) Financial assistance shall be given under AS 47.25.430 — 47.25.610, so far as practicable under the conditions in the state, to every aged, needy resident of the state who has attained the age of 65 years, who has not

made a voluntary assignment or transfer of property to qualify for assistance. Assistance shall be in an amount which will provide the applicant with reasonable subsistence compatible with decency and health in accordance with standards established by the department and with the standards established under Title XVI of the Social Security Act. When benefit amounts under Title XVI of the Social Security Act are increased as a result of an increase in the cost of living, the state shall pass along the increase to recipients, and shall increase the amount of the state contribution to recipients by a percentage of the state contribution equal to the percentage increase in the benefit amounts under Title XVI. Direct payments for medical services and remedial care may not be considered in determining the maximum amount payable.

(b) No payment under AS 47.25.430 — 47.25.610 may be made to an individual who is a resident of the Alaska Pioneers' Home or another public institution (except as a patient in a public medical institution) or an individual who is (1) a patient in a public or private institution for tuberculosis or mental diseases, or (2) diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result of the diagnosis.

(c) A resident of the Alaska Pioneers' Home or other institution may, at any time he wishes to leave the institution, apply for assistance under AS 47.25.430 — 47.25.610 instead of the support and maintenance provided in the home or institution. (§ 51-2-51 ACLA 1949; am § 1 ch 33 SLA 1949; am § 1 ch 49 SLA 1951; am § 1 ch 101 SLA 1953; am § 1 ch 110 SLA 1959; am ch 154 SLA 1962; am § 2 ch 105 SLA 1967; am § 1 ch 11 FSSLA 1967; am § 1 ch 234 SLA 1970; am § 1 ch 172 SLA 1975)

Effect of amendment. — The 1975 amendment, in subsection (a), substituted "and with the standards established under Title XVI of the Social Security Act" for "but may in no case exceed \$250 a calendar month" at the end of the second sentence, and added the present third sentence.

Editor's note. — Section 4, ch. 172, SLA 1975, as amended by § 1, ch. 23, SLA 1976, provides: "For purposes of determining the state contribution to recipients under AS 47.25.430(a), 47.25.640, and 47.25.810 as of July 1, 1976, the Department of Health and Social Services shall establish levels of need not exceeding \$334 a month for an individual recipient."

Legislative history reports. — For report on ch. 234, SLA 1970 (FCCS HCS CSSB 386), see 1970 House Journal, p. 1478.

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A statutory prohibition of welfare benefits to residents of less than a year creates a classification which constitutes an invidious discrimination denying such residents equal protection of the laws. *Shapiro v. Thompson*, 394 U.S. 618, 89 S. Ct. 1322, 22 L. Ed. 2d 600 (1969).

ALR and C.J.S. references. — Constitutionality of old age assistance acts, 37 ALR 1524; 86 ALR 912; 101 ALR 1215.

Requisite residence for purpose of old age assistance, 143 ALR2d 1427.

81 C.J.S. Social Security and Public Welfare, §§ 17 to 21.

Sec. 47.25.435. Exclusion of income. Notwithstanding the provisions of AS 47.25.430 — 47.25.610, if the applicable provisions of the federal Social Security Act, as amended, permit, in determining the need of an applicant for, or a recipient of, an old age assistance grant

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(c) A resident of the Alaska Pioneers' Home or other institution may, at any time he wishes to leave the institution, apply for assistance under AS 47.25.430 — 47.25.610 instead of the support and maintenance provided in the home or institution. (§ 51-2-51 ACLA 1949; am § 1 ch 33 SLA 1949; am § 1 ch 49 SLA 1951; am § 1 ch 101 SLA 1953; am § 1 ch 110 SLA 1959; am ch 154 SLA 1962; am § 2 ch 105 SLA 1967; am § 1 ch 11 FSSLA 1967; am § 1 ch 234 SLA 1970; am § 1 ch 172 SLA 1975)

Effect of amendment. — The 1975 amendment, in subsection (a), substituted "and with the standards established under Title XVI of the Social Security Act" for "but may in no case exceed \$250 a calendar month" at the end of the second sentence, and added the present third sentence.

Editor's note. — Section 1, ch. 172, SLA 1975, as amended by § 1, ch. 83, SLA 1976, provides: "For purposes of determining the state contribution to recipients under AS 47.25.430(a), 47.25.640, and 47.25.810 as of July 1, 1976, the Department of Health and Social Services shall establish levels of need not exceeding \$334 a month for an individual recipient."

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Requisite residence for purpose of old age assistance, 143 ALR2d 1427.

81 C.J.S. Social Security and Public Welfare, §§ 17 to 21.

Sec. 47.25.435. Exclusion of income. Notwithstanding the provisions of AS 47.25.430 — 47.25.610, if the applicable provisions of the federal Social Security Act, as amended, permit, in determining the need of an applicant for, or a recipient of, an old age assistance grant

\$65 a month plus one-half of the balance of the income that is earned in any manner, until financial ineligibility is reached. The department may promulgate regulations it considers appropriate to carry out the provisions of this section. (§ 1 ch 64 SLA 1973; am § 3 ch 149 SLA 1975)

Revisor's note. — In ch. 64, SLA 1973, this section was incorrectly designated AS 47.25.885.

Effect of amendment. — The 1975 amendment, in the first sentence,

substituted "\$65" for "\$85," inserted "plus one-half of the balance of the income," and added "until financial ineligibility is reached" to the end.

Sec. 47.25.440. Application for assistance. A person requesting assistance shall apply for it, either for himself or by another in his behalf, upon forms furnished and under regulations prescribed by the department. (§ 51-2-52 ACLA 1949)

Sec. 47.25.450. Investigation of applicant. The department shall investigate promptly and record the circumstances of each person applying for old age assistance to determine the facts supporting the application and other information required by the department. (§ 51-2-53 ACLA 1949)

Sec. 47.25.460. Award and appeal. (a) Upon completion of the investigation, the department shall decide whether the applicant is eligible for and should receive old age assistance, the amount of it, the manner of paying it and the date on which it starts. The department may make additional investigation which it considers necessary, and shall make its decision as to the granting of assistance and the amount and nature of it as in its opinion is justified and in conformity with AS 47.25.430 — 47.25.610. The department shall notify the applicant of its decision in writing.

(b) An applicant whose application is denied, discontinued or modified by the department shall be granted an opportunity for fair hearing before the department or before an agent of the department, appointed for that purpose. The hearing shall be held within a reasonable time after demand for it is made. If an agent is designated to conduct the hearing, the agent shall be governed by the regulations prescribed for that purpose by the department.

(c) Each allowance shall be paid monthly. In case it is impracticable by reason of slow or interrupted means of communication for a warrant covering a month's benefit to reach the beneficiary in due course, the department may transmit warrants covering payments for more than one month and may deliver all of them to the beneficiary at one time. All warrants shall be registered in a book kept for that purpose and when registered shall in the order of their registration take priority over all other warrants against the Old Age Assistance Fund. (§ 51-2-54 ACLA 1949)

granted under AS 47.25.430 — 47.25.610, the department may direct the payment of the funds to his legally appointed guardian or to another person as designated by the department for his benefit. (§ 51-2-55 ACLA 1949)

Sec. 47.25.480. Cancellation or reduction of assistance. If the recipient of assistance or the husband or wife of a recipient acquires property or income sufficient to maintain the recipient properly, then the aid or assistance granted to the recipient shall either be cancelled or reduced to an amount which the department determines is sufficient. (§ 51-2-56 ACLA 1949)

Sec. 47.25.490. Imprisoned recipients. If a recipient is convicted of a crime or offense, and punished by imprisonment, no payment may be made during the period of imprisonment, and the department may, in its discretion, declare the assistance forfeited. (§ 51-2-57 ACLA 1949)

Sec. 47.25.500. Recovery of allowances improperly granted. (a) If the department finds that an old age allowance was improperly granted, it shall investigate and, if it appears as a result of the investigation that assistance was improperly granted, it may cancel the allowance and notify the recipient to that effect, and the state then has a claim against the person who received the improper allowance. The claim shall be enforced by an action instituted in the name of the state by the attorney general to recover the amount paid to the person, with interest, together with the necessary costs of the action.

(b) The United States shall, if it requires, be reimbursed out of the money on a pro rata basis in proportion to the amount it expended in the case, and the remaining amount shall be paid to the state for the Old Age Assistance Fund. (§ 51-2-58 ACLA 1949; am § 2 ch 33 SLA 1949)

Sec. 47.25.510. Modification of assistance. Assistance under AS 47.25.430 — 47.25.610 is subject to reconsideration as often as the department requires. The department may change the assistance granted or cancel it entirely if it finds that the circumstances are changed sufficiently to warrant this action. (§ 51-2-59 ACLA 1949)

Sec. 47.25.515. Cancellation of warrants. (a) Warrants issued to an old age assistance recipient after the date of death of the recipient shall be returned to the Department of Administration and canceled.

(b) Old age assistance warrants issued before the death of the recipient but not negotiated at death shall be returned to the Department of Administration, and shall be canceled, unless claimed by the authorized representative of the estate of the recipient within 90 days of the date of death.

(c) The state shall not be liable to the estate, heirs, or creditors of the deceased old age assistance recipient for payment on warrants canceled under (a) and (b) of this section. (§ 2 ch 52 SLA 1964)

who removes from the
unless the department otherwise directs. (§ 51-2-60 ACLA 1949)

Sec. 47.25.530. Reports by department. The department shall make reports in detail which are required of it by the governor of the state or by the federal government or a federal agency. (§ 51-2-61 ACLA 1949)

Sec. 47.25.540. Annual reports. Within 90 days after the close of each calendar year the department shall make a report to the governor for the preceding year stating

- (1) the total number of recipients;
- (2) the total amount disbursed in cash;
- (3) the total number of applications;
- (4) the number granted;
- (5) the number denied;
- (6) the number cancelled during the year; and
- (7) other information which it considers advisable. (§ 51-2-62 ACLA 1949)

47.25.550. Alienation and attachment. Assistance granted under AS 47.25.430 — 47.25.610 is inalienable by an assignment or transfer and is exempt from garnishment, levy, or execution under the laws of this state. (§ 51-2-63 ACLA 1949)

Sec. 47.25.560. Government and state's claim for assistance.

Repealed by § 7 ch 234 SLA 1970.

Editor's note. — The repealed section derived from § 51-2-64, ACLA 1949; § 3, ch. 33, SLA 1949.

Legislative history report. — For report on ch. 234, SLA 1970 (FCCS HCS CSSB 386), see 1970 House Journal, p. 1478.

Sec. 47.25.570. Security and lien.

Repealed by § 7 ch 234 SLA 1970.

Editor's note. — The repealed section derived from § 51-2-65, ACLA 1949; § 4, ch. 33, SLA 1949; § 1, ch. 26, SLA 1957.

Sec. 47.25.575. Property taken under eminent domain powers. If a recipient's property is taken for urban renewal or other public purposes and the recipient expresses his intent to purchase a personal dwelling, the proceeds which are paid the recipient as a result of the taking shall be paid by the taking authority into an escrow account under escrow instructions approved by the department. If the proceeds are paid into such an account and are applied by the recipient within one year to the purchase of a personal dwelling, the proceeds may not cause a reduction of the amount of assistance to which the recipient would otherwise be

SLA 1970)

Legislative history reports. — For report on ch. 60, SLA 1968 (CSHB 583 am), see 1968 House Journal, p. 540. For report on ch. 234, SLA 1970 (FCCS HCS CSSB 386), see 1970 House Journal, p. 1478.

Sec. 47.25.580. Action against person liable for care of recipient. If during the continuance of an allowance the department finds that a person liable for the support of the recipient of assistance is able to provide the necessary care and support of the recipient, and the person liable for the care and support of the recipient fails or refuses to support and care for the recipient then the state has a cause of action for the assistance against the person liable for it. The action shall be brought in the name of the state by the attorney general against the person liable for the recovery of the amount of money, with interest, paid to the recipient, together with the costs and disbursements of the action. The United States shall, if it requires, be reimbursed out of the money collected on a pro rata basis in proportion to the amount it expended in the case, and the remaining amount shall be paid to the Department of Revenue for the Old Age Assistance Fund. (§ 51-2-66 ACLA 1949; am § 5 ch 33 SLA 1949)

Sec. 47.25.590. Policy and purpose. (a) It is the policy of the state and the purpose of AS 47.25.430 — 47.25.610 to cooperate and coordinate with the United States government and its agencies in providing for and administering the laws of the federal and state governments having for their purpose old age assistance for residents of this state.

(b) The purpose of AS 47.25.430 — 47.25.610 is to furnish financial assistance as far as practicable to needy, aged individuals, and to help them attain self-care. (§ 51-2-69, ACLA 1949; § 51-2-50 ACLA 1949; added by § 2 ch 133 SLA 1957)

Sec. 47.25.600. Obtaining assistance by fraud. A person is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500, or by imprisonment in a jail for not more than six months, or by both, if he (1) by a false statement, representation, or impersonation, or other fraudulent device, obtains or attempts to obtain or aids or abets another to obtain (A) assistance to which he is not entitled, (B) greater assistance than he is entitled to, (C) payment of a forfeited grant or allowance; or (2) aids and abets in buying or otherwise disposing of the property of the recipient of assistance for the purpose of avoiding liability for the assistance granted. (§ 51-2-67 ACLA 1949)

Sec. 47.25.610. Violations. A person who violates a provision of AS 47.25.430 — 47.25.610 is guilty of a misdemeanor and if no other penalty is provided, the person, upon conviction, is punishable by a fine of not

Article 5. Aid to the Blind.

Section	Section
620. Eligibility for aid to the blind	720 — 725. [Repealed]
630. Application for assistance	730. Action against person liable for care of recipient
640. Amount of assistance	740. Recovery of allowances improperly granted
650. Residence in institutions	745. Cancellation of warrants
660. Investigation of applicant	750. Purpose
670. Granting of assistance	760. Obtaining assistance by fraud
680. Appeal	770. Penalty for violation
690. Payment when recipient incapacitated	780. Definitions
700. Review of eligibility	
710. Alienation and attachment	

Sec. 47.25.620. Eligibility for aid to the blind. Financial assistance, so far as practicable, shall be given under AS 47.25.620 — 47.25.780 to a needy blind resident of the state who is eligible under regulations established by the department. All regulations of the department shall be made available to all interested persons. However, no application for aid to the blind may be approved until a physician skilled in diseases of the eye or a registered optometrist, whichever the individual selects, examines the applicant and certifies his findings in the manner and form required by the department. (§ 2 ch 126 SLA 1951)

A statutory prohibition of welfare benefits to residents of less than a year creates a classification which constitutes an invidious discrimination denying such residents equal protection of the laws. *Shapiro v. Thompson*, 394 U.S. 618, 89 S. Ct. 1322, 22 L. Ed. 2d 600 (1969).

Sec. 47.25.630. Application for assistance. A person requesting assistance shall apply for it, either for himself or by another in his behalf, upon forms furnished by the department and under regulations prescribed by the department. (§ 3 ch 126 SLA 1951)

Sec. 47.25.640. Amount of assistance. The department shall determine the amount of assistance granted for a needy blind person with due regard to the resources and needs of the person and the conditions existing in each case. Assistance shall be sufficient to provide the applicant with reasonable subsistence compatible with decency and health, and according to the standards of assistance established by the department and with the standards established under Title XVI of the Social Security Act. When benefit amounts under Title XVI of the Social Security Act are increased as a result of an increase in the cost of living, the state shall pass along the increase to recipients, and shall increase the amount of the state contribution to recipients by a percentage of the state contribution equal to the percentage increase in the benefit

amount payable. (§ 4 ch 126 SLA 1951; am § 1 ch 40 SLA 1953; am § 1 ch 62 SLA 1963; am § 1 ch 6 FSSLA 1967; am § 3 ch 234 SLA 1970; am § 2 ch 172 SLA 1975)

Effect of amendment. — The 1975 amendment added the language beginning "and with the standards established" to the end of the second sentence, and rewrote the third sentence.

Editor's note. — Section 4, ch. 172, SLA 1975, as amended by § 1, ch. 83, SLA 1976, provides: "For purposes of determining the state contribution to recipients under AS

47.25.430(a), 47.25.640, and 47.25.810 as of July 1, 1976, the Department of Health and Social Services shall establish levels of need not exceeding \$334 a month for an individual recipient."

Legislative history report. — For report on ch. 234, SLA 1970 (FCCS HCS CSSB 380), see 1970 House Journal, p. 1478.

Sec. 47.25.650. Residence in institutions. No payment under AS 47.25.620 — 47.25.780 may be made to or in behalf of an individual who is an inmate of the Alaska Pioneers' Home or another public institution, except as a patient in a public medical institution, or an individual who is a patient in a public or private institution for tuberculosis or mental diseases; or has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result of the diagnosis. An inmate of the Alaska Pioneers' Home or other institution may, at any time he wishes to leave the institution, apply for assistance under AS 47.25.620 — 47.25.780 instead of the support and maintenance provided in the home or institution. (§ 5 ch 126 SLA 1951)

Sec. 47.25.660. Investigation of applicant. Upon an application the department shall promptly investigate each applicant's eligibility. (§ 6 ch 126 SLA 1951)

Sec. 47.25.670. Granting of assistance. On completion of its investigation, the department shall decide whether the applicant is eligible for assistance under AS 47.25.620 — 47.25.780, the amount of assistance, and the date on which it starts. The department shall notify the applicant of its decision. (§ 7 ch 126 SLA 1951)

Sec. 47.25.680. Appeal. An applicant whose application is not acted upon, or is denied, discontinued, or modified by the department shall be granted an opportunity for a fair hearing before a representative of the department appointed for that purpose. The hearing shall be held within a reasonable time after demand for it is made. If a representative is designated to conduct the hearing, the representative shall be governed by the regulations prescribed for that purpose by the department. (§ 8 ch 126 SLA 1951)

Sec. 47.25.690. Payment when recipient incapacitated. If the department finds that a person receiving assistance is incapable of taking care of himself or the funds granted to him under AS 47.25.620

Sec. 47.25.700. Review of eligibility. Assistance under AS 47.25.620 — 47.25.780 shall be reconsidered by the department as often as it considers necessary. After further investigation, the department may change the amount of assistance or withdraw it entirely if the department finds that the circumstances are changed sufficiently to warrant this action. (§ 10 ch 126 SLA 1951)

Sec. 47.25.710. Alienation and attachment. Assistance granted under AS 47.25.620 — 5.780 is inalienable by assignment or transfer and is exempt from garnishment, levy, or execution under the laws of the state. (§ 11 ch 126 SLA 1951)

Sec. 47.25.720. State's claim for assistance.

Repealed by § 7 ch 234 SLA 1970.

Editor's note. — The repealed section derived from § 12, ch. 126, SLA 1951.

Legislative history report. — For report on ch. 234, SLA 1970 (FCCS HCS CSSB 386), see 1970 House Journal, p. 1478.

Sec. 47.25.725. Security and lien.

Repealed by § 7 ch 234 SLA 1970.

Cross reference. — See Editor's note to AS 47.25.720.

Editor's note. — The repealed section derived from § 2, ch. 62, SLA 1963.

Sec. 47.25.730. Action against person liable for care of recipient. If during the continuance of an allowance the department finds that a person liable for the support of the recipient of assistance is able to provide the necessary care and support of the recipient, and the person liable for the care and support of the recipient fails or refuses to support and care for the recipient, the state has a cause of action for the assistance against the person liable. The action shall be brought in the name of the state by the attorney general against the person liable for the recovery of the amount of money, with interest, paid to the recipient, together with the costs and disbursements of the action. (§ 13 ch 126 SLA 1951)

Sec. 47.25.740. Recovery of allowances improperly granted. If the department finds that aid to a blind person has been improperly granted, it shall investigate and, if it appears that the assistance was improperly granted, the department may cancel the allowance and notify the recipient. The state then has a cause of action against the person who received the improper allowance. The action may be instituted in the

the person, with interest, together with the necessary costs of the action. (§ 14 ch 126 SLA 1951)

Sec. 47.25.745. Cancellation of warrants. (a) Warrants issued to a recipient of aid to the blind after the date of death of the recipient shall be returned to the Department of Administration and canceled.

(b) Aid to the blind assistance warrants issued before the death of the recipient but not negotiated at death shall be returned to the Department of Administration, and shall be canceled, unless claimed by the authorized representative of the estate of the recipient within 90 days of the date of death.

(c) The state shall not be liable to the estate, heirs, or creditors of the deceased recipient of aid to the blind for payment on warrants canceled under (a) and (b) of this section. (§ 3 ch 52 SLA 1964)

Sec. 47.25.750. Purpose. The purpose of AS 47.25.620 — 47.25.780 is to furnish financial assistance as far as practicable to needy blind persons, and to help them attain self-support or self-care. (§ 1 (c) ch 126 SLA 1951; added by § 3 ch 133 SLA 1957)

Sec. 47.25.760. Obtaining assistance by fraud. A person is guilty of a misdemeanor, and upon conviction is punishable as provided in AS 47.25.770, if he (1) by a statement, representation, or impersonation which he knows is false, or by another fraudulent device, obtains or attempts to obtain or aids or abets a person to obtain (A) assistance to which he is not entitled, (B) greater assistance than he is entitled to, or (C) payment of a forfeited grant or allowance; or (2) aids or abets in buying or otherwise disposing of the property of the recipient of assistance for the purpose of avoiding liability for the assistance granted. (§ 15 ch 126 SLA 1951)

Sec. 47.25.770. Penalty for violation. A person who violates a provision of AS 47.25.620 — 47.25.780 is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500 or by imprisonment in a jail for not more than six months, or by both. (§ 16 ch 126 SLA 1951)

Sec. 47.25.780. Definitions. In AS 47.25.620 — 47.25.780

(1) "assistance" means monthly money payments to or on behalf of a needy blind resident;

(2) "blind person" is one who has no vision or whose vision is so defective as to prevent the performance of ordinary activities for which eyesight is essential;

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

(4) "needy blind resident" means a needy blind person 18 years of age or over, who is residing in the state. (§ 1(a) — (d) ch 126 SLA 1951; am § 1 ch 105 SLA 1967; am § 63 ch 32 SLA 1971; am § 6 ch 104 SLA 1971)

on ch. 52, SLA 1971 (117 111 am), see 1971 House Journal, p. 138.
A statutory prohibition of welfare benefits to residents of less than a year

invidious discrimination denying such residents equal protection of the laws. Shapiro v. Thompson, 394 U.S. 618, 89 S. Ct. 1322, 22 L. Ed. 2d 600 (1969).

Article 6. Aid to the Permanently and Totally Disabled Act.

Section	Section
790. Eligibility for assistance	910. Action against person liable for care of the recipient
800. Application for assistance	920. Recovery of allowances improperly granted
810. Amount of assistance	925. Cancellation of warrants
820. Residence in institutions	930. Agreements with federal government
830. Investigation of applicant	940. Purpose
840. Granting of assistance	950. Obtaining assistance by fraud
850. Appeal	960. Definitions
860. Payment when recipient incapacitated	970. Short title
870. Review of eligibility	
880. Alienation and attachment	
890 — 900. [Repealed]	
905. Property taken under eminent domain powers	

Sec. 47.25.790. Eligibility for assistance. Financial assistance may be given under AS 47.25.790 — 47.25.970, so far as practicable under the conditions in this state, to a permanently and totally disabled person who is eligible under the regulations of the department. All regulations of the department shall be made available to all interested persons. (§ 1 ch 63 SLA 1963)

A statutory prohibition of welfare benefits to residents of less than a year creates a classification which constitutes an invidious discrimination denying such residents equal protection of the laws. Shapiro v. Thompson, 394 U.S. 618, 89 S. Ct. 1322, 22 L. Ed. 2d 600 (1969).

Sec. 47.25.800. Application for assistance. A person requesting assistance shall apply for it, either for himself or by another in his behalf, upon forms furnished under the regulations prescribed by the department. (§ 1 ch 63 SLA 1963).

Sec. 47.25.810. Amount of assistance. The amount of assistance for a permanently and totally disabled person shall be determined by the department with regard to the resources and needs of the person and the conditions existing in each case. Where possible, assistance shall be sufficient to provide reasonable subsistence compatible with decency and health and according to the standards of assistance established by the department and with the standards established under Title XVI of the Social Security Act. When benefit amounts under Title XVI of the Social Security Act are increased as a result of an increase in the cost of living, the state shall pass along the increase to recipients, and shall

percentage of the state contribution equal to the percentage increase in the benefit amounts under Title XVI. Direct payments for medical services and remedial care may not be considered in determining the maximum amount payable. (§ 1 ch 63 SLA 1963; am § 1 ch 9 FSSLA 1967; am § 4 ch 231 SLA 1970; am § 3 ch 172 SLA 1975)

Effect of amendment. — The 1975 amendment, effective June 26, 1975, and retroactive to July 1, 1974, added the language beginning "and with the standards established" to the end of the second sentence, and rewrote the third sentence.

Editor's note. — Section 4, ch. 172, SLA 1975, as amended by § 1, ch. 83, SLA 1976, provides: "For purposes of determining the state contribution to recipients under AS 47.25.430(a), 47.25.640, and 47.25.810 as of

July 1, 1976, the Department of Health and Social Services shall establish levels of need not exceeding \$334 a month for an individual recipient."

Legislative history reports. — For report on ch. 234, SLA 1970 (FCCS HCS CSSB 386), see 1970 House Journal, p. 1478.

For report on ch. 172, SLA 1975 (CSHB 393 [Finance]), see 1975 House Journal, p. 1195.

Sec. 47.25.820. Residence in institutions. (a) No payment under AS 47.25.790 — 47.25.970 may be made to or in behalf of an individual who is

(1) a patient of a public institution, except as a patient in a public medical institution or an individual who is a patient in a public or private institution for tuberculosis or mental diseases; or

(2) has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result of the diagnosis.

(b) A patient or guest of an institution may, at any time he wishes to leave the institution, apply for assistance under AS 47.25.790 — 47.25.970 instead of the support and maintenance provided in the institution. (§ 1 ch 63 SLA 1963)

Sec. 47.25.830. Investigation of applicant. The department shall promptly investigate each applicant to determine the applicant's eligibility. (§ 1 ch 63 SLA 1963)

Sec. 47.25.840. Granting of assistance. Upon the completion of its investigation, the department shall decide promptly whether or not the applicant is eligible for and should receive assistance under AS 47.25.790 — 47.25.970, the amount of assistance, the manner of paying or providing it, and the date on which the assistance shall begin. The department shall notify the applicant of its decision. (§ 1 ch 63 SLA 1963)

Sec. 47.25.850. Appeal. An applicant whose application is not acted upon, or is denied, discontinued, or modified by the department shall be granted an opportunity for fair hearing before a representative of the department appointed for that purpose. The hearing shall be held within a reasonable time after demand for it is made. If a representative is designated to conduct the hearing, the representative shall be governed by the regulations prescribed for that purpose by the department. (§ 1 ch 63 SLA 1963)

receiving assistance is incapable of taking care of himself or the funds granted under AS 47.25.790 — 47.25.970, the department may direct the payment of the funds to his legally appointed guardian or to another person designated by the department for his benefit. (§ 1 ch 63 SLA 1963)

Sec. 47.25.870. Review of eligibility. Assistance grants under AS 47.25.790 — 47.25.970 shall be reviewed by the department as frequently as it considers necessary, and the amount of assistance may be changed or entirely withdrawn if the review of the circumstances warrants this action. (§ 1 ch 63 SLA 1963)

Sec. 47.25.880. Alienation and attachment. Assistance granted under AS 47.25.790 — 47.25.970 is inalienable by assignment or transfer and is exempt from garnishment, levy, or execution under the laws of this state. (§ 1 ch 63 SLA 1963)

Sec. 47.25.890. State's claim for assistance.

Repealed by § 7 ch 234 SLA 1970.

Editor's note. — The repealed section derived from § 1, ch. 63, SLA 1963.

Legislative history report. — For report on ch. 234, SLA 1970 (FCCS HCS CSSB 386), see 1970 House Journal, p. 1478.

Sec. 47.25.900. Security and lien.

Repealed by § 7 ch. 234 SLA 1970.

Cross reference. — See Editor's note to AS 47.25.890.

Editor's note. — The repealed section derived from § 1, ch. 63, SLA 1963.

Sec. 47.25.905. Property taken under eminent domain powers. If a recipient's property is taken for urban renewal or other public purposes and the recipient expresses his intent to purchase a personal dwelling, the proceeds which are paid the recipient as a result of the taking shall be paid by the taking authority into an escrow account under escrow instructions approved by the department. If the proceeds are paid into such an account and are applied by the recipient within one year to the purchase of a personal dwelling, the proceeds may not cause a reduction of the amount of assistance to which the recipient would otherwise be entitled. The department shall inform the recipient of the provisions of this section at the time of the taking. (§ 1 ch 60 SLA 1968; am § 5 ch 234 SLA 1970)

Legislative history reports. — For report on ch. 60, SLA 1968 (CSHB 583 am), see 1968 House Journal, p. 540. For report

on ch. 234, SLA 1970 (FCCS HCS CSSB 386), see 1970 House Journal, p. 1478.

recipient. If, during the continuance of an allowance, the department finds that a person liable for the support of the recipient of assistance is able to provide the necessary care and support of the recipient and the person liable for the care and support of the recipient fails or refuses to support and care for the recipient, the state has a cause of action for the assistance against the person liable. The action shall be brought in the name of the state by the attorney general against the person liable for the recovery of the amount of money, with interest, paid to the recipient together with the costs and disbursements of the action. (§ 1 ch 63 SLA 1963)

Sec. 47.25.920. Recovery of allowances improperly granted. If the department finds that aid to a permanently and totally disabled person has been improperly granted, it shall investigate and, if it appears that the assistance was improperly granted, the department may cancel the allowance and notify the recipient. The state then has a cause of action against the person who received the improper allowance. The action may be instituted in the name of the state by the attorney general to recover the amount paid to the person, with interest, together with the necessary cost of the action. (§ 1 ch 63 SLA 1963)

Sec. 47.25.925. Cancellation of warrants. (a) Warrants issued to a recipient of aid to the permanently and totally disabled after the date of death of the recipient shall be returned to the Department of Administration and canceled.

(b) Aid to the permanently and totally disabled warrants issued before the death of the recipient but not negotiated at death shall be returned to the Department of Administration, and shall be canceled, unless claimed by the authorized representative of the estate of the recipient within 90 days of the date of death.

(c) The state shall not be liable to the estate, heirs, or creditors of the deceased recipient of aid to the permanently and totally disabled for payment on warrants cancelled under (a) and (b) of this section. (§ 4 ch 52 SLA 1964)

Sec. 47.25.930. Agreements with federal government. The department may enter into agreements, arrangements or contracts with any federal agency, department or official under which funds made available to the federal agency, department or official may be transferred to the department and spent in accordance with AS 47.25.790 — 47.25.970 for aid to the permanently and totally disabled. (§ 1 ch 63 SLA 1963)

Sec. 47.25.940. Purpose. The purpose of AS 47.25.790 — 47.25.970 is to furnish financial assistance so far as practicable to needy

self-support or self-care. (§ 1 ch 63 SLA 1963)

Sec. 47.25.950. Obtaining assistance by fraud. A person is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500, or by imprisonment in a jail for not more than six months, or by both, if he

(1) by statement, representation or impersonation which he knows is false, or by another fraudulent device, obtains or attempts to obtain or aids or abets a person to obtain

- (A) assistance to which he is not entitled;
- (B) greater assistance than he is entitled to; or
- (C) payment of a forfeited grant or allowance; or

(2) aids or abets in buying or otherwise disposing of the property of the recipient of assistance for the purpose of voiding liability for the assistance granted. (§ 1 ch 63 SLA 1963)

Sec. 47.25.960. Definitions. In AS 47.25.790 — 47.25.970

(1) "assistance" means money payments to, or medical care in behalf of, or any type of remedial care recognized by the department in behalf of needy individuals 18 years of age or older who are totally and permanently disabled;

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

(3) "permanently and totally disabled person" means a needy resident of the state who is not eligible for assistance from another public agency or department providing similar services in the state;

(4) "public medical institution" means a public hospital or medical institution, except an institution for the treatment of tuberculosis or mental disease. (§ 1 ch 63 SLA 1963; am § 3 ch 105 SLA 1967; am § 64 ch 32 SLA 1971; am § 6 ch 104 SLA 1971)

Legislative history report. — For report on ch. 32, SLA 1971 (HB 111 am), see 1971 House Journal, p. 138.

A statutory prohibition of welfare benefits to residents of less than a year

creates a classification which constitutes an invidious discrimination denying such residents equal protection of the laws. *Shapiro v. Thompson*, 394 U.S. 618, 89 S. Ct. 1322, 22 L. Ed. 2d 600 (1969).

Sec. 47.25.970. Short title. AS 47.25.790 — 47.25.970 may be cited as the Aid to the Permanently and Totally Disabled Act. (§ 1 ch 63 SLA 1963)

Article 7. Food Stamp Program.

Section	Section
976. Food stamp program	985. Penalties
980. Duties of department	990. Definitions
983. Reporting change of status	

authorized to implement the food stamp program.

(b) Householders determined by the department to be eligible for assistance under the food stamp program may obtain food coupons.

(c) Food coupons shall be used to purchase food from retail food stores which have been approved for participation in the food stamp program. Eligible households living in certain remote areas shall be permitted to purchase certain items of hunting and fishing equipment for the purpose of procuring food for the household, except firearms, ammunition and other explosives, in accordance with rules and regulations that the Secretary of Agriculture may prescribe. (§ 1 ch 113 SLA 1965; am § 151 ch 127 SLA 1974)

Legislative history report. — For report on ch. 127, SLA 1974 (SCSHB 817 am S), see 1974 House Journal, p. 657.

Sec. 47.25.980. Duties of department. (a) The department shall

(1) adopt rules and regulations necessary to carry out the food stamp program;

(2) cooperate with the federal government and do all things necessary to continue state eligibility under the food stamp program;

(3) comply with the requirements of the Federal Food Stamp Act of 1964 (P.L. 88-525).

(b) The department may designate and change areas in the state in which the food stamp program shall be carried out. (§ 1 ch 113 SLA 1965)

Sec. 47.25.983. Reporting change of status. A person receiving assistance under AS 47.25.975 — 47.25.990 who wilfully fails to report to the department a change in his status which affects his eligibility or the amount of payment for which he is eligible, within 10 days of that change, is guilty of a misdemeanor and upon conviction is subject to the penalties set out in AS 47.25.985(b). (§ 5 ch 116 SLA 1975)

Legislative history report. — For report on ch. 116, SLA 1975 (CSHB 422), see 1975 House Journal, p. 1456.

Sec. 47.25.985. Penalties. (a) A person is guilty of a misdemeanor if he:

(1) knowingly acquires, possesses, uses, alters or transfers food coupons or authorization to purchase food coupons in violation of AS 47.25.975 — 47.25.980 or the regulations adopted under AS 47.25.980;

(2) presents food coupons or causes them to be presented for payment or redemption knowing them to have been transferred, received, altered or used in a manner violating AS 47.25.975 — 47.25.980 or the regulations adopted under AS 47.25.980; or



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

JAN 22 1982

RECEIVED
JAN 23 1982

GOVERNORS OFFICE

Honorable Jay S. Hammond
Governor of Alaska
Juneau, Alaska 99801

Dear Governor Hammond:

Review of the Medicaid quality control error rate for the April - September 1980 period shows that Alaska has not attained its target quality control error rate for this period. Federal regulations, 42 CFR 431.801(e), require that your State be subject to a reduction in Federal funding. Your target error rate for April - September 1980 is 5.0 percent. The actual error rate is 5.1 percent; therefore, the amount of the potential reduction in Federal funding is approximately \$3,000.

The State may request suspension of the disallowance by demonstrating its commitment to the reduction of errors through the development and implementation of a sound corrective action plan. The plan must be submitted within 30 days of the date of this letter. Enclosed is a guide to assist you in developing and submitting your State's plan.

I am concerned that Alaska's error rate has exceeded the target. I want to emphasize, however, that disallowance for failure to meet the target for the next quality control period will be governed by the statutory provisions of the Michel amendment as reflected in 42 CFR 431.802. I do not anticipate a continuation of this current practice of suspensions under the Michel amendment. I trust that the corrective actions already implemented and those planned will enable the State to achieve its target error rates.

As you are aware, David Stockman, Director of the Office of Management and Budget, notified you of a meeting of selected States to be held in Washington, D.C., on January 29, 1982, to discuss error reduction and management improvement. Each State was asked to designate two representatives to attend that session. We hope State officials will be present.

Sincerely,

Richard S. Schweiker
Secretary

ENCLOSURE



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

HB 357

March 18, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would revise and consolidate existing statutes dealing with adult public assistance. The primary purpose of this bill is to recognize the existence of supplemental security income (SSI) and the elimination of separate aged, blind, and disabled programs on the federal level. (See 42 U.S.C. 1381 et seq.; and P.L. 92-603, sec. 303(a) and (b), which repealed 42 U.S.C. 301 et seq. [old age], 1201 et seq. [blind], and 1351 et seq. [disabled].)

This bill would eliminate duplication and make incidental corrections and other technical improvements. This should increase clarity, efficiency of administration, and the ease of future amendments. Substantive changes are minimal. This bill would not alter the amounts to be paid recipients of adult public assistance.

A section-by-section description is attached for your convenience.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jay S. Hammond".

Jay S. Hammond
Governor

MEMORANDUM

TO: [Helen D. Beirne
Commissioner
Department of Health
and Social Services

DATE: September 6, 1979

FILE NO: J-66-087-80

TELEPHONE NO:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL

SUBJECT: Payment for Institutional
Care of Delinquent and
Dependent Children.

By: ^{THR}
Thomas H. Robertson
Assistant Attorney General

You have asked this office to review two means of controlling expenditures made under AS 47.40 for the institutional care of delinquent and dependent children. You have asked (1) whether the Department of Health and Social Services may deny cost of living and staff salary increases when setting payment rates for fiscal year 1980, and (2) whether the Department of Health and Social Services may negotiate payment rates for fiscal year 1980 with institutions that have expressed an interest in doing so.

The short answer to these questions is that the Department of Health and Social Services may not disregard the mandatory terms of AS 47.40 even when faced with an anticipated shortfall in appropriated funds. The agency must provide appropriate institutional services, and pay for those services, for as long as available funds permit it to do so.

AS 47.40, entitled "Purchase of Services", was enacted in 1970. Under the terms of AS 47.40.010(a)(2) the Department of Health and Social Services is required to "determine the rates of payment for the full cost of services required" when purchasing services on behalf of persons for whom it has assumed responsibility under state law. AS 47.40.010(a)(3) requires, in particular, that it pay all

expenses related directly to the full cost of services at the levels of care required." 1/

In determining what constitutes the "full cost" of services, AS 47.40.040(a) directs that two elements be included:

In this chapter, "full cost" of services shall be determined by the per person, per day cost in 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. 2/

1/ The agency's basic responsibilities when purchasing services are described in AS 47.40.010 which reads as follows:

Purchase of services. (a) When the department purchases services for persons for whom the state has assumed responsibility under the laws of the state, the department shall

- (1) adopt regulations establishing the level of care to be provided;
 - (2) determine the rates of payment for the full cost of services required;
 - (3) pay all expenses related directly to the full cost of services at the levels of care required;
 - (4) make the placement of persons in accordance with the levels of care provided for in the regulations.
- (b) Services of jails and other penal institutions may not be included in services purchased by the state in this chapter.

2/ According to AS 47.40.040(b), the "full cost" of services does not include:

- (1) expenses, including salaries and fees, incurred in raising funds;
- (2) funds expended for construction, major equipment and other capital expenditures;
- (3) depreciation and replacement costs of, and costs of additions to, major property and equipment;
- (4) religious training and education; and
- (5) services provided which are substandard to, or exceed, the requirements of the department."

Each February the Department of Health and Social Services is directed to hold public meetings to "review, study, and propose, the necessary levels and rates" for the succeeding fiscal year. Before their adoption the proposed levels of care and rates of payment must be reviewed by the legislature. See, AS 47.05.010(14).

The legislature has, by statute, recognized its own responsibility to provide sufficient funds to meet the needs of delinquent and dependent children who have been committed to the custody of the Department of Health and Social Services under AS 47.10. Pursuant to AS 47.10.270, "[f]unds to carry out this chapter shall be provided for in the general appropriation act of the legislature." This provision is complemented by regulations of the Department of Health and Social Services, found at 7 AAC 50.102, which provide that the agency will pay the "full cost" of services only "when legislative appropriations permit" it to do so.

We are informed that after conducting hearings in February, 1979, the Department of Health and Social Services proposed that institutional providers be given 10% cost of living and 7% salary increases over the per person per day rates paid in fiscal year 1979. At that time the agency cautioned legislators that it might have to refrain from purchasing services from some providers in order to avoid exceeding the dollar amount which had been requested. See, 1979 House Journal Supp. No. 37 (March 31, 1979).

In its general appropriation, however, the legislature provided funds for institutional child care in an amount substantially below that sought by the Department of Health and Social Services. You have informed us that, as a result, the agency does not have sufficient funds on hand to award full cost of living and salary increases while continuing present placement practices for the entire fiscal year. 3/

3/ The general appropriation measure for fiscal year 1980 was enacted as FCCSSB 53.

Perhaps by way of explanation for this reduction, the Free Conference Committee included two statements of "legislative intent" in its report on the operating budget of the Division of Social Services:

The department shall develop the necessary regulations to control the annual increases being experienced in the institutional care daily rates. This will include developing specific guidelines for allowable costs and requiring that the auditors disallow wasteful and unnecessary costs associated with the program.

The department should operate the program at the full statutory level and if caseload or other cost increases will generate total payments which exceed the amount of the appropriation, the department will not reduce the program without prior legislative approval. 4/

No comparable statement was included in the committee's report on the operating budget of the Division of Corrections. 5/

4/ Alaska Legislature, FY 1980 Free Conference Committee Report -- Social Services Operating Budget, p. 48 (1979).

5/ Institutional child care is provided through either the Division of Corrections or the Division of Social Services as a function of whether the child has been adjudicated a delinquent or a child in need of aid under AS 47.10.

These circumstances place the Department of Health and Social Services in a difficult position. Article IX, Sec. 13, of the Alaska Constitution clearly prohibits it from expending funds which have not been appropriated in accordance with law. 6/ It is therefore apparent that without an additional appropriation either institutional services or the rates paid for those services must be reduced. The problem is that passage of future legislation cannot be guaranteed and each means of limiting expenditures is arguably prohibited by existing law.

The legislative mandate embodied in the report of the Free Conference Committee does not of itself resolve the issues you have raised. The cost saving devices described by the committee cannot provide relief in fiscal year 1980. The attempted proscription of program reductions "without prior legislative approval" is invalid except insofar as it restates existing law.

Under AS 47.40 the Department of Health and Social Services is required to base current payment rates on the "per person per day cost" in the proceeding fiscal year. The restrictions on allowable costs sought by the Free Conference Committee can thus have no effect on payment rates until 1981. This result derives from the operation of exist. statutes the violation of which cannot be sanctioned by mere expressions of legislative design.

Three reasons lead us to conclude that the committee's attempted prohibition of program reductions is invalid. 7/ First, a committee report does not rise to the level of legislation. Second, Article II, Sec. 13, of the Alaska

6/ Article IX, Sec. 13, provides: No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void.

7/ It is not particularly clear whether the committee intended to proscribe reductions in institutional services in addition to the rates paid for those services.

Constitution bars the amendment of substantive law by way of an appropriation. 8/ Third, the committee's language can be construed as a sweeping attempt to limit the exercise of executive discretion and, as such, runs afoul of the constitutional doctrine of separation of powers.

The means of controlling expenditures which you have proposed must, consequently, be examined in light of existing statutes and regulations addressing both payment rates and the ongoing responsibilities of the Department of Health and Social Services with respect to the care of children in its custody.

The Department of Health and Social Services has profound obligations toward delinquent and dependent children whom the courts have committed to its custody under AS 47.10.080. Subject to certain qualifications not relevant here, AS 47.10.230(a) provides that it "shall arrange for the care of every child committed to its custody by placing him in a foster home or in the care of an agency or institution providing care for children inside or outside the state." The custodial relationship between the agency and these children is described in AS 47.10.084(a):

This relationship imposes on the department and its authorized agents . . . the responsibility of physical care and control of the child, the determination of where and with whom the child shall live, the right and duty to protect, train and discipline the child, and the duty of providing the child with food, shelter, education, and medical care. These obligations are subject to any residual parental rights and responsibilities and rights and responsibilities of a guardian if one has been appointed.

8/ Article II, Sec. 13, provides: Every bill shall be confined to one subject unless it is an appropriation bill or one codifying, revising, or rearranging existing laws. Bills for appropriations shall be confined to appropriations. The subject of each bill shall be expressed in the title. The enacting clause shall be: "Be it enacted by the Legislature of the State of Alaska."

An argument can be made that these responsibilities provide authority for the Department of Health and Social Services to take reasonable steps which would assure that it is not forced to forego the institutional placement of children, as appropriate in individual cases, in the event of legislative inaction. 9/ We note in this regard that AS 47.10.150(7) directs the agency to "do all acts necessary to carry out the purposes" of AS 47.10.

This argument is not unassailable. It is premised on the notion that a possibility of legislative inaction can justify executive implementation of an immediate remedy designed to mitigate its impact. The remedies you have proposed, however, fly in the face of the mandatory terms of AS 47.40. 10/

Your inquiry thus goes to the very structure of our political system: can an executive agency violate one statutory mandate in order to assure that it is not later forced to violate another? The answer to this question is clear. An executive agency is a creature of statute and, as such, is charged with legislatively prescribed responsibilities. It must discharge those responsibilities for as long as it has funds with which to do so. See, 7 AAC 50.102.

Your first proposal is to simply deny the statutory cost of living and salary increases. 11/ This course of action would unquestionably do violence to the rate determination scheme set out in AS 47.40.040 and, consequently, it cannot be undertaken if funds for these increases are presently available.

9/ We assume that institutional placement under AS 47.10 is accomplished only as "a last resort" for the purposes of treatment or rehabilitation. See, AS 47.05.060, AS 47.10.080.

10/ By memorandum of advice dated October 11, 1971, we advised the Department of Health and Social Services that AS 47.40 is couched in mandatory terms.

11/ This proposal appears to assume that there exist institutions which are willing to provide services without, at least for the time being, receiving cost of living and salary increases.

Your second proposal, that of negotiating payment rates with institutions that are willing to do so, must be considered in light of AS 47.40.040 which mandates that rates be determined "by the per person per day cost in the preceeding fiscal year" plus the lesser cost of living and salary increases. 12/ Its implementation could lead to the wholesale breakdown of this method of rate determination by leading to the under-utilization of competing, more expensive institutions. Those institutions, presumably, would be forced to either accept comparable reductions or institute litigation to force the adoption of rates based upon prior year costs. 13/

Although we have strong misgivings as to the wisdom of a statute which mandates payment of higher rates than an institution is willing to accept, we cannot sanction the direct negotiation of payment rates. AS 47.40 was clearly intended to provide a simple, mechanistic method of rate determination. Compliance with that method is mandatory. 14/

12/ We are informed that this proposal was originally suggested by institutions which experienced high per person per day costs in fiscal year 1979 as a result of low occupancy or other factors. These institutions apparently fear that rates based on prior year costs will discourage the agency from utilizing their services.

13/ The courts would not necessarily hold that an institution has standing to contest the rates applied to competitors since the protection of occupancy levels does not appear to be a benefit which AS 47.40.040 was designed to confer. See, U.S. v. SCRAP, 412 U.S. 669, 687 (1972).

14/ It is important to recognize that while specific institutions might waive entitlement to additional funds, the language of AS 47.40.010-040 appears to address the actions of the Department of Health and Social Services.

We observe, in conclusion, that the circumstances you have outlined place the agency's ongoing responsibilities toward children in direct competition with the established method of computing the rates to be paid for institutional services. We have indicated that existing statutes preclude agency action which would assure that the needs of these children are met throughout the fiscal year. We wish to emphasize, however, that the Department of Health and Social Services is under an obligation to provide appropriate services until funds are exhausted. 15/ The next step, in short, is up to the legislature. 16/

THR:jal

15/ We note that the Governor's contingency fund may be available for temporary relief. Recourse to that fund would clearly be appropriate if funds are depleted before the legislature has had an opportunity to enact curative legislation.

16/ Accordingly, we strongly urge that the Department of Health and Social Services bring this matter to the attention of the legislature at its earliest opportunity.

COMPROMISE LANGUAGE TO
CS FOR HOUSE BILL NO. 357 (RULES) am
REGARDING FULL COST OF CARE STATUTE

PROVIDER
Compromise
Language

For an Act entitled: "An Act relating to public assistance and other assistance provided on behalf of the state to individuals; and providing for an effective date."

* Sec. 19. FINDINGS. The legislature finds that the methods for establishing payment rate: for assistance provided on behalf of the state by residential child care facilities set out in AS 47.40 is not adequate. The legislature further finds that during the period of study, operation of AS 47.40 should be suspended. Between June 30, 1982 and July 1, 1984, the Department of Health and Social Services shall conduct a study of alternatives to AS 47.40. The study shall be conducted by a committee of 5 members to be appointed by the Commissioner of the Department of Health and Social Services; 3 shall be employees of the Department of Health and Social Services and 2 shall be providers. The study shall include, among other matters determined by the department, redefining the manner in which the rate is calculated, allowable reimbursement for capital costs, and utilization of other than departmental sources of funds to finance services and construction of such institutions.

* Sec. 20. The operation of AS 47.05.010(14), AS 47.40.040, and AS 47.40.050 is suspended from July 1, 1982 through June 30, 1984. During the period of suspension, payment for services provided by residential child care facilities shall be made in accordance with the provisions of Sec. 21 and 22 of this Act.

* Sec. 21. For fiscal year 1983, the payment per day for each child placed by the Department of Health and Social Services in residential care is:

ALASKA CHILDRENS SERVICES RECEIVING HOME (ANCHORAGE)	\$149.85
ALASKA CHILDRENS SERVICES JESSE LEE HOME (ANCHORAGE)	165.46
ALASKA CHILDRENS SERVICES RABBIT CREEK GROUP HOME (ANCHORAGE)	166.40
ALASKA CHILDRENS SERVICES NORTH STAR HOME (ANCHORAGE)	103.55
ALASKA CHILDRENS SERVICES AQUARIUS HOUSE (ANCHORAGE)	107.60
ALASKA CHILDRENS SERVICES COLLETTI HOUSE (ANCHORAGE)	117.51
ALASKA BAPTIST FAMILY SERVICE CENTER (ANCHORAGE)	117.02
BOOTH MEMORIAL HOME (ANCHORAGE)	146.90
HILLTOP HOME, INC. (ANCHORAGE)	85.53
KENAI PENINSULA COMMUNITY CARE CENTER (KENAI)	91.74
KODIAK BAPTIST MISSION (KODIAK)	61.61
TURNING POINT BOYS RANCH (WILLOW)	105.37
NORTH STAR CHILDRENS HOME (DOT LAKE)	62.25
PRESBYTERIAN HOSPITALITY HOUSE (FAIRBANKS)	111.98
JUNEAU RECEIVING HOME (JUNEAU)	106.17
ST. JUDE CENTER, INC. RECEIVING HOME (JUNEAU)	72.33
NOME RECEIVING HOME (NOME)	116.97
NORTH SLOPE BOROUGH CHILDRENS RECEIVING HOME (BARROW)	158.35
KETCHIKAN TEEN HOME I (KETCHIKAN)	74.26
KETCHIKAN TEEN HOME II (KETCHIKAN)	81.61
KETCHIKAN CHILDRENS HOME INTENSIVE TREATMENT UNIT (KETCHIKAN)	152.56
SITKA RECEIVING HOME (SITKA)	40.66
BETHEL RECEIVING HOME (BETHEL)	75.52
BETHEL GROUP HOME (BETHEL)	59.06
COVENANT HIGH SCHOOL (UNALAKLEET)	51.16

* Sec. 22. During fiscal year 1984 the Department of Health and Social Services shall offer to pay for assistance provided on behalf of the state by a residential child care facility in the amount established under Section 21 for that facility for fiscal year 1983, plus five percent.

* Sec. 23. This Act takes effect July 1, 1982.

March 24, 1982

DOCUMENT NO. 109-82

The Honorable Patrick J. Carney
Representative
Alaska State Legislature
Pouch V
Juneau Alaska 99811

Dear Representative Carney:

The purpose of this letter is to describe to you the approach this Department will take to reduce funding for institutional care. As you are aware, residential care is only used as a placement resource for children who cannot be served in foster family care due to their behavioral problems or need for specialized treatment. Therefore, the Department has reviewed the existing child care facilities within the State and grouped them according to the types of children they are able to serve and the services they provide. The three groupings the Department identified are emergency shelter care facilities (receiving homes) and two levels of ongoing residential child care, each of which are described in the following paragraphs.

Residential Child Care I

The children served by Level I facilities are children who are unable to live in foster care due to their behavioral problems. There is a wide range of behavioral problems which can be managed in a Level I facility, including children who have disruptive acting out behavior (such as temper outbursts, destruction of property, unwillingness to comply with requests of parents, teachers, or other authority figures, and intimidation of peers); children who have been involved in delinquent activities; teenagers who are struggling to emancipate themselves from their parents or who have been rejected by their parents; youth with seductive, provocative or promiscuous sexual behavior; youth who abuse alcohol, drugs, or other substances; youth who have an inability to form close attachments to close parental figures; and runaways.

A Level I facility provides structure, control, and guidance to these youths. Most often such a facility emphasizes the importance of the group in guiding and shaping the behavior of children in care, rather than a more formal "treatment" modality, since these types of behavior problems respond well to "peer pressure."

Level I care may be provided in small group homes or cottages, or in a large campus setting. The facilities may either be community-based and emphasize involvement in community activities or may create a more self-contained environment. For the most part, children attend community school programs.

J.M.C.

Residential Child Care II

Residential II facilities serve seriously emotionally disturbed youth who need professional treatment services. Examples of the types of problems these youth manifest include psychosis or borderline psychosis, seriously aggressive and assaultive behavior, bizarre behavior, severe depression, self-mutilation, hallucinations, or self-destructive behavior. Many of the youth need psychiatric medication and many also require special education programs.

A Level II facility provides professional treatment services, including professional social work staff who provide individual and group counseling to the residents and their families. Social work staff also help to design and coordinate the other treatment services these youth need. Child care or cottage staff who work with these youth in their daily living activities must have special training and skills to provide the structure, guidance, and supervision these youth need in order to prevent injury to themselves or others. These facilities must have the services of a consulting psychiatrist to provide appropriate medical and psychiatric supervision, and often a consulting clinical psychologist is used to provide diagnostic evaluations of children and to consult with staff regarding appropriate treatment strategies. A Level II facility must have arrangements with a school district to provide special education, often in the form of a self-contained educational program within the facility. Level II facilities generally offer specialized recreational programs as well. All of these additional treatment services result in higher per diem costs for Level II youth.

Emergency Shelter

An emergency shelter facility provides short-term care (no longer than 60 days, but often less than one week) for children or youth who must be placed on an emergency basis due to a family or personal crisis. Emergency shelter facilities can operate a "simpler" program in that they do not have to provide some of the services Level I facilities require. However, they must be able to provide services on an emergency basis, which often results in peaks of service. That is, there are periods of time (weekends, for example) when there is a great demand for emergency shelter care, whereas other periods may be slack. Emergency shelter facilities must be operated in such a way that they can respond to these peak loads. Therefore, they are assumed to require the same funding level as Level I facilities.

Attachments

See budget figures

Rates were developed using three possible budget figures and assuming the repeal or amendment of AS 47.40: Attachment 1 shows base rates which were established using the FY 83 Governor's Budget for in-state institutions of \$10,884,825; Attachment 2 is based on a total of the Governor's Budget minus \$943,700 and was computed with approximately 9% reduction of all base rates; Attachment 3 is based on the Governor's

JK

JK

Home figure

Budget minus \$2,000,000 and was computed with approximately 18.5% reduction of all base rates; Attachment 4 shows the comparison of rate structures at all three projected FY 83 budget levels to the FY 82 rate structure. In addition, regional rate differences were computed as follows: ★

Southcentral, Southeastern, and Southern Regions	0 Base
Northern Region	Base +15%
Western Region	Base +32%
Northwestern Region	Base +37%

If you, or your staff have further questions, please contact Marsha Hubbard, Director of the Division of Management and Budget within this Department.

Sincerely,



Helen D. Beirne
Commissioner

Enclosures

bcc: DFYS

HDB:JRP:kk

JRP

ATTACHMENT I

Base Rates at the Governor's Budget Level = \$10,884,825

<u>Region/Facility</u>	<u>Negotiated Rate</u>	x	<u>Estimated Census (FTE's)</u>	=	<u>FY 83 Estimated Cost</u>
<u>RESIDENTIAL CARE II</u>					
<u>Southcentral</u>					
Jesse Lee	140.00		13,323	36.5	1,865,200
Rabbit Creek	140.00		2,957	8.1	413,980
Booth Memorial Home	140.00		4,818	13.2	674,520
<u>Southern</u>					
Ketchikan Int.	140.00		1,460	4.0	204,400
			<u>22,558</u>	<u>61.8</u>	<u>\$3,158,120</u>
<u>RESIDENTIAL CARE I</u>					
<u>Southcentral</u>					
Turning Point	98.50		13,140	36.0	1,294,290
Kodiak Baptist	98.50		4,709	12.9	463,836
Aquarius	98.50		1,825	5.0	179,762
Colletti	98.50		1,679	4.6	165,381
North Star	98.50		1,679	4.6	165,381
Alaska Baptist	98.50		3,139	8.6	309,191
Hilltop	98.50		5,986	16.4	589,621
Kenai	98.50		2,519	6.9	248,121
<u>Southeastern</u>					
Juneau Receiving	98.50		4,271	11.7	420,693
<u>Southern</u>					
Ketchikan I & II	98.50		5,476	15.0	539,386
<u>Northern</u>					
North Star	114.00		4,234	11.6	482,676
Presbyterian	114.00		3,103	8.5	353,742
<u>Western</u>					
Bethel Group Home	131.00		1,351	3.7	176,981
			<u>53,111</u>	<u>145.5</u>	<u>\$5,389,061</u>
<u>EMERGENCY SHELTER</u>					
<u>Southcentral</u>					
ACS Receiving	98.50		5,146	14.1	506,881
Kodiak Baptist	98.50		1,533	4.2	151,000
<u>Southeastern</u>					
Sitka Receiving	98.50		1,679	4.6	165,381
St. Judes	98.50		73	1.2	7,190
<u>Northern</u>					
"R" House	114.00		5,256	14.4	599,184
<u>Western</u>					
Bethel Receiving	131.00		1,314	3.6	172,134
<u>Northwestern</u>					
Nome Receiving	135.30		1,241	3.4	167,907
North Slope	135.30		2,372	6.5	320,932
Kotzebue	135.30		1,825	5.0	246,923
			<u>20,439</u>	<u>56.0</u>	<u>\$2,537,532</u>
					<u>\$10,884,713</u>