

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6675 SENATE STATE AFFAIRS

1079

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: "An Act relating to the
Pioneers' Home."
Sponsor: Sen Kerstula
Requestor: _____

Agency Affected: Dept of Administration
BRU: Pioneers' Benefits
Components: Pioneers' Homes

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Adding priority admission of persons in need of the care and benefits of the home but who are not destitute would very slowly increase the revenues. This is very difficult to predict since the Division has very few admissions into Nursing and Assisted Living where priority now applies.

Prepared by: Barbara Bathony
Division: Pioneer Benefits
Approved by Commissioner: Frank S. Baxter
Agency: Department of Administration

Phone: 465-4100
Date: 1-29-90
Date: 1/31/90

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
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Alaska State Legislature

SENATE

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811


MEMORANDUM

TO: Senator Pat Pourchot, Chairman
Senate State Affairs Committee

FROM: Senator Jay Kerttula

SUBJ: Sponsor substitute for
Senate Bill 389 --
Admission to Pioneers'
Homes.

DATE: February 6, 1990



Attached is a copy of my sponsor substitute for Senate Bill 389, relating to admission to the pioneers' homes. The sponsor substitute makes three basic changes to current statute:

1. The sponsor substitute eliminates the "destitute" requirement for admission to the pioneers' homes. This requirement has been left over from the era when the Sitka Pioneers' Home was a poor farm. This language is archaic today, since the homes are not meant to be equivalent to a poor farm, and nobody perceives them as such. Under the sponsor substitute, the general needs-based requirement for admission which is currently in regulation would be set in statute. Current law gives the destitute priority for admission to the homes -- the sponsor substitute provides that all in need would have equal access to the homes.

2. Under current law, those who are destitute can be admitted earlier than age 65, those who are not destitute can only be admitted after age 65. The sponsor substitute clarifies who can be admitted to the homes, and adds an age requirement of 65 for all admissions. The sponsor substitute also will allow spouses of residents of the home to be admitted, if they are not in need, if the spouse is at least age 65.

Senator Pat Pourchot
February 6, 1990
Page 2

3. The sponsor substitute for Senate Bill 389 also clarifies how debts of residents are collected. Under the substitute, the collectibility of debts of former residents, who are now deceased will be governed by the Probate Code. Current law provides that a past debt can be collected from a present resident, when that resident receives income in excess of \$100 per month. Sponsor substitute for Senate Bill 389 ensures that the department can not require a payment in any one month which is greater than the monthly amount for care which is set in statute, except for debts incurred under AS 47.25.070.

JK:kh

4SB389

Comments on Pioneers' Homes Admissions
SB 248, SB 389



SB 248 Sponsor Senator Duncan and SB 389 Sponsor Senator Pourchot

Senate Bill 248: "An act relating to the requirements for admission to the Pioneers' Home" and SB 389 "An Act relating to the Pioneers' Homes" address admission criteria to the Homes. It is then suggestion of the Division that the bills be combined. We have three areas of concern.

EXISTING CRITERIA

Residency

Currently all applicants must meet the 15 year residency requirement immediately preceding entry into the Home.

Indigent (Destitute) Applicants

Destitute applicants in need of the aid and benefit of the Home are entitled to enter the Home and do not have to be at least 65 years of age.

Destitute applicants not in need of the care of the Homes are technically excluded from entry into the Homes.

Other Applicants

Applicants who are able to pay the rent and are 65 years of age or older may be admitted on a space available basis, and no need criterion is specified.

SUGGESTED CRITERIA

Concern #1 (Age 65): The Division provides service to a geriatric population. Time, effort, and funding has gone into the education of the staff in the specialized field of geriatric long-term care. The Central Office has a Geriatric Nurse Consultant, and the Homes have at least seven certified geriatric nurses and one certified geriatric nurse practitioner.

The average age of residents is about 82 and the average age of applicants has risen dramatically to above 85, and almost 90 in Ketchikan. It is not feasible to change care systems to include the needs of an occasional much younger resident. The Division therefore, supports limiting admission to only applicants at least 65 years of age.

Comments on Pioneers' Homes Admissions (continued)
SB 248, SB 389

Concern #2 (Destitute): At the present time destitute and in need applicants (15 years and older) have priority for admission over others. Destitute applicants who are not in medical or social need, and applicants who are not destitute but are in desperate need of services, have no chance to enter the Home because of the lengthy waiting lists.

A destitute applicant has other resources such as Medicaid available to them, and may live in a long-term care facility and receive care paid for partially by the state.

Presently, the Division has to admit a technically applicant ahead of a person who does not have enough money to pay for necessary care. A person who cannot qualify for Medicaid, and therefore, is in desperate need of care and benefits of the Home. The Division would like to be able to admit all applicants meeting the age, residency, and need requirements on the same basis, giving those applicants who are unable to secure care, a chance to receive the benefits of the Home.

The division would still admit destitute applicants, but not on a priority basis. This change would slightly increase the program receipts by the collection of increased rents payable by non-destitute applicants.

Concern #3 (Need for Service): Destitute applicants of any age must be, "in need of the aid or benefit of the Home because of physical disability or other cause..." while non-destitute applicants over 65 years of age may be admitted with no discernible need. We feel destitute applicants should be able to enter the Home under the same guidelines (excluding financial) as non-destitute. Both groups should show a need of the aid and benefit of the Home.

The division, through many contacts from the community, has been encouraged not to admit applicants if they are not in medical, physical, or social need of the aid or benefit of the Home. Applicants expect to come into the Home receiving assisted living i.e. with laundry services, medication assistance, assistance with activities of daily living, etc. (see attached graph of housing study). In the OAC Housing Survey of Fall 1988 a question about the assumed care available in the Pioneers' Home residential section indicates the general misunderstanding that the division has all these services available in the residential sections of the Homes. This is not available in the residential section.

Seniors have many of these services available in the community and do not want to come into residential care until they "have" to. Therefore, we have many empty rooms.

Comments on Pioneers' Homes Admissions (continued)
SB 248, SB 389

Almost all applicants require significant services found in a long-term care facility and it is not efficient for the state to use valuable space in the Homes for purely retirement housing. The division suggests that the admission criteria be changed to include only those applicants who are in "need of the aid and benefit of the Pioneers' Homes because of physical disability or other cause..." and are geriatric clients. One exception is requested: a spouse over 65 years of age may enter with a spouse in need of care.

The effect of this change would be an increase in the current 60 vacant residential beds until the Division is able to convert residential beds to assisted living beds. Waiting lists for assisted living beds are steadily growing. This proposed change to more assisted living beds would make it possible for Pioneers and Seniors who had been waiting for many years, and were not eligible for other care (either not eligible for Medicaid or not enough income to pay for private care), to enter the homes.

Concern #3 includes residents who come into the Pioneers' Home when not in need of any care and are not destitute because they are afraid they would never be able to enter the Home if they waited too long. Our suggested change would allow only those applicants to apply who are in need of the Homes. Therefore the Division would have more vacancies, freeing rooms which would be otherwise occupied by very independent persons not in need of any care. Of course all present residents need to be grandfathered in, no one will be asked to move out if they are not in need of the care of the Homes.

Summary

The Division suggests the change of the admission criteria to include only those Alaskan seniors and pioneers who are in need of the aid and benefit of the Homes and are 65 years and over. No priority for any admission except first come, first serve. Attached are several diagrams showing the simplified admission process on SB 248, SB 389, present admission policy and the proposed Division suggestion. The Division of Pioneers' Benefits believes that the future trend is for the Pioneers' Home is to fill the gap between Home care and full scale subacute/skilled nursing

Comments on Pioneers' Homes Admissions (continued)
SB 248, SB 389

care. It is the philosophy of the Pioneers' Homes system to foster independence and to support Alaskans to live in their Homes as long as possible.

Barbara Bathony
Barbara Bathony, Director
Division of Pioneers' Benefits

2-2-1990
Date

BB/mem/position

Attachments

cc: Frank C. Baxter, Commissioner
Department of Administration

James J. Fox, Deputy Commissioner
Department of Administration

Sioux Plummer, Legislative Liaison
Department of Administration

ALASKA PIONEERS' HOMES

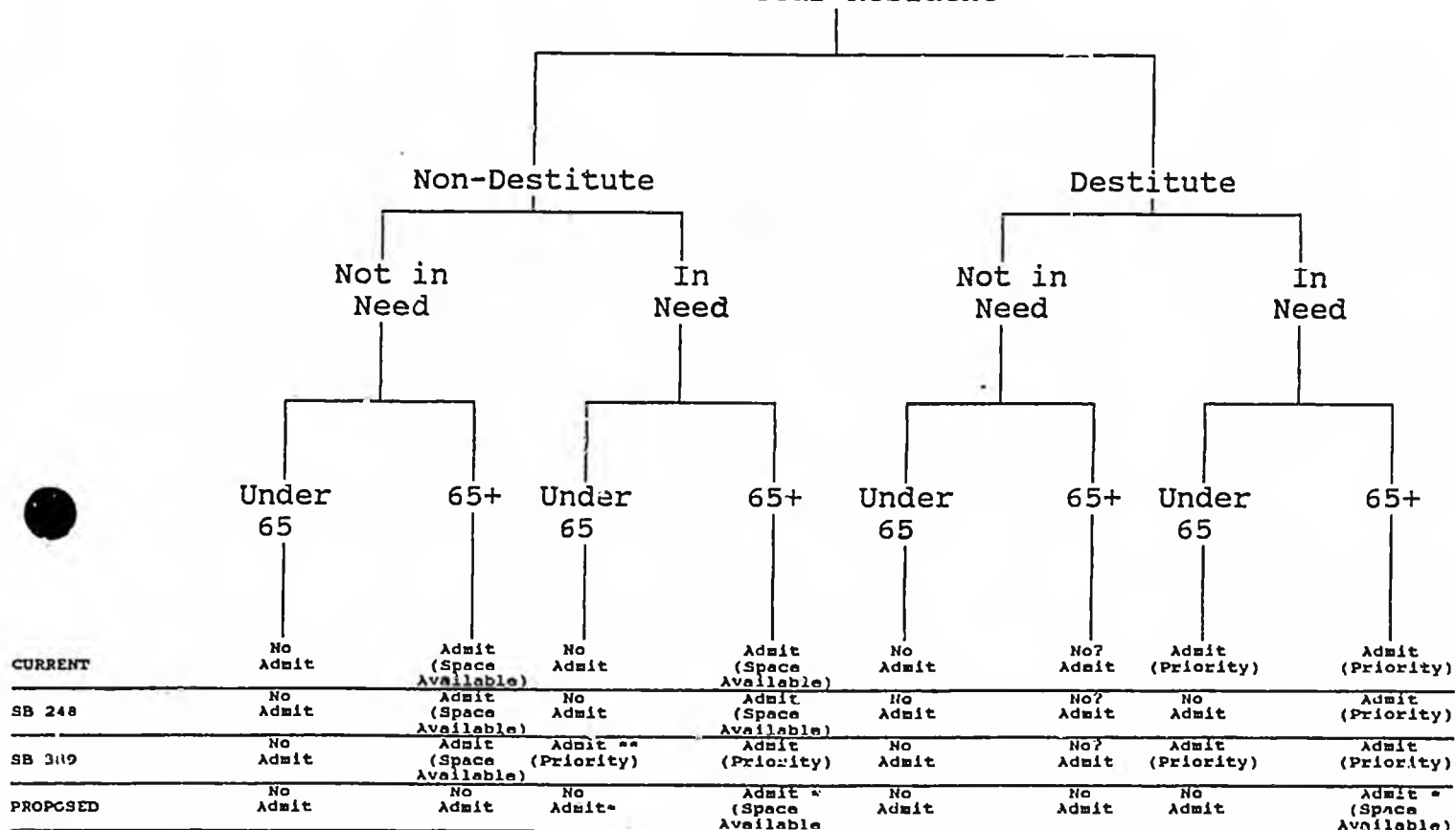
ADMISSION STANDARDS

PIONEERS' BENEFITS



ALASKA

15-Year Resident



*Spouses of eligible applicants age 65 and over meeting all requirements but not in need of aid or benefit of the Homes may also be admitted.

**The Division of Pioneers' Benefits does not believe this is the intent of SB 389.

February 6, 1990

Ms. Susan Barnett, Aide
Senator Pat Pourchot's Office
P.O. Box V, MS 3100
Juneau, Ak. 99811

Re: Admission Criteria for Entry To Pioneer Home

Dear Susan:

Thank you for contacting me concerning the hearing on Senator Kortula's and Senator Duncan's bills with regard to admissions to Alaska's Pioneer Home System. I have thought a great deal about this delicate issue. At one point I even drafted a bill, a copy of which is enclosed.

As the committee addresses the matter, I would offer the following input.

- 1) The group of persons who are most impacted by the present law and regulation are those whose income is above the Medicaid Limits, but who have exhausted their resources. They both have the medical need and are economically unable to obtain long term care. They have usually exhausted their resources in providing for their care. It is that group who would be served by a change in the use of the term "destitute." My language would say "needy" as defined in AS 47.25.300. I would still retain the use of a resource limit as defined in AS 47.25.430. *attached to this letter*
- 2) The legislation as I understand it to be proposed would completely eliminate the criteria of economic need and rely solely on medical need. I, for one, do not see how the two can be detached from each other. However, if that is the decision, I would encourage the establishment of some hierarchy for decisions about level of medical need. Broadly interpreted, the proposed language would seem to leave the discretion to whatever the home thought was appropriate. There are several assessment tools which attempt to qualify and quantify the level of medical and physical need. I think it important to try and define that in statute unless the legislature wishes it to be an open-ended statement.
- 3) If you establish "need" on a medical basis will that be applied to admissions both to residential care and the

Page 2

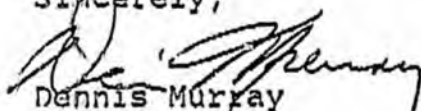
nursing care portions of the facilities? I know that a couple of the facilities currently have implemented assisted living sections. However, it is also my understanding that most homes have space available policies for the residential portion of the facility. Those policies may be in conflict with the goal of the legislation which is to prioritize based on medical need.

- 4) Currently, persons in residential care have priority over individuals in the community for openings in the nursing portion of the facilities. Would this practice continue? The practice does seem to inadvertently ensome individuals to institutionalize themselves into the residential portion of facilities to protect themselves from the possible eventuality of needing nursing care services. That also leaves the person who has chosen to remain in their own home as long as possible without the opportunity for placement even though the society and the State has continuously argued that public policies should encourage self-reliance and independence with dignity among our elderly and handicapped.

There remain very serious public policy questions, but I, although foolish, am not oblivious of the realities in Alaska. I only hope that the committee fully examine the dimensions of this issue before voting for changes.

Again, thanks for the opportunity to participate Susan.

Sincerely,


Dennis Murray

Sec. 47.25.280. Obtaining assistance by fraud. [Repealed, § 42 ch 148 SLA 1982.]

Sec. 47.25.290. Penalty for violation. A person who violates a provision of AS 47.25.120 — 47.25.300 is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than \$1,000 or by imprisonment for not more than one year, or by both. (§ 19 ch 110 SLA 1953; am § 2 ch 116 SLA 1975)

Sec. 47.25.300. Definitions. In AS 47.25.120 — 47.25.300

(1) "assistance" means financial assistance to or on behalf of a needy person, including subsistence (food, shelter, fuel, clothing, and utilities) and transportation, medical needs (including, but not limited to, hospitalization, nursing, and convalescent care), burial, and other determined needs;

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

(3) "needy person" means a needy resident of the state who is not eligible for aid 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 110 SLA 1953; am § 2 ch 32 SLA 1971; am § 6 ch 104 SLA 1971)

NOTES TO DECISIONS

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).

Article 3. Aid to Families with Dependent Children Act.

Section	Section
310. Eligibility for assistance	370. Appeal
320. Amount of assistance	380. Reconsideration and alteration of assistance
330. Duties of department	395. Alienation and attachment
340. Application for assistance	400. Purpose
350. Investigation of application	410. Definitions
360. Granting of assistance	420. Short title
365. Retraining of parent or family member	

Sec. 47.25.310. Eligibility for assistance. The department shall grant assistance to the family of each dependent child and each pregnant woman it determines is eligible for assistance under AS 47.25.310 — 47.25.420, or to employers under a work incentive program established by AS 23.15.650, and by 42 U.S.C. 633(e)(1) (Social Security Act, Win Program), as amended. (§ 51-2-32 ACLA 1949; am § 2 ch 57 SLA

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April 03, 1989
P.O. Box 870178
Wasilla, Alaska 99687

ALASKA STATE LEGISLATURE
Senator Jim Duncan
P.O. Box V Juneau, Alaska 99811-3100

Re: SB 248

In response your letter to me, April 5, 1989.

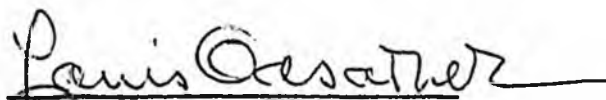
Minimum Age 65, Admission Pioneer Home.

Your SB 248 is the best news that we of the Pioneer Homes Advisory Board have received, over these past many years.

For many years, and in the course of the past two or more Dept. of Administration Commissioners we of the Board have tried, pleaded, and urged the minimum age 65 requirement. Their reluctance to respond to our requests was for reasons of "disrupting", exposing, and bringing to issue, the residency requirement of 15 years. We of the Board, however, felt strongly, and as proven by our Pioneer Convention meeting in Sitka, 1988, our presentation of this resolution for their adoption was unanimously agreed.

We of the Board cannot thank you enough for sponsoring this Bill. It may raise the hassles of those who wish to continue our plight into oblivion, but as we of the Board feel, -- let us face the issues and come to realities that we must preserve our 75 year history of providing the Nations best Elderly Care, second to none.

Respectfully and Sincerely,


Louis Odsather, PHAB Mbr.

CC Robert Gore

*Raymond
Pelt*

RECEIVED JAN 15 1990

**LEGISLATIVE PRIORITIES
OF
THE PIONEERS OF ALASKA**

↖

1. During this session of the Legislature the Pioneers are most interested in protecting the Senior programs presently in place. We prefer the \$250.00 monthly bonus program remain as it is, however, rather than see it suffer major setbacks, the Grand Igloo supports an annuity program as introduced by Senator Kerttula.

2. The Pioneers support a requirement of 65 years of age as a minimum for admission to the Pioneer Home system, and removal of the word 'destitute' as is presently used in giving priority for admission.

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3. The Pioneers support full state funding to cover property tax exemptions for Seniors.

4. The Pioneers support in-Home Support Care and Senior Housing. Re: HB 218; SB 150.

5. The Pioneers support Health Care legislation. Re: HB 47.

6. Also, it has been noted, from a recent news article that Sen Uehling has prefiled legislation that would give Medicare eligible Senior an option to choose to receive health care under Medicaid at home rather than in a Long Term Care facility. The Pioneers certainly support this concept.

The Pioneers have taken no position regarding a State Income Tax or the Governor's proposal on an Education Endowment.

The Pioneer's registered lobbyist is Bill Ray, 165 Behrends Ave, Juneau, AK, 99801, Tel: (907) 586-1225

Bob Huffman, Chm.
Legislative Committee
Pioneers of Alaska

RESOLUTION 09-23-88-2

WHEREAS integrity of the Pioneers' Home System must be preserved; and

WHEREAS the average age of applicants for residency in the system is increasing over the years and current residents now average in excess of 80 years; now

THEREFORE be it resolved the minimum age for residency in Pioneers' Homes be established at 65 years and be it further resolved and requested the Governor, Commissioner of Administration, and Director of the Division of Pioneers' Benefits act to implement the minimum age limit of 65 years.

...employer or supervisor was retaliatory if it was taken within 90 days after the report was made. (§ 3 ch 42 SLA 1988)

Chapter 25. Destitute and Needy Persons.

Article

1. Pioneers' Home (§ 47.25.030)
2. General Relief Assistance (§§ 47.25.130, 47.25.195, 47.25.205, 47.25.230, 47.25.250)
3. Aid to Families with Dependent Children Act (§ 47.25.345)
4. Adult Public Assistance (§ 47.25.430)

Article 1. Pioneers' Home.

Section

30. Admission on payment

Sec. 47.25.030. Admission on payment. (a) A citizen of the United States over 65 years of age who is a resident of the state and has been a resident for not less than 15 years continuously immediately preceding application, but who is not destitute, may on application be admitted to the home upon agreement to pay to the state a sum for each day as the Department of Administration considers sufficient to compensate the state for the cost of care and support of the person at the home. When this agreement is entered into the Department of Administration may receive the security for the payments, which it considers expedient.

(b) The Department of Administration shall adopt regulations establishing a daily or monthly rate for the compensation a resident is to be charged under (a) of this section. The rate charged need not fully compensate the state for the cost of care and support. The commissioner of administration shall review the rate each year.

(c) The Department of Administration shall provide to all residents of the Pioneers' Home written notice of any proposed change in the rate charged for care and support of persons at the home. Notice under this section shall be given not less than 60 days before a change is adopted. The notice shall include the time, date, and place of a hearing to be held by the Department of Administration under (d) of this section. The department may not change the rate charged more than once in a fiscal year.

(d) Not less than 30 days before a proposed rate change is adopted, the Department of Administration shall conduct a hearing at which interested persons shall be given the opportunity to submit written or oral testimony, statements, arguments or contentions relating to the proposed rate change. The department shall consider all relevant matter presented to it before adopting a rate change.

Chapter 25. Destitute and Needy Persons.

Article

1. Pioneers' Home (§§ 47.25.010 — 47.25.100)
2. General Relief Assistance (§§ 47.25.120 — 47.25.300)
3. Aid to Families with Dependent Children Act (§§ 47.25.310 — 47.25.420)
4. Adult Public Assistance (§§ 47.25.430 — 47.25.615)
5. Food Stamp Program (§§ 47.25.975 — 47.25.990)

Article 1. Pioneers' Home.

Section	Section
10. Maintenance of Alaska Pioneers' Home	60. Trust fund
20. Admission to home	70. Indebtedness of Pioneer's Home resident to state
30. Admission on payment	80. Enforcement against estate
35. Exception to admission criteria	90. Enforcement against property outside state
40. Transfer of insane inmates to asylum or sanitarium	100. Certificate as evidence
50. Maintenance funds	

Cross references. — For the exclusion purposes of comprehensive health of the Alaska Pioneers' Home from the definition of health care facility for planning, see AS 18.07.111(7).

Sec. 47.25.010. Maintenance of Alaska Pioneers' Home. (a) The state shall maintain an institution for the care of needy persons, known as the Alaska Pioneers' Home. The principal home shall be maintained at Sitka, and a branch may be maintained at a site or sites designated by the commissioner of administration.

(b) The Department of Administration shall formulate general policies, but has no administrative or executive functions other than those set out in AS 47.25.010 — 47.25.100. It may hold hearings and subpoena witnesses and documents and may administer oaths in connection with them.

(c) The Department of Administration shall

(1) cooperate with the federal government in matters pertaining to the welfare of Alaskan pioneers, make the reports in the form and containing the information the federal government from time to time desires, and accepts funds allotted by the federal government, its agencies or instrumentalities, in establishing, extending and strengthening services for pioneers of Alaska;

(2) adopt regulations necessary for the conduct of the business of the Pioneers' Home and for carrying out the provisions of AS 47.25.010 — 47.25.100, require bonds and undertakings from persons employed by it as in its judgment are necessary, and pay the premiums on them, and establish regional and local offices and the advisory groups which are necessary or considered expedient to carry out or assist in carrying out a duty or authority assigned to it;

(3) perform all executive or administrative duties necessary and advisable to carry out the purpose of AS 47.25.010 — 47.25.100, including the power to make contracts and to make disbursements on vouchers against funds for the purpose of AS 47.25.010 — 47.25.100, within the limit of funds available;

(4) study the needs of Alaska's pioneers and submit recommendations for new regulations and proposed legislation;

(5) prepare an annual report to the legislature.

(d) The Department of Administration may employ the necessary subordinate officers and employees, and shall prescribe methods for operation of the Pioneers' Home, standards of care and service to residents, and rules governing personnel and rewarding employees on a merit basis. (§ 51-2-11(a)(c) ACLA 1949; § 51-2-12 ACLA 1949; am § 1 ch 71 SLA 1963; am E.O. No. 30 (1968); am §§ 1, 2 ch 11 SLA 1979)

Sec. 47.25.020. Admission to home. (a) Every worthy person residing in the state who has been a resident of the state continuously for more than 15 years immediately preceding application for admission, and who is destitute and in need of the aid or benefit of the home because of physical disability or other cause, is entitled to admission to the home under the conditions, limitations and penalties prescribed by the regulations of the Department of Administration. A person may not be admitted as a resident of the Alaska Pioneers' Home under the provisions of AS 47.25.010 — 47.25.100 if the support and maintenance of the person is imposed by law upon a relative or member of the family of the person.

(b) Every person admitted to the Pioneers' Home, except a person admitted under AS 47.25.030, who receives income from any source in excess of \$100 per month may be required by the Department of Administration to pay the excess to the Department of Administration immediately upon receipt of the money in payment, or part payment, of the cost of the person's maintenance.

(c) At the end of each month the payments made under (b) of this section shall be transmitted to the commissioner of revenue together with the names of the persons making them and the amount paid by each. The Department of Administration may pay to a resident without funds the sum of \$100 per month.

(d) The money received by the commissioner of revenue shall be deposited in the general fund. (§ 51-2-13 ACLA 1949; am § 1 ch 158 SLA 1955; am § 1 ch 118 SLA 1957; am § 1 ch 89 SLA 1961; am § 1 ch 63 SLA 1965; am E.O. No. 30 (1968); am §§ 1, 2 ch 7 SLA 1971; am § 3 ch 11 SLA 1979; am §§ 1, 2 ch 155 SLA 1984)

Effect of amendments. — The 1984 amendment substituted "\$100 per" for "\$35 a" and "the person's" for "his" in subsection (b) and "to a resident without funds the sum of \$100 per month" for "the sum of \$35 a month to a resident without funds" in subsection (c).

§ 47.25.030 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.25.040

See
supplement

Sec. 47.25.030. Admission on payment. (a) A citizen of the United States over 65 years of age who is a resident of the state and has been a resident for not less than 15 years continuously immediately preceding application, but who is not destitute, may on application be admitted to the home upon agreement to pay to the state a sum for each day as the Department of Administration considers sufficient to compensate the state for the cost of care and support of the person at the home. When this agreement is entered into the Department of Administration may receive the security for the payments, which it considers expedient.

(b) The Department of Administration shall adopt regulations establishing a daily or monthly rate for the compensation a resident is to be charged under (a) of this section. The rate charged need not fully compensate the state for the cost of care and support. The commissioner of administration shall review the rate each year.

(c) The Department of Administration shall provide to all residents of the Pioneers' Home written notice of any proposed change in the rate charged for care and support of persons at the home. Notice under this section shall be given not less than 60 days before a change is adopted. The notice shall include the time, date, and place of a hearing to be held by the Department of Administration under (d) of this section. The department may not change the rate charged more than once in a fiscal year.

(d) Not less than 30 days before a proposed rate change is adopted, the Department of Administration shall conduct a hearing at which interested persons shall be given the opportunity to submit written or oral testimony, statements, arguments or contentions relating to the proposed rate change. The department shall consider all relevant matter presented to it before adopting a rate change. (§ 51-2-14 ACLA 1949; am § 2 ch 89 SLA 1961; am E.O. No. 30 (1968); am § 3 ch 155 SLA 1984)

Effect of amendments. — The 1984 amendment added subsections (b)-(d).

Sec. 47.25.035. Exception to admission criteria. An applicant for admission to the home who has been a resident of the state for 30 years and is otherwise qualified for admission under AS 47.25.020 or 47.25.030 may not be disqualified for admission because of absence from the state if the commissioner of administration determines the absence was reasonable and admission is consistent with the intent of this chapter. (§ 2 ch 89 SLA 1978)

Sec. 47.25.040. Transfer of insane inmates to asylum or sanitarium. A person regularly admitted into the home who is found to be insane may be transferred to an institution provided for the care and custody of insane persons for the state in the manner provided by

law for the admission of other persons to the institution. (§ 51-2-15 ACLA 1949)

Sec. 47.25.050. Maintenance funds. The legislature shall each session appropriate the necessary funds for the maintenance of the home to be expended by the Department of Administration, and that department may receive funds, donations and bequests from private individuals, societies or organizations, and funds from the federal government for the support and maintenance of the home. (§ 51-2-16 ACLA 1949; am E.O. No. 30 (1968))

Sec. 47.25.060. Trust fund. Unless otherwise provided by the donor, money bequeathed to the Alaska Pioneers' Home constitutes a special trust and shall be deposited in a special fund designated the "Alaska Pioneers' Home Trust Fund." Unless otherwise provided by the donor, interest from this fund is under the control and at the disposal of the Department of Administration, and expenditure from it is limited to the benefit and comfort of the residents of the home. (§ 51-2-17 ACLA 1949; am E.O. No. 30 (1968))

Sec. 47.25.070. Indebtedness of Pioneers' Home resident to state. (a) The following expenses incurred for a Pioneers' Home resident under AS 47.25.010 — 47.25.100 and not recoverable from a collateral source are a debt of the resident to the state and may be recovered during the life of the resident:

(1) costs of standard or nursing care provided in the Pioneers' Home each month to the resident not exceeding the rate established by the Department of Administration under AS 47.25.030, with credit given for any amounts paid by or collected from the resident;

(2) allowances paid under AS 47.25.020(c);

(3) costs of hospitalization and medical treatment provided outside the Pioneers' Home;

(4) arrearages in fees for television and telephone services provided in the Pioneers' Home;

(5) prescription medicine; and

(6) burial and related expenses.

(b) The debt is a first, prior and preferred claim against the estate of the Pioneers' Home resident after the resident's death, and after all claims for food, clothing, fuel, shelter, medical aid, or burial expenses are paid. Heirlooms without regard to value are exempt from a claim by the state under this section.

(c) Money left in charge of the Department of Administration by a deceased resident of the Pioneers' Home may be used for the burial and funeral expenses of the resident and for the improvement of the burial plot of the Pioneers' Home.

(d) The clothing and other personal effects left by a deceased Pioneers' Home resident may be used for the benefit of other residents, or may be given to relatives or to persons designated by the resident,

§ 47.25.080 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.25.100

or sold and the proceeds applied in the manner provided for money left by a deceased resident.

(e) In this section, "heirloom" means personal property of sentimental value to a Pioneers' Home resident that has been in the possession of the resident's family or was a gift to the resident. (§ 51-2-101 ACLA 1949; am E.O. No. 30 (1968); am §§ 4, 5 ch 11 SLA 1979; am § 4 ch 155 SLA 1984)

Effect of amendments. — The 1984 amendment rewrote this section.

NOTES TO DECISIONS

Conduct of decedent entitling claim of state to priority. — Where (1) the decedent swears initially and annually thereafter that she owns no property, although during all that time she has approximately \$10,000 in cash; and (2) the

transfer thereof is without consideration, the claim of the state is entitled to priority in conformity with the provisions of this section. In re Jackson's Estate, 15 Alaska 116, 123 F. Supp. 143 (D. Alaska 1954).

Sec. 47.25.080. Enforcement against estate. If a beneficiary under AS 47.25.010 — 47.25.100 dies leaving an estate in the state, the attorney general or the Department of Administration shall file with the executor or administrator, or with the probate court, the claim of the state against the estate, and the attorney general shall take the steps necessary to enforce and collect the claim. Money collected shall be paid into the treasury of the state. (§ 51-2-102 ACLA 1949; am § 1 ch 46 SLA 1957; am E.O. No. 30 (1968))

NOTES TO DECISIONS

Applied in In re Jackson's Estate, 15 Alaska 116, 123 F. Supp. 143 (D. Alaska 1954).

Sec. 47.25.090. Enforcement against property outside state. If a resident under AS 47.25.010 — 47.25.100 dies leaving property outside the state, the attorney general on direction of the governor shall take the steps with respect to the property which will protect and secure the rights of the state as a creditor. (§ 51-2-103 ACLA 1949)

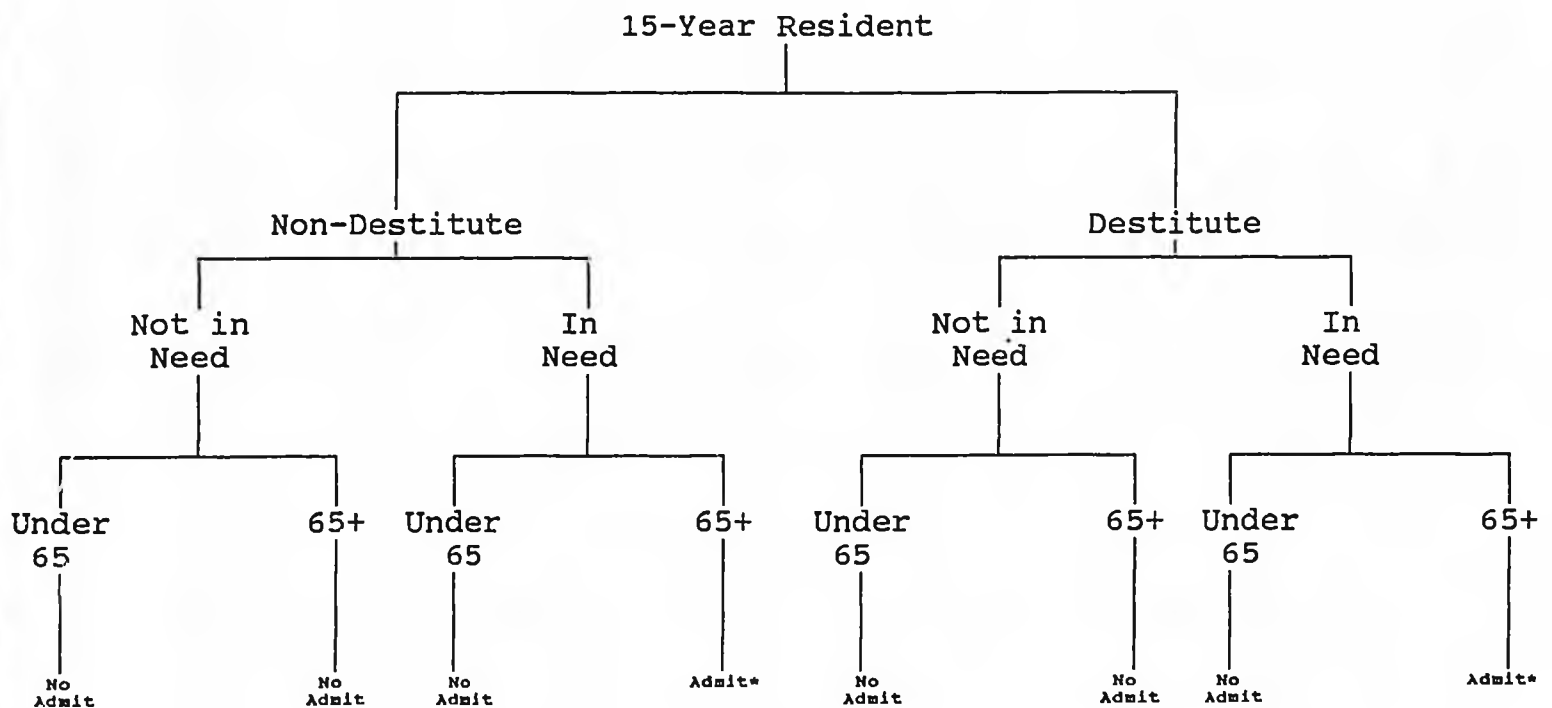
Sec. 47.25.100. Certificate as evidence. A certificate by the attorney general to the effect that a decedent was a beneficiary under AS 47.25.010 — 47.25.100 and that the state has a claim against the decedent's estate, is prima facie evidence of these facts in a proceeding in the courts of the state. (§ 51-2-104 ACLA 1949; am § 2 ch 46 SLA 1957)



ALASKA PIONEERS' HOMES

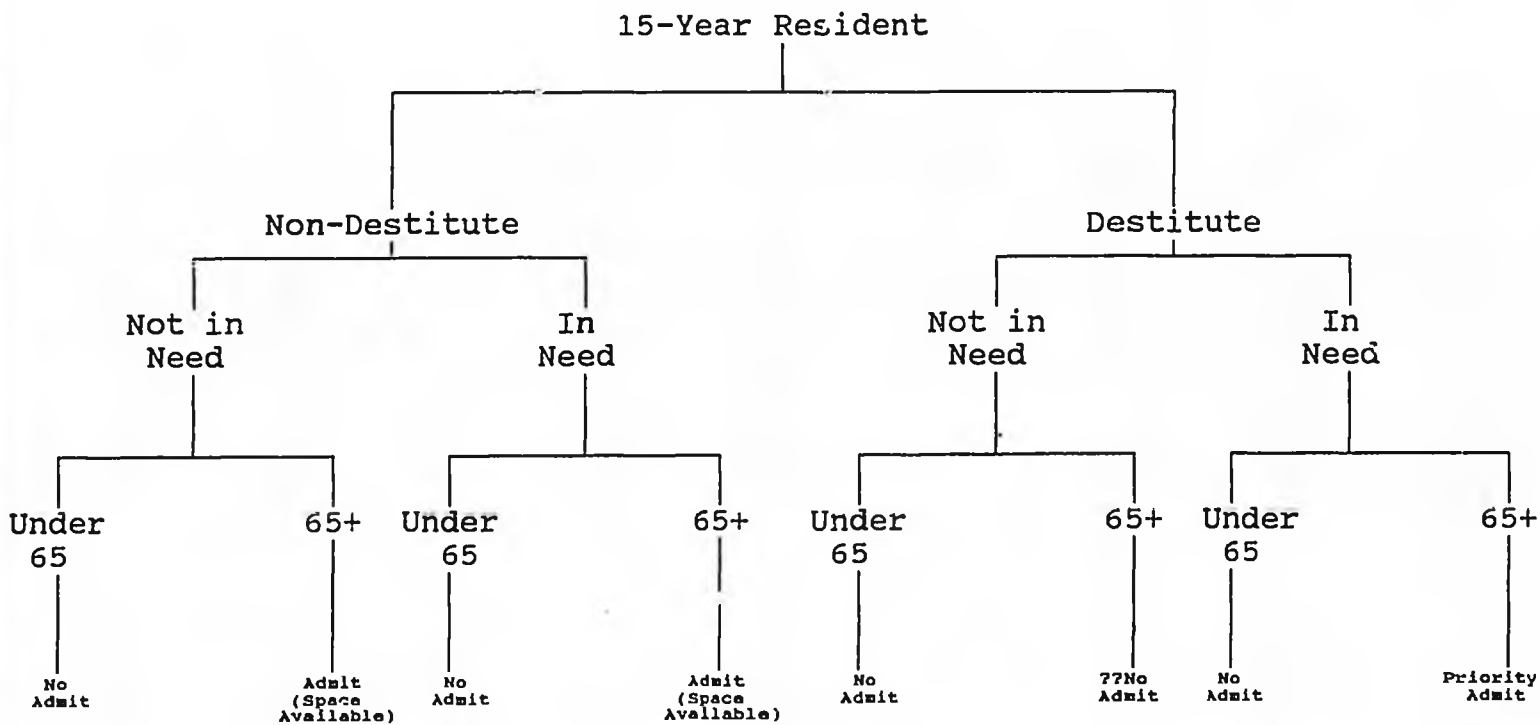
PROPOSED ADMISSION STANDARDS

By Barbara Bathony, Director



*Spouses of eligible applicants age 65 and over meeting the residency requirement but not in need of aid or benefit of the Homes may also be admitted.

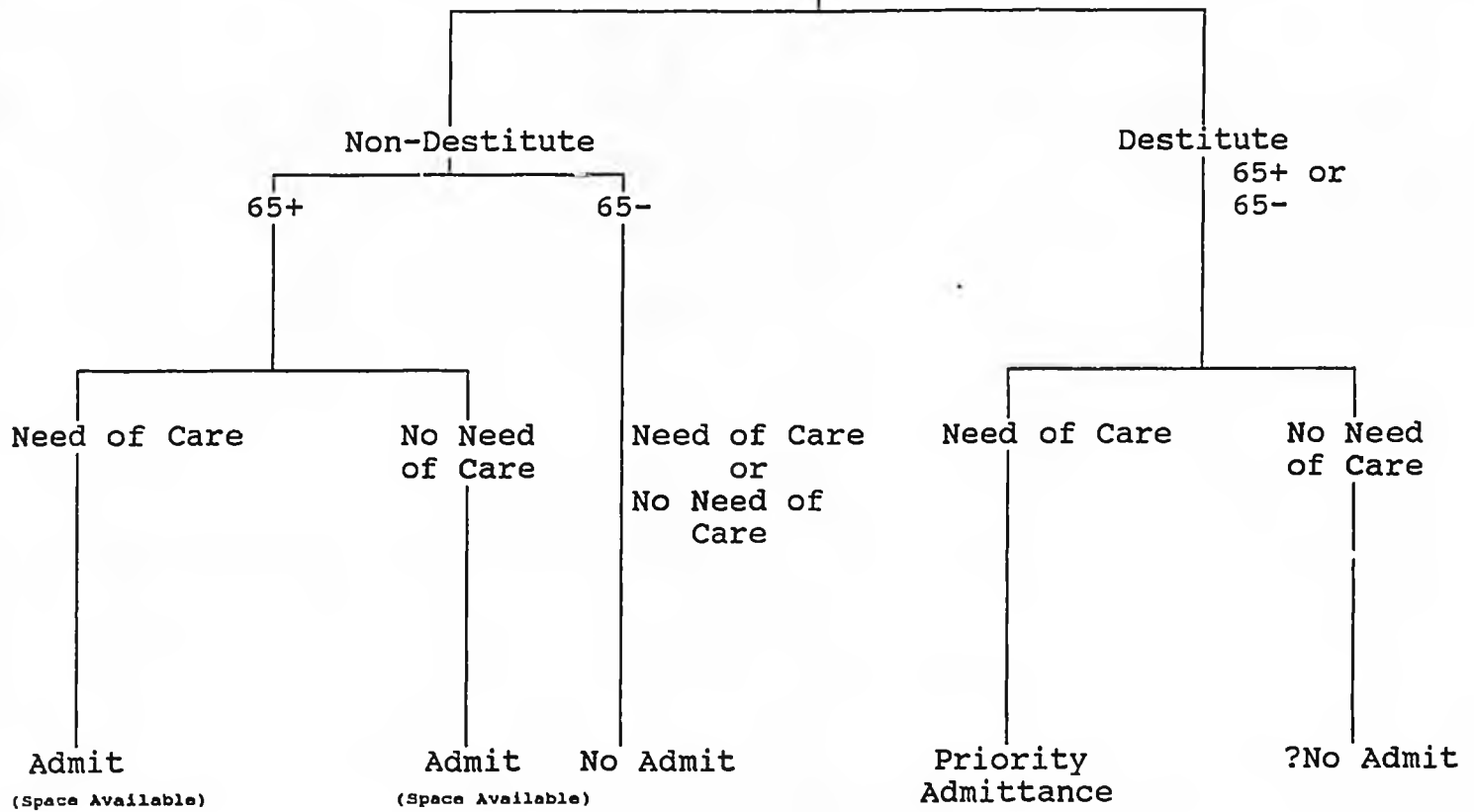
ALASKA PIONEERS' HOMES
 PROPOSED ADMISSION STANDARDS
 SB 248
 Senator Duncan, Prime Sponsor



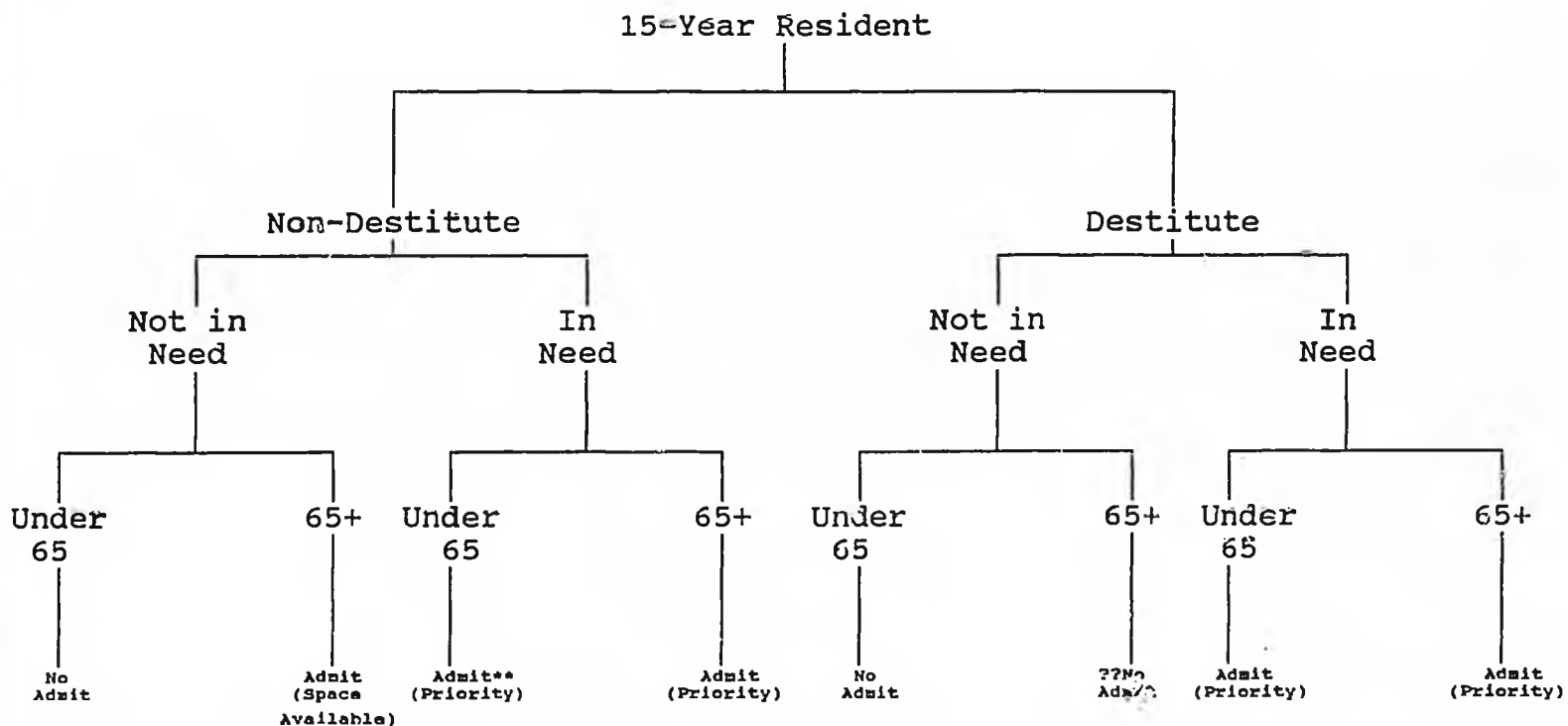
ALASKA PIONEERS' HOMES
 CURRENT ADMISSION STANDARDS



15-Year Resident



ALASKA PIONEERS' HOMES
 PROPOSED ADMISSION STANDARDS
 SB 389
 Senator Kerttula, Prime Sponsor



**The Division of Pioneers' Benefits does not believe this is the intent of SB 389.

BY SEN. KERTTULA, Szymanski

1 IN THE SENATE

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 389

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Pioneers' Home."

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

8 * Section 1. AS 47.25.010(a) is amended to read:

9 (a) The state shall maintain an institution [FOR THE CARE OF
10 NEDDY PERSONS,] known as the Alaska Pioneers' Home. The principal
11 home shall be maintained at Sitka, and a branch may be maintained at a
12 site or sites designated by the commissioner of administration.

13 * Sec. 2. AS 47.25.020 is amended to read:

14 Sec. 47.25.020. ADMISSION TO HOME. (a) Every worthy person
15 residing in the state who is 65 years of age or older, has been a
16 resident of the state continuously for more than 15 years immediately
17 preceding application for admission, and [WHO] is [DESTITUTE AND] in
18 need of the aid or benefit of the home because of physical disability
19 or other cause, is eligible for [ENTITLED TO] admission to the home
20 under the conditions, limitations, and penalties prescribed by the
21 regulations of the Department of Administration. The spouse of a
22 person who is eligible for admission under other provisions of this
23 subsection is also eligible for admission to the home under the condi-
24 tions, limitations, and penalties prescribed by regulations of the
25 department if the spouse is 65 years of age or older and has been a
26 resident of the state continuously for more than 15 years immediately
27 preceding application for admission. In this subsection, "physical
28 disability or other cause" means inability to maintain a household
29 without regular assistance in shopping, housekeeping, meal prepara-

*Concerns
on language* ←

1 tion, dressing, or personal hygiene because of physical or medical
2 impairment, infirmity, or disability [A PERSON MAY NOT BE ADMITTED AS
3 A RESIDENT OF THE ALASKA PIONEERS' HOME UNDER THE PROVISIONS OF
4 AS 47.25.010 - 47.25.100 IF THE SUPPORT AND MAINTENANCE OF THE PERSON
5 IS IMPOSED BY LAW UPON A RELATIVE OR MEMBER OF THE FAMILY OF THE
6 PERSON].

7 (b) Every person admitted to the Pioneers' Home [, EXCEPT A
8 PERSON ADMITTED UNDER AS 47.25.030,] who receives income from any
9 source in excess of \$100 per month may be required by the Department
10 of Administration to pay the excess to the Department of Administra-
11 tion immediately upon receipt of the money in payment, or part pay-
12 ment, of the cost of the person's maintenance. However, the depart-
13 ment may not require in any month the payment of an amount greater
14 than the monthly rate set under AS 47.25.030(b) except to satisfy an
15 indebtedness incurred under AS 47.25.070.

16 (c) At the end of each month the payments made under (b) of this
17 section shall be transmitted to the commissioner of revenue [TOGETHER
18 WITH THE NAMES OF THE PERSONS MAKING THEM AND THE AMOUNT PAID BY
19 EACH]. The Department of Administration may pay to a resident without
20 funds the sum of \$100 per month.

21 (d) The money received by the commissioner of revenue under this
22 section shall be deposited in the general fund. The commissioner of
23 administration shall separately account for money deposited under this
24 section. The annual estimated balance in the account may be used by
25 the legislature to make appropriations to the Department of Adminis-
26 tration to carry out the purposes of AS 47.25.010 - 47.25.100.

27 * Sec. 3. AS 47.25.030(a) is amended to read:

28 (a) A person eligible for admission under AS 47.25.020 [CITIZEN
29 OF THE UNITED STATES OVER 65 YEARS OF AGE WHO IS A RESIDENT OF THE

1 STATE AND HAS BEEN A RESIDENT FOR NOT LESS THAN 15 YEARS CONTINUOUSLY
2 IMMEDIATELY PRECEDING APPLICATION, BUT WHO IS NOT DESTITUTE,) may on
3 application be admitted to the home upon agreement to pay to the state
4 a sum for each month [DAY] as the Department of Administration consid-
5 ers sufficient to compensate the state for the cost of care and sup-
6 port of the person at the home. When this agreement is entered into
7 the Department of Administration may receive [THE] security for the
8 payments that [, WHICH] it considers expedient.

9 * Sec. 4. AS 47.25.030(b) is amended to read:

10 (b) The Department of Administration shall adopt regulations
11 establishing a [DAILY OR] monthly rate for the compensation a resident
12 is to be charged under (a) of this section. The rate charged need not
13 fully compensate the state for the cost of care and support. The
14 commissioner of administration shall review the rate each year.

15 * Sec. 5. AS 47.25.035 is amended to read:

16 Sec. 47.25.035. EXCEPTION TO ADMISSION CRITERIA. An applicant
17 for admission to the home who has been a resident of the state for 30
18 years and is otherwise qualified for admission under AS 47.25.020 [OR
19 47.25.030] may not be disqualified for admission because of absence
20 from the state if the commissioner of administration determines the
21 absence was reasonable and admission is consistent with the intent of
22 AS 47.25.010 - 47.25.100 [THIS CHAPTER].

23 * Sec. 6. AS 47.25.070(a)(3), 47.25.070(a)(6), 47.25.070(b), 47.25.-
24 070(c), 47.25.070(d), and 47.25.070(e) are repealed. .

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot
RE: Wednesday, February 7 Committee Hearing
DATE: February 6, 1990

TELECONFERENCE: Pioneers Homes: Anchorage, Fairbanks, Juneau, Palmer
(Due to limited bridge capacity no other sites could join)

On Wednesday, February 7 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

*SB 389, An Act relating to the Pioneers' Home, sponsored by Senator Kerttula.

*SB 248, An Act relating to requirements for admission to the Pioneers' Home, sponsored by Senator Duncan.

Several issues exist concerning admission criteria to the Pioneers' Homes:

1. There is currently no age requirement in law for admission to the Pioneers' Home if the applicant is "destitute". If a person is not destitute, they must be at least 65 years of age to qualify for admission.
2. Current statutes give admission priority to applicants who are technically destitute. Those who are not technically destitute and are ineligible for Medicaid, but whose income is too low to pay for nursing care, have to wait one to two years for admission.

Bill sponsors may be presenting the committee with sponsor substitutes in response to concerns outlined by the Division of Pioneers Benefits and the Department of Administration.

*Indicates first Senate State Affairs hearing

CHAPTER 41
PIONEERS' HOMES

Section

- 10. Standards for admission
- 15. Rates and Fees
- 20. Residence requirements
- 30. Assets and income
- 40. Need
- 50. Required information
- 60. Admission and appeal
- 70. Conditions and limitations
- 80. Quality and Level of care
- 90. Property of deceased residents
- 100. State claim for care and support

2 AAC 41.010. STANDARDS FOR ADMISSION. (a) An applicant is entitled to admission to a pioneers' home on a space-available basis if the applicant

(1) is a resident of the state under 2 AAC 41.020;

(2) has been a resident of the state continuously for the 15 years immediately preceding application;

(3) is destitute as provided by 2 AAC 41.030; and

(4) is in need of the aid or benefit of the home, as provided in 2 AAC 41.040, because of physical disability or other cause.

(b) An applicant is eligible for admission to a pioneers' home on a space-available basis, subject to (c) and (d) of this section, if the applicant

(1) is a resident of the state under 2 AAC 41.020;

(2) is 65 years of age or older;

(3) has been a resident of the state continuously for the 15 years immediately preceding application; and

(4) agrees to pay to the state the monthly rates and fees set by or under 2 AAC 41.015.

(c) A person qualified under (a) of this section has priority in admission over a person qualified under (b) of this section. However, a resident admitted under (b) of this section will not be required to leave in order to provide space to an applicant eligible for admission under (a) of this section.

(d) Admission to and continued residence in a pioneer's home is conditioned on the availability of funding, facilities, and staff, and the person's compliance with all appropriate conditions and limitations. (Eff. 3/31/85, Reg. 93; am 1/1/90, Reg. 112)

Authority: AS 47.25.010
AS 47.25.020
AS 47.25.030

2 AAC 41.015. RATES AND FEES. To compensate the state for the cost of care and support, a resident of a pioneer's home is charged (1) \$525 each month for residential care, \$630 each month for assisted living care, or \$800 each month for nursing care, and (2) fees for ancillary supplies and services as prescribed by the Department of Administration. (Eff. 1/1/90, Reg. 112)

Authority: AS 47.25.010
AS 47.25.020
AS 47.25.030

2 AAC 41.020. RESIDENCE REQUIREMENTS. (a) To be a resident, a person must be physically present in the state.

(b) Absences from the state in a given year do not break continuous residence for purposes of 2 AAC 41.010(a)(2) and (b)(3) if the applicant was physically present in the state for at least 185 days of the year.

(c) Absences from the state totaling more than 180 days in a given year break continuous residence for purposes of 2 AAC 41.010(a)(2) and (b)(3). However, if an applicant meets the other requirements of 2 AAC 41.010, absences totaling more than 180 days in any of the years preceding application are not grounds for disqualification from admission if the absences were for any of the following reasons:

(1) pursuit of a formal course of study under the supervision of an established primary or secondary school, college, university, vocational school, or professional school, or performance of an internship or residency necessary to establish a professional specialty, if the person returned to Alaska within 60 days after completion of the course of study, internship, or residency;

(2) medical treatment upon the recommendation of a licensed physician or psychologist if

(A) the absence did not include a permanent change of residence; and

(B) the person returned to Alaska within 60 days after completion of the treatment and any recommended convalescence period;

(3) service in the United States Army, Navy, Air Force, Marines, or Coast Guard, or the Alaska National Guard or Naval Militia, if the person

(A) enlisted or was drafted while a resident of Alaska; and

(B) returned to Alaska within 60 days after discharge, retirement, or completion of the out-of-state duty;

(4) employment by the State of Alaska in a location outside of the state if the person returned to Alaska within 60 days after termination of that employment;

(5) service in the U.S. Congress as a representative or senator for the State of Alaska, or service on the staff of such a representative or senator, if the person returned to Alaska within 60 days after the service ended;

(6) service as a presidential appointee as a cabinet member or as an ambassador, or service on the staff of such an appointee, if the person returned to Alaska within 60 days after the service ended;

(7) confinement in an out-of-state correctional institution by order of a court, if the person

(A) was a resident of Alaska before the confinement began; and

(B) returned to Alaska within 60 days after release from the institution;

(8) medical necessity of a nonresident spouse, parent, dependent, or sibling required the applicant to be out of the state to provide care for the parent, spouse, dependent, or sibling, if the applicant

(A) was a resident of Alaska when the medical necessity arose; and

(B) returned to Alaska within 60 days after the medical necessity ended;

(9) family necessity required the applicant, whose relationship with another state resident was that of a parent, spouse, dependent, or sibling, to accompany that individual who was absent for reasons allowed by (1)--(8), and (10) of this subsection, if the applicant

(A) was a resident of Alaska when the necessity to accompany the absent individual arose; and

(B) returned to Alaska within 60 days after the end of the family necessity;

(10) admission to a licensed long-term care facility outside Alaska upon the recommendation of a licensed physician issued no later than the date of departure from Alaska, if the applicant

(A) continuously maintained residency in Alaska while temporarily absent from the state; and

(B) returned to Alaska within 60 days after discharge from a licensed long-term care facility.

(d) A person who has been a resident of Alaska for 30 years may be admitted to a pioneers' home even though he or she has not been a continuous resident of Alaska, but the person is not automatically qualified for admission. He or she must still meet the 15-year continuous-residence requirement. The 30 years of residence gives the commissioner of administration the authority to treat extended absences for good reasons as periods of residence for purposes of the 15-year requirement.
(Eff. 3/31/85, Reg. 93; am 1/1/90, Reg. 112)

Authority: AS 47.25.010
AS 47.25.020
AS 47.25.030
AS 47.25.035

2 AAC 41.030. ASSETS AND INCOME. (a) A destitute person is one who does not have in excess of the amounts established by the Department of Health and Social Services for eligibility for adult public assistance under 7 AAC 40:

(1) monthly income;

(2) liquid assets such as cash or negotiable instruments;

(3) stocks, bonds, or securities readily convertible to cash; or

(4) real or personal property. For purposes of this sub-section, the value of the home or real property of the applicant or resident is not considered while the home or real property is used as the primary residence of the applicant's or resident's spouse or dependent.

(b) All assets owned by and income of a resident of a pioneers' home must be applied to the monthly rates and fees established by or under 2 AAC 41.015, except

(1) the amount exempted from payment under AS 47.25.020(b);

(2) real or personal property being used as the primary residence of the resident's spouse or dependent; and

(3) real or personal property, not being used as the primary residence of the resident's spouse or dependent, with a value of not more than the amount set by the Department of Health and Social Services for eligibility for adult public assistance under 7 AAC 40; and

(4) income, stock, and dividends from stock received under the Alaska Native Claims Settlement Act, as amended, 43 U.S.C. 1601-1629e.

(c) A resident of a pioneers' home who does not receive income of at least \$100 a month will, if appropriations are sufficient, be paid by the Department of Administration the amount necessary to bring the resident's monthly income up to \$100. The resident may accumulate this money in a savings or trust account, but a claim for the resident's care and support will, in the discretion of the Department of Administration, be asserted against such an account, by the state, upon the death of the person.

(d) A resident of a pioneers' home who receives more than \$100 in income in any month, from any source shall pay to the state that portion of the excess, after paying the resident's medication expenses, required to pay the monthly rates and fees established by or under 2 AAC 41.015.

(e) A resident of a pioneers' home admitted under 2 AAC 41.010(a) who acquires an asset or assets with a nature and value that would disqualify the resident under that subsection will be allowed to continue residence if the resident qualifies under 2 AAC 41.010(b).

(f) In determining the assets of an applicant under this section, the Department of Administration will include the value of any asset or interest owned by the applicant within the 24 months preceding the date of application if the applicant gave away the asset or interest, or sold or assigned the asset or interest at less than fair market value, for the purpose of establishing eligibility for admission under 2 AAC 41.010(a). Any such transaction will be rebuttably presumed to have been for the purpose of establishing eligibility for admission under 2 AAC 41.010(a). This standard will also apply in determining eligibility for continued residence under 2 AAC 41.010(a) of a resident who was admitted under 2 AAC 41.010(b). (Eff. 3/31/85, Reg. 93; am 1/1/90 Reg. 112)

Authority: AS 47.25.010
 AS 47.25.020
 AS 47.25.030
 AS 47.25.070

2 AAC 41.040. NEED. A person is in need of the aid or benefit of a pioneers' home because of physical disability or other cause, as required under 2 AAC 41.010(a)(4), if the person is unable to maintain a household without regular assistance in shopping, housekeeping, meal preparation, dressing, or personal hygiene. (Eff. 3/31/85, Reg. 93; am 1/1/90, Reg. 112)

Authority: AS 47.25.010
 AS 47.25.020
 AS 47.25.030

2 AAC 41.050. REQUIRED INFORMATION. (a) An application for admission to a pioneers' home must include

(1) the names and addresses of the applicant's adult relatives and of any guardian, conservator or other responsible party;

(2) a description of any physical or medical impairment, infirmity or disability of the applicant, and the name of the physician, if any, who last treated the condition.

(b) An applicant for admission under 2 AAC 41.010(a), and an applicant or resident who cannot pay or continue to pay the full rates and fees established by or under 2 AAC 41.015, shall also provide the following information:

(1) the description and location of all real property owned by the applicant or resident, whether inside or outside the state during the preceding 24 months;

(2) the description and location of any major assets owned by the applicant or resident during the preceding 24 months, such as automobiles, boats, airplanes, jewelry, cash, stocks, bonds, notes, livestock, and appliances;

(3) a listing of the amount and source of any income the applicant or resident receives or might receive while a resident, and copies of the applicant's or resident's federal income tax filings for the preceding two years;

(4) the number, location, and contents of any savings or checking accounts or safe-deposit box held in the applicant's or resident's name during the preceding 24 months, as well as the location of the appropriate passbook or key.

(c) The Department of Administration, or the home, will, in its discretion, require additional information relevant to an applicant's or resident's qualifications. Such requests will, in the department's or home's discretion, require that the applicant or resident give the department and its agents access to various items, including medical records and financial records.

(d) An applicant or resident shall inform the Department of Administration or home of changes in information provided under this section.

(e) Information provided by an applicant or resident is considered confidential unless disclosure is allowed by law. (Eff. 3/31/85, Reg. 93; am 1/1/90, Reg. 112)

Authority: AS 47.25.010
AS 47.25.020
AS 47.25.030

2 AAC 41.060. ADMISSION, DISCHARGE, AND APPEAL. (a) The manager of a pioneers' home shall appoint a committee from the home staff and the community in which the home is located, to provide advice on matters of admission and discharge.

(b) Decisions concerning admission, continued residence, and discharge shall be made by the home manager with advice from the home's committee and interdisciplinary care team. A decision adverse to an applicant or resident may be appealed to the director of the division of pioneers' benefits, in the Department

of Administration, within 30 days after the mailing of the manager's decision. The director shall accept all written testimony that the parties wish to submit, and may, hold an oral hearing. Upon request of any party, the director shall hear witnesses testifying under oath and shall request documents. The director shall render a decision within 10 working days after the written and testimonial records are closed, unless that period is extended for good cause shown, including allowance of time to present post-hearing briefs or newly discovered evidence not previously discovered or discoverable. The director may delegate hearing authority to an assistant or a hearing officer.

(c) An aggrieved party is entitled to a hearing from the Department of Administration 30 days after the mailing of the director's decision, if the aggrieved party appeals to the commissioner of administration. The commissioner will, in his or her discretion, delegate review authority to a deputy commissioner, special assistant to the commissioner, or hearing officer. The appeal will be on the record, and will be decided within 10 days after the full record is received by the commissioner or the delegate. (Eff. 3/31/85, Reg. 93; am 1/1/90, Reg. 112)

Authority: AS 47.25.010

2 AAC 41.070. CONDITIONS AND LIMITATIONS. (a) Admission to or continued residency in a pioneers' home will not be granted to a person while the person is suffering from

(1) a communicable, contagious, or infectious disease that would threaten the health, safety, or welfare of other residents; or

(2) a personality defect that would threaten the health or safety of other residents.

(b) A person will not be admitted to or required to stay at a pioneers' home unless that person freely and knowingly consents to enter or remain at the home.

(c) A resident of a pioneers' home admitted under 2 AAC 41.010(b) may not continue residency at the home if the home manager determines that the person's payments for care and support are in arrears.

(d) A resident of a pioneers' home will be discharged if he or she is absent from the home more than 60 consecutive days, unless the absence was required by 2 AAC 41.080. (Eff. 3/31/85, Reg. 93; am 1/1/90, Reg. 112)

Authority: AS 47.25.010
AS 47.25.020
AS 47.25.030
AS 47.25.040

2 AAC 41.080. QUALITY AND LEVEL OF CARE. (a) A pioneers' home will provide a quality of care sufficient to preserve the health and safety of residents while they are physically present on the home's premises, or while under the direct supervision of an employee or agent of the home while off the home's premises.

(b) A pioneers' home will make every reasonable effort to provide the proper level of care to residents who require the same or different level of care after being admitted. However, the home cannot guarantee that all levels of care will be available to every resident. Availability and levels of geriatric care will be based on the funding, facilities, and staff available at each home.

(c) A pioneers' home is not an acute care facility. If a resident requires care not normally provided by the home, the resident will be referred to another appropriate health care facility until the resident is able to return to the home. A resident of the residential or assisted living section of a home may use an available home infirmary bed for not more than 30 days during a temporary non-acute illness. If the illness continues beyond 30 days and no nursing bed is then available, the resident will be temporarily transferred to an appropriate health care facility, but only after all reasonable alternatives, including temporary placement in another Pioneers' Home, are fully explored.

(d) Acceptance of the limits on the level of care set out in this section is a continuing condition of a person's residency in a pioneers' home. A newly admitted resident, or the resident's authorized guardian, must acknowledge in writing that he or she has read and understands this section, and that he or she accepts its provisions as descriptive of the duty of care owed a pioneers' home resident by the Department of Administration and the State of Alaska.

(e) Depending on the availability of funding, facilities, and staff, a home may provide the following levels of care: residential, assisted living, and nursing. These levels of care are more fully described in the division of pioneers' benefits' policies and procedures manual, and are summarized as follows:

(1) residential - residents must be capable of independent living and are provided only basic services such as meals and heavy housekeeping;

(2) assisted living (residential II) - residents require support and protective care but do not need continuous nursing supervision or skilled nursing care; and

(3) nursing - residents require direct and extended care by professional and non-professional personnel under the supervision of a registered nurse. (Eff. 3/31/85, Reg. 93; am 1/1/90, Reg. 112)

Authority: AS 47.25.010
AS 47.25.020

2 AAC 41.090. PROPERTY OF DECEASED RESIDENTS. Upon the death of a pioneers' home resident, the resident's property that is under the control of a pioneers' home or the Department of Administration will be disposed of in accordance with direction from the court. (Eff. 3/31/89, Reg. 93; am 1/1/90, Reg. 112)

Authority: AS 47.25.070

2 AAC 41.100. STATE CLAIM FOR CARE AND SUPPORT. Upon the death of a pioneers' home resident, a state claim for care and support may be satisfied only out of the resident's estate. Personal property left by the decedent must be disposed of in accordance with 2 AAC 41.090. Heirlooms, as defined in AS 47.25.070(e), without regard to value, are exempt from a claim by the state. (Eff. 3/31/85, Reg. 93)

Authority: AS 47.25.010
AS 47.25.030
AS 47.25.070
AS 47.25.080

Alaska State Legislature



Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling

P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

*Letter sent
to attached
list*

February 2, 1990

Charles Tryck
1801 W. 13th Avenue
Anchorage, AK 99501

Dear Charles:

The Senate State Affairs Committee will be holding a hearing on two Senate Bills that relate to Pioneers' Homes Admissions; SB 389, sponsored by Senator Kerttula and SB 248, sponsored by Senator Duncan. The hearing will be held on Wednesday, February 7th at 1:30 pm. I have made arrangements for teleconferencing to the Pioneers' Home and I encourage you to listen in or to testify. The Committee will be specifically addressing the following two issues:

1. There is currently no age requirement in law for admission to the Pioneer Home if the applicant is "destitute". If a person is not destitute, they must be at least 65 years of age to qualify for admission.
2. Current statutes give admission priority to applicants who are "destitute". Those who are not technically "destitute" and are ineligible for Medicare, but whose income is too low to pay for nursing care, have to wait one to two years for admission.

In addition to the two bills, we will also be reviewing a proposal by the State Department of Administration which addresses these issues.

I look forward to talking with you on Wednesday. Please don't hesitate to give me a call in Juneau at 465-3712 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Pat".

Senator Pat Pourchot

Bob Pavitt 586-2666
Chair, AARP
130 Seward Street, #205
Juneau, Alaska 99801

Janice Ryan 274-3611
Alaska Federation of Natives
411 West 4th Avenue, Suite 301
Anchorage, Alaska 99501

Rose Palmquist 376-0110
Older Persons Action Group
325 East 3rd Avenue
Anchorage, AK 99501

Sylvia Short 563-4992
705 West 47th Avenue
Anchorage, Alaska 99503

Leo Kaye
P. O. Box 12934
Wasilla, Alaska 99687

Vera and Prent Gazaway 277-2073
1521 W. 14th Avenue
Anchorage, AK 99501

Fran Toland
Older Alaskans Commission
Dept. of Administration
P. O. Box C
Juneau, AK 999811

Connie Sipe
Older Alaskans Commission
Dept. of Administration
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Juneau, AK 999811

Liz Lawson
Senior Voice
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Florence Orr
2110 Dawnlight Circle
Anchorage, AK 99501

Joe Alter
P. O. Box 20304
Juneau, AK 99802

Sitka Pioneers' Home
120 Katlin Street
Sitka, AK 99835

Fairbanks Pioneers' Home
2221 Egan Avenue
Fairbanks, AK 099701

Palmer Pioneers' Home
250 E. Fireweed
Palmer, Alaska 99645

Ketchikan Pioneers' Home
741 Bryant Street
Anchorage, Alaska 99901

Juneau Pioneers' Home
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Juneau, AK 99801

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Anchorage, AK 99501

Peggy Burgin
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Bernice Cease
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Anchorage, AK 99501

Vanny Davenport
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Anchorage, AK 99501

Emily DuBeau
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Father George Endal
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Mildred Kirkpatrick
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Mary Olendorff
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Anchorage, AK 99501

Louise Rude
1605 Sitka #303
Anchorage, AK 99501

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P. O. Box 101978
Anchorage, AK 99510

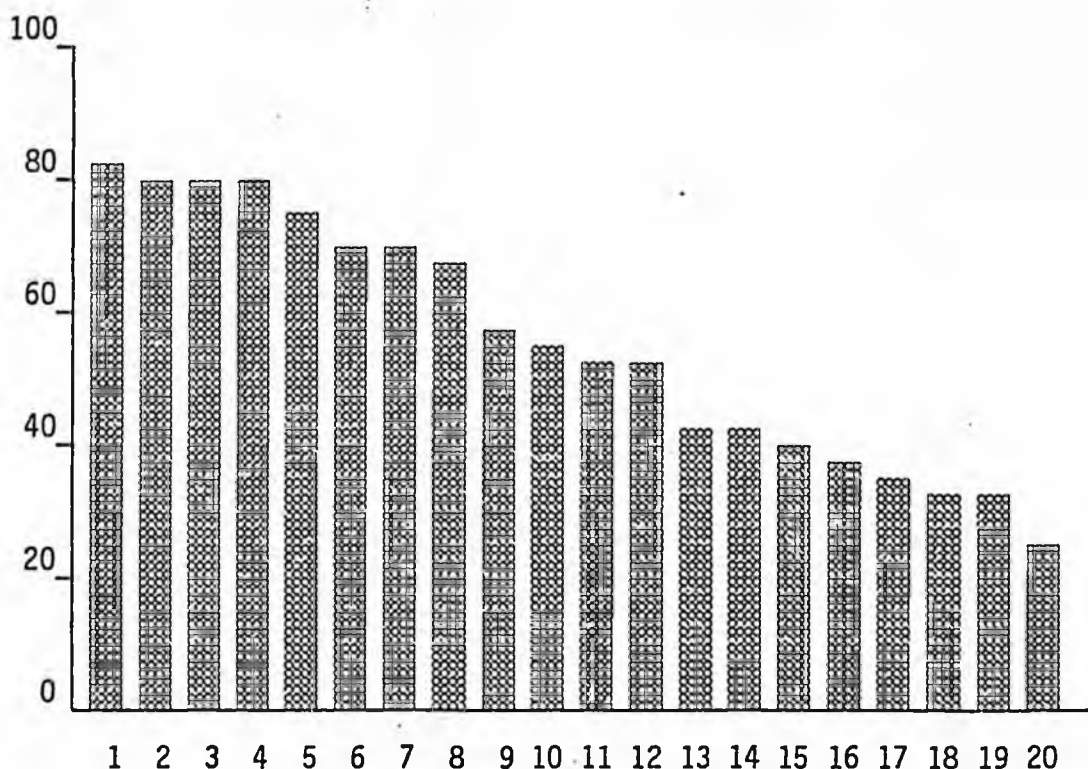
Adele Smith
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Anchorage, AK 99501

Charles Tryck
1801 W. 13th Avenue
Anchorage, AK 99501

OAC - HOUSING Study 1988 - Fall

SERVICES ASSUMED IN RESIDENTIAL SECTION OF PIONEERS' HOME



- | | | |
|---------------------------------------|--|---------------------------------|
| 1 - GROUP MEALS | 8 - HEALTH AIDE/NURSE | 14 - MEDICATION SPVR |
| 2 - TELEPHONE | 9 - TRANSPORTATION | 15 - PRESCRIPTION DRUGS |
| 3 - LAUNDRY SERVICE | 10 - LONG-TERM STORAGE | 16 - ON-SITE BEAUTY/BARB. |
| 4 - PRIVATE ROOMS W/LOCKS | 11 - CABLE TV | 17 - PHYSICAL THERAPY |
| 5 - EMERGENCY CALL BUTTON | 12 - SHOPPING ASSISTANCE | 18 - PERSONAL CARE AIDE |
| 6 - HOUSEKEEPING SERVICE | 13 - REGISTERED DIETICIAN
(SPECIAL DIETS) | 19 - COUNSELING/INFO. |
| 7 - SOCIAL/RECREATIONAL
ACTIVITIES | | 20 - MEALS DELIVERED
TO ROOM |

SERVICES ASSUMED TO BE INCLUDED IN THE MONTHLY FEE FOR LIVING IN THE RESIDENTIAL SECTION OF A PIONEERS' HOME OR SIMILAR FACILITY PER THE OLDER ALASKANS COMMISSION HOUSING SURVEY. *Fall 1988 OAC*

1 * Section 3. AS.47.25.030 is amended to read:

2 [Admission on] P[p]ayment. (a) A person seeking
3 admission under AS 47.25.020 [CITIZEN OF THE UNITED STATES OVER
4 65 YEARS OF AGE WHO IS A RESIDENT OF THE STATE AND HAS BEEN A
5 RESIDENT FOR NOT LESS THAN 15 YEARS CONTINUOUSLY IMMEDIATELY
6 PRECEDING APPLICATION, BUT WHO IS NOT DESTITUTE,] may [ON
7 APPLICATION] be admitted to the home upon agreement to pay to the
8 state a sum for each month [DAY] as the Department of
9 Administration considers sufficient to compensate the state for
10 the cost of care and support of the person at the home. When
11 this agreement is entered into the Department of Administration
12 may receive the security for the payments, which it considers
13 expedient.

14 (b) The Department of Administration shall adopt
15 regulations establishing a [DAILY OR] monthly rate for the
16 compensation a resident is to be charged under (a) of this
17 section. The rate charged need not fully compensate the state
18 for the cost of care and support. The commissioner of
19 administration shall review the rate each year.

20 (c) The Department of Administration shall provide to all
21 residents of the Pioneers' Home written notice of any proposed
22 change in the rate charged for care and support of persons at the
23 home. Notice under this section shall be given not less than 60
24 days before a change is adopted. The notice shall include the
25 time, date, and place of a hearing to be held by the department
26 of Administration under (d) of this section. The department may
27 not change the rate charged more than once in a fiscal year.

28 (d) Not less than 30 days before a proposed rate change is
29 adopted, the Department of Administration shall conduct a hearing
30 at which interested persons shall be given the opportunity to
31 submit written or oral testimony, statements, arguments or
32 contentions relating to the proposed rate change. The department

SUGGESTED DRAFT LANGUAGE

SUGGESTED DRAFT LANGUAGE

1 shall consider all relevant matter presented to it before
2 adopting a rate change.

3 (e) The commissioner of administration shall separately
4 account for money received under this section and deposited in
5 the general fund. The annual estimated balance in the account
6 may be used by the legislature to make appropriations to the
7 Department of Administration to carry out the purposes of this
8 section.

Section

*47.25.080. b and c, d
need to be changed
conflict of existing
probate law*

STEVE COWPER, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

P.O. BOX CL
JUNEAU, ALASKA 99811-0211
PHONE: (907) 465-4400


February 1, 1990

Dear Residents and Friends of the Pioneers' Homes:

The Senate State Affairs Committee will be holding a hearing regarding Pioneers' Home admission, including Senate Bills 248 and 389, on Wednesday, February 7, 1990, at 1:30 p.m.

This hearing may affect many of Alaska's seniors and you are encouraged to participate in the hearing via teleconference through the Legislative Information Office in your area. If you wish to be included in this teleconference, please contact Susan Barnett at 465-3879. Arrangements are also being made to include each of the Pioneers' Homes in this teleconference and you are welcome to participate at the Pioneers' Homes.

Sincerely,


Barbara Bathony, Director
Division of Pioneers' Benefits

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling



P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

February 12, 1990

Jorge C. and Ida J. Hix
120 Katlian Street
Sitka, AK 99835

Dear Mr. and Mrs. Hix;

Thank you for writing in support of the Sponsor Substitute for SB 389, relating to Pioneers Home Admissions. I was pleased to receive so many positive comments from residents of Pioneers Homes around the state.

Jim Fox, Department of Administration, and Barbara Bathony, Division of Pioneers Benefits, deserve praise for their fine work in assisting Senator Kerttula draft this important piece of legislation. The Senate State Affairs Committee passed this bill out of committee on February 7th. The next committee of referral is Senate Health, Education and Social Services, (HESS) chaired by Senator Fischer. I encourage you to send your comments on SB 389 to Senator Fischer.

I share your concern about the need for additional nursing homes in our state. Though we hope to solve some of the admissions problems by enacting SB 389, the problem of a shortage of beds in the nursing care section of the Pioneers Homes has not been fully addressed. I plan to continue working with groups like the Older Persons Action Group, Pioneers of Alaska and the Older Alaskans Commission to develop a statewide approach to deal with nursing home needs.

Thank you again for writing, I hope you are enjoying being in beautiful Sitka.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat", written over a large, stylized circular flourish.

Senator Pat Pourchot

Chairman
Senate State Affairs Committee

Jorge C. and Ida J. Hix
120 Katlian Street
Sitka, AK 99835

February 7, 1990

Senator Pat Pourchot, Chairman
Senate State Affairs Committee

Dear Senator Pourchot:

We recently moved from Anchorage into the Pioneer Home in Sitka because this is where we wanted to be. Naturally we are very much interested in the Sponsor substitute for ~~SB 389~~.

The elimination of destitute criteria meets our approval. We are proud to live in the "Pioneer Home". I do not believe we could abide living on the "poor farm".

Setting the minimum age to 65 eliminates some existing problems. Putting in the Probate Court language brings the statute into line with present procedures.

We would suggest furnishing an alternative for Alaskans who need nursing home services and are eligible for Medicaid. The recipients would often be better off financially and the State would get the benefit of some ten million dollars in federal funds. (My rough calculation)

Sincerely,

Jorge C. Hix
Ida J. Hix



Alaska State Legislature

Sen. Pourchots ofc.

Please enter into the record my testimony to the Senate State Affairs
committee name

committee on SR 389, dated Feb. 7, 1990
bill/subject

See Attached

Signed: A. P. Nielsen
Testifier

Representing (Optional)
Sitka Pioneer Home, 120 Kuttlian
Address

Sitka AK 99835
Phone No.

AE 389 - Committee Chair 2/9/90

ON THE (BESTUTE)

Suppose in a family indeed
and have no place to no shelter
and no where else to go would the
Pioneers home any place or can the
home place them in place of their own
til the people get back on their feet

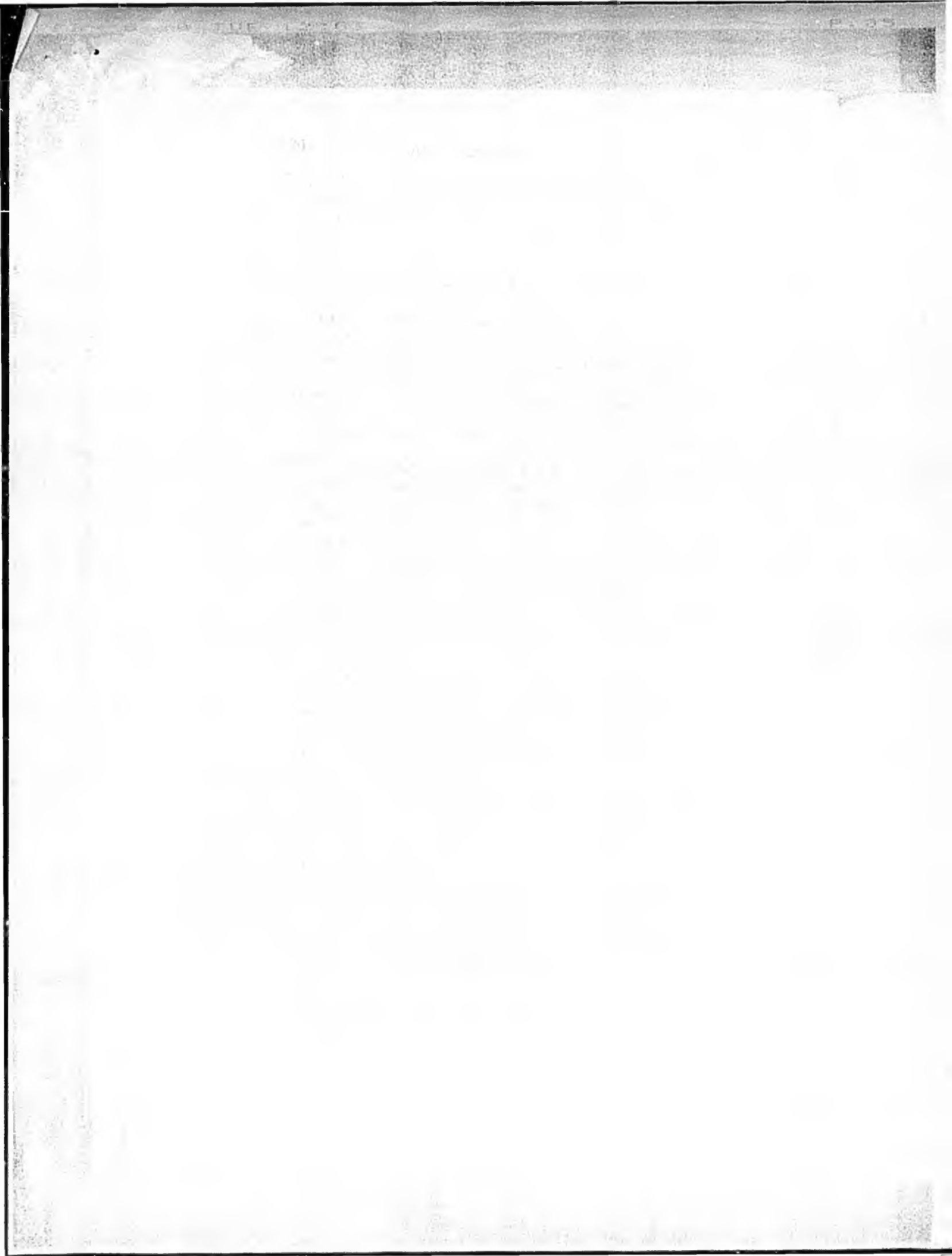
The churches can will shelter
them, But with out a place to cook
The Salvation Army can place them
on ~~any~~ a ~~temporary~~ short TIME

~~A. Nielsen~~

THE FOLLOWING DOCUMENT MAY NOT FILM
LEGIBLY BECAUSE OF THE POOR QUALITY OF THE
ORIGINAL

From Dennis Murray

2.6.90



SS SB 389

2-7-90 St. Aff
Hearing

> Kathy:

> Roxanne:

> Fox: supportive of SS

> PRIORITY ADMISSION? (Pat)
Fox explained current

> WHATS WRONG? (Pat)
Fox: inequity to base on finances

Definition of Destitute? (Pat)
Fox: Where to cut off?

> Barbara:

Page 1

Line 27 — Physical Disability applies
to all, not just spouse.

> Bill Ray: lobbyist for Pioneers

Line 27 — put physical disability
in definitions

> Florence ORR: Anchorage
in support

>

Objecting to 65 or below

➔ Eugene Titeller: Fairbanks

• Unanimously in support

— Additional comments: guidelines / regs should
be altered to reflect new bill.

- Page 2
- do not set degrees of "in need"
 - do first come, first serve
 - occupancy \leftrightarrow payment
 - residential wage — can be abused through politicians pull

> PALMER

Rose Palmquist

SS is best approach

< Chronological application may not be best — yet degree of need may be problem for political pull.

- Definition of Physical Disability
Line 11 — Line 15 Page 2
Does this change current policy of pay as much as possible.

Olive Bell:

> hold onto pioneer status of 65

ANCHORAGE:

Charles McGee:

anti-tourism

Move we adopt SS

Move with individual rec:

S B

394

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SS SB 394

SPONSOR Fahrenkamp

BILL TITLE Group Health for Blwd/Disabled Vendors

DATE REFERRED 3.29.90

HEARING SCHEDULED 4.11.90

FISCAL NOTE PREPARED ✓✓

SPONSOR CONTACTED ✓

INTERESTED PARTIES CONTACTED

✓ Pat Young - Div. of Voc. Rehab

OTHER

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot

RE: Wednesday, April 11 Committee Hearing

DATE: April 10, 1990

On Wednesday, April 10 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SS SB 394. An Act relating to eligibility to participate in the state group insurance for certain licensees in vocational rehabilitation programs.

Second Hearing. Sponsored by Senator Fahrenkamp, this bill would allow the Division of Vocational Rehabilitation (DVR) to include blind and severely disabled people in business as vendors in the group health insurance program. DVR is currently required to provide insurance for these vendors from the proceeds from vending machines in government buildings which are deposited in the Small Business Enterprise Revolving Fund, at a current cost of \$14,772 per year. Including the five vendors in group health would create a savings to the revolving fund of \$5,100 per year and the vendors would receive more comprehensive insurance than they presently have. At the committee's request, DVR has provided results of a current study on comparative rates for disabled versus non-disabled individuals which generally says that there are no increases in insurance compensation costs nor lost-time injuries.

CS HB 224. An Act creating preferences in state employment for prisoners of war and for certain rehabilitated veterans and prisoners of war; and allowing repeated use of the state employment preference by certain veterans and prisoners of war for applications for nonpermanent positions.

Second Hearing. Sponsored by Representative Kubina, this bill changes statute to allow for repeated use of state employment preference by eligible veterans and prisoners of war for nonpermanent positions. It does have one exception for veterans or prisoners of war who were terminated because of a service related disability and who have not worked in a permanent position for two years. These people, with medical certification, are entitled to receive a preference for a permanent position. We have requested Legal to draft an amendment specifying that POWs be "Alaskans". Legal will respond with a paragraph on the "constitutionality" of a residency requirement.

CSSSHB 218. An Act extending the authority of the Alaska Housing Finance Corporation to assist in the development of congregate housing and directing the Alaska State Housing Authority to develop a pilot program for

congregate housing; and providing for an effective date. Second Hearing. Based on committee concerns, a proposed CS has been developed which requires AHFC to operate within prudent lending guidelines, clarifies that no subsidies will be authorized, defines congregate housing and identifies Alaska State Housing Authority role in the pilot program. Your packet contains the CS, a memo from Representative Ulmer highlighting the changes and an explanation of "layered financing".

CSSS SB 369. An Act relating to members of the boards of fisheries and game; and providing for an effective date. Sponsored by Rules at request of the Governor, this bill requires members of the Board of Fisheries or the Board of Game to disclose any interests in organizations relating to fish and game resources. Language in the CS clarifies the Governor's authority to remove board members convicted of violating a statute or regulation on fish or game and increases board compensation to the federal per diem rate (currently \$125 per day for Anchorage) and an honorarium of \$150 for each meeting day. Senate Resources attached a Letter of Intent which states support for increased compensation for board members and urges "streamlining" their functions to reduce hardships to members, the public and government staff.

SB 106. An Act relating to school boards in regional educational attendance areas. Sponsored by Senator Coghill, this bill amends AS 14.08.051(b), relating to the school board sections of statutes on education in the unorganized borough. It provides that a petition to divide a regional educational attendance area (REAA) into sections to recast section boundaries, or a petition to elect REAA school board members, must contain signatures of qualified voters in the area equal to eight percent (reduced from 15%) of the total vote cast in the most recent regional school board election.

DATE: 3/29/90

FURTHER: Finance

DATE TURNED INTO OFFICE: _____

State Affairs

Committee considered

SSSB 394

"An Act relating to eligibility to participate in the state group insurance for certain licensees in vocational rehabilitation programs."

and recommended:

- replace with _____ CS _____ same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:
Dept/Date:

fiscal note(s) Ed: 1.31.90

zero fiscal note(s) DOA 1.29.90

Governor's bill w/fiscal note

SIGNING DO PASS:

Jan Tuck

OTHER RECOMMENDATIONS:

Rich Uehy (NO REC)

Pat Louch
Chair: Signature and Recommendation

Alaska State Legislature



SENATOR BETTYE FAHRENKAMP
CHAIRMAN, RESOURCES COMMITTEE
119 N. CUSHMAN STREET, SUITE 201
FAIRBANKS, ALASKA 99701
OFFICE (907) 452-4882
HOME (907) 456-2899

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
CAPITOL, ROOM 125
OFFICE (907) 465-3834
HOME (907) 780-6027

Senate

MEMORANDUM

TO: Senator Pat Pourchot, Chairman
Senate State Affairs Committee

FROM: Senator Bettye Fahrenkamp

DATE: March 28, 1990

SUBJECT: Senate Bill 394

"An Act relating to eligibility to participate in the state group insurance for certain licensees in vocational rehabilitation programs."

The Division of Vocational Rehabilitation administers a program to set up blind and severely disabled people in business as vendors in state and federal buildings, licensing them through the Small Business Enterprise Program.

The Division is required to purchase health insurance for these vendors (there are currently five in the state, four of whom are located in Anchorage and the other in Juneau at the State Office Building). The insurance is paid for out of proceeds in the Small Business Enterprise Revolving Fund (which is funded by receipts from vending machines in state and federal buildings).

Because there are only 5 vendors, they are too few to get a group insurance rate on their own, which means they each have to make arrangements for health insurance individually. If we were to include them in the state group health plan as a political subdivision, it would provide them with better insurance for less money. This will save the revolving fund \$5,200 per year, which can then be used toward helping other blind or disabled people to establish vending businesses.

Attached you will find a negative fiscal note and analysis from the Division of Vocational Rehabilitation, and zero fiscal notes from the Division of Retirement and Benefits and the University.

I would very much appreciate your early scheduling and favorable consideration of this measure.

PAT
FLOOR
TODAY
NO S.A. CS
Rec: YES Vote
NO ADDED
INSUR. COST
FOR COVERED
DISABLED.

ATTACHMENT A

ANALYSIS:

The Division of Vocational Rehabilitation has the statutory and regulatory authority to receive net proceeds from vending machines operated by private persons in state or federal buildings throughout the state of Alaska.¹ These proceeds are deposited quarterly in the Small Business Enterprise Program's revolving fund which is administered by the division. The income from these machines can only be used by the division to enhance, expand and provide fringe benefits to vendors licensed under the Small Business Enterprise Program.

One of the services provided to the licensees is health insurance. The Division has provided this health insurance in the past, but the cost has been higher with less coverage than that provided under the state health insurance program. For calendar year 1991, the division is paying \$14,772.00 to cover five vendors out of this revolving fund. The division would only have to pay \$9,611.40 to cover these same five individuals if they were eligible to participate in the state health insurance program. This would create a net savings of \$5,161.00 for the division in program receipts which could then be used for other services needed to operate the vending program.

¹AS 23.15.010-210
4 AAC 54.430

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

CENTRAL OFFICE
P.O. BOX F
GOLDBELT PLACE
JUNEAU, ALASKA 99811-0581
PHONE: (907) 465-2814

April 10, 1990

The Honorable Pat Pourchot
Room 504, Capitol
P.O. Box V
Juneau, Alaska 99811

Dear Senator Pourchot:

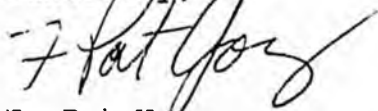
Reference: Insurance Costs vs. Blind and Disabled Individuals

Please find attached the most current study that I have been able to find in this short period of time regarding the rates of insurance for disabled individuals versus "non-disabled." Other pertinent employment information is included in this study. The areas of concern which were addressed yesterday have been highlighted.

It has been determined that two publications ("The Chartbook on Disability in the United States" and "Data on Disability from the National Health Interview Survey, 1983-1985") are available from the National Institute on Disability and Rehabilitation Research, U.S. Department of Education. It will, however, require some time to obtain that information.

I hope this information will be of assistance to you in making your decision concerning SSSB-394. If I may provide you with any further information, please let me know.

Sincerely,



F. Pat Young
Deputy Director
Division of Vocational Rehabilitation

Enc.

cc: Senator Tim Kelly, President of the Senate
Senator Jan Faiks
Senator Al Adams
Senator Rick Uehling
Senator Bettye M. Fahrenkamp

Myths About Hiring the Physically Handicapped

by Sandra Kalenik

"I don't think I could take it. I'd probably kill myself."

"I'd probably try to carry on as best I could."

"I can't even imagine it. I'm sure I'd become terribly depressed."

Almost everyone has thought of what he would do or how he would react to a sudden physical disability, such as becoming blind, losing a limb, or becoming a paraplegic. We are aware of the pain, the problems of adjusting to a handicap, the difficulties of carrying on everyday life. What we don't think about is how much the reaction of others would affect us. Their reaction can create problems as severe as those caused by the physical impairment itself—particularly when it closes the door to job opportunities. As one 32-year old paraplegic from Columbus, Ohio, put it: "All I want is the chance to be able to work, to prove myself, and to support my family to the best of my ability. I did it before and I'd like to do it again."

Under the terms of the Rehabilitation Act of 1973, more handicapped persons will have that chance. As Assistant Secretary Stender notes in his editorial, Section 503 of that law is designed to provide employment opportunities for qualified physically and mentally handicapped individuals and to eliminate discrimination based on handicaps. (This article confines itself to the physically impaired, not to those with a mental disability, a subject which will be discussed in a future issue of *Job Safety & Health*.)

Though the President's Committee on Employment of the Handicapped has a history of 25 years of effort to open job opportunities, there is still a significant degree of employer resistance toward the handicapped.

Surinder Dhillon, who has been confined to a wheelchair for eight years as a result of infantile arthritis, knows what it is like to be turned down for employment because of his disability. A computer systems analyst and programmer, Dhillon spent a year and a half looking for work. He estimates that he made 300 to 400 phone calls, all of them leading nowhere. Eventually Dhillon decided to form his own

company, Rehab Computer in Arlington, Virginia. The company, which generated contracts totaling over \$190,000 in 1973, also trains physically disabled persons in computer communications.

It's a pretty success story, illustrating how much the handicapped can accomplish against great odds. But it also illustrates the enormous resistance that even the talented handicapped worker encounters when he looks for a job. A counselor in the District of Columbia's Bureau of Rehabilitation Services offers a partial explanation: "People are scared of what they don't know. Employers don't like to take a chance with a disabled person. All they see are the problems, many of which are imaginary."

There are several, similar reasons employers offer for not hiring handicapped workers, reasons that have one thing in common: they are myths.

"Handicapped workers will jeopardize our company's safety record."

This statement has about as much validity as the classic schoolboy belief that handling toads will cause warts.

The Bureau of Labor Statistics made a classic study of handicapped workers in the late '40's, a time, like today, when many disabled war veterans had returned home. The two-year, comprehensive survey matched the performance of 11,028 impaired workers with that of 18,258 unimpaired workers who were doing the same kind of work. The survey covered 109 plants in a wide variety of industries and geographic locations.

A committee selected for study 10 types of serious physical impairments—orthopedic, vision, hearing, hernia, cardiac, ex-tuberculosis, peptic ulcer, diabetic, epileptic, and combinations of any two of these.

Nearly 58 percent of the workers surveyed were engaged in processing of some kind, 15 percent were in maintenance work, nearly nine percent in materials handling, about seven percent in custodial operations, six percent in inspecting and testing, over four percent in recording and

control, and about one percent in supervision.

Among the findings were these:

1) As a group, impaired workers were as efficient as unimpaired workers.

2) The impaired employee worked as safely as his unimpaired co-worker. For minor injuries, which required only first aid, the injury frequency rates per 10,000 exposure hours were identical for the two groups—9.9. About half of each group experienced no injuries at all during the period studied.

3) The record for more serious injuries was better for the impaired than for the other workers. Where the unimpaired group averaged 9.5 such injuries per million hours worked, the impaired group averaged only 8.9. They also averaged a slightly lower number of days lost per injury. Against 14.9 days for the unimpaired group, the impaired workers averaged 14.5 days.

4) In no instance had an impaired worker suffered another work injury sufficiently severe to make him permanently and totally disabled.

5) No serious injury to an impaired worker could be traced to his impairment. Nor were any cases found in which the impairment caused an injury to a fellow worker.

In a more recent survey conducted by the Du Pont Company of Wilmington, Delaware, a high majority of handicapped employees achieved ratings of average or better when compared with their fellow workers in a study designed to measure job performance, safety, and attendance.

Of Du Pont's more than 100,000 employees in the United States at the time of this survey, 1,452 were physically handicapped. The handicapped workers included those with orthopedic problems, blindness, heart disease, vision impairment, amputations, paralysis, epilepsy, hearing impairments, and total deafness.

The handicapped employees were engaged in a wide range of occupations: craftsmen—562; professional, technical and managerial—334; operators—233; clerical—224; service workers—83; laborers—16.

The safety records of the handicapped group showed that 51 percent were above average, 45 percent were average, and only four percent were below average. In attendance, 79 percent were average or above. In job performance, as rated by their supervisors, 37 percent were above average, 54 percent average, and nine percent were below average.

In addition, the study indicated that the nature of the handicap did not prevent employees from doing good jobs, as some of the best performers had the most severe handicaps—amputation, blindness, deafness, and paraplegia.

The impressive safety records of the handicapped do not surprise Surinder Dhillon. "The disabled person is more aware of his safety than other people usually are. He has had some bad experience that has made him conscious of his safety. Every day. All the time."

"Our insurance rates will skyrocket."

One study reported that more than 80 percent of the companies surveyed fear that workers' compensation rates would rise if handicapped workers were hired—a myth that Du Pont's experience alone could dispel. James H. Sears, coordinator of industry education activities for Du Pont and now "on loan" to the National Alliance of Businessmen, reports that "Du Pont has had no increases in compensation costs as a result of hiring the handicapped."

Another study by the U.S. Chamber of Commerce and the National Association of Manufacturers also negates the myth of higher insurance costs. The study showed that 90 percent of the 279 companies surveyed reported no effect on insurance costs as a result of hiring physically handicapped workers.

Further, most states have some form of second injury funds to cover cases where a handicapped worker receives a second injury that leaves him totally disabled. Such cases are rare, but when they occur, the employer is responsible only for the cost of the

second injury. The state fund compensates the worker for the difference between this amount and the amount due the worker for permanent total disability.

"Handicapped people are not as productive as unimpaired workers."

The Du Pont study revealed that 91 percent of the company's disabled workers rated average or better when compared with the general workforce.

Dhillon comments, "The disabled are more productive because they have fewer distractions. They are less apt to get up, stroll down halls, take breaks, and visit with other employees because to do these things requires a greater effort. They are also under more psychological pressure to produce."

One company executive also reports a beneficial side effect of hiring the handicapped: when unimpaired workers see a handicapped person doing well on the job, they try harder themselves.

"The impaired workers may need more assistance at the beginning," says a rehabilitation counselor. "But it's generally because they aren't as confident about themselves when they begin."

"I couldn't believe the mistakes I made at first. It was ridiculous," says a successful paraplegic accountant. "I was so nervous, I couldn't even add correctly. For a handicapped person, getting a job is a very emotional experience. You know there aren't as many jobs available for you."

"Special privileges will have to be granted to the handicapped worker."

It is true that in some cases, some accommodations are made for handicapped workers. They may be given a few minutes' head start at quitting time so that they can get to their cars more easily. Or they might be given a lowered work bench or an entrance ramp.

"If we find that an impaired worker will not be hired because there isn't a ramp available," says a rehabilitation

counselor, "many state or local agencies will install one at no expense to the employer."

James Sears adds, "Fellow employees do not consider a parking spot near the plant entrance for a paraplegic in a wheelchair to be a misuse of privilege."

"Most of all, the handicapped person wants to be treated like everyone else," says Dr. John Kelley of the Department of Physical Medicine of the Ohio State University. "Once a handicapped person has accepted the disability, he wants everyone else to accept it as well."

Several conclusions are clear. Employers, employees, and the general public need to learn more about the physically disabled. In many areas such as safety, motivation, and job performance, the impaired worker actually does better than the unimpaired worker. But more opportunities are needed.

James Sears recommends:

1) Obtain the support of your top management.

2) Seek the cooperation of your employees and union.

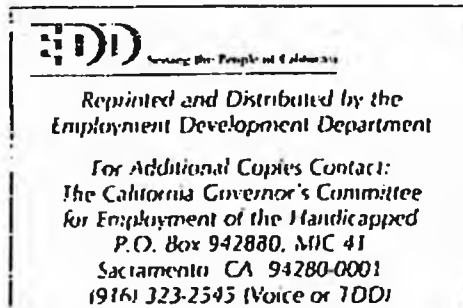
3) Hire the handicapped. The National Alliance of Businessmen is prepared to assist employers throughout the country in the hiring of the physically disabled.

As June H. Wakeford, special assistant to the Assistant Secretary of Labor for Employment Standards, says: "Handicapped persons need and deserve a better break in the employment field. In the past we've had an almost medieval attitude toward their employment, too often denying them jobs for which they were as well qualified as unimpaired workers. Section 503 of the Rehabilitation Act of 1973 will end this discrimination among most federal contractors and give more handicapped workers a chance to prove what they can do. It's time employers put ability ahead of disability."

Ms. Kalonik is a free-lance writer.

SOURCES OF INFORMATION ON HIRING THE HANDICAPPED

- American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Illinois 60606
- President's Committee on Employment of the Handicapped, Washington, D.C. 20210
- Governor's Committee on Employment of the Handicapped in your State
- State Vocational Rehabilitation Agency
- State Employment (JOB) Service Offices



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in cooperation with



**THE PRESIDENT'S COMMITTEE ON EMPLOYMENT
OF THE HANDICAPPED**

8-0330

Hiring the Handicapped Facts and Myths



8-0330

The square peg in the round hole—the worker whose abilities are not matched to the job. This is the typical employer's nightmare, a situation leading to absenteeism, a low level of production and costly turnover.

Today increased attention is devoted to eliminating this problem. Counseling and testing of students and job applicants help them find the occupations best suited to their individual talents and abilities. It is recognized that every person has certain limitations or relative areas of weakness, but the locus of job placement is on aptitudes or areas of strength. When abilities are matched to the right job, efficiency and performance are the natural result.

Unfortunately there still are many individuals for whom the focus remains directed, not on ability, but on disability. These are the one out of 11 American adults classified by the U.S. Census as "disabled."

Workers Worth Their Hire

Because their limitations or disabilities are highly visible, many may never be given the opportunity to compete on the basis of their abilities. This inequity is a loss, not only to the prospective employee, but to the employer as well. Because of an erroneous first impression, he may be passing up a valuable human resource—someone who could make real contribution to his business.

Most handicapped individuals are well aware that on the job their handicap cause no problems or only minor difficulty. The real problem for the handicapped is not in holding a job, but in getting the job in the first place.

The otherwise qualified jobseeker who has a visible handicap is working against a number of disadvantages—mostly unfounded myths and misunderstandings which make employers reluctant to hire the handicapped. Among the unfounded marks against the handicapped are these:

- Insurance rates will skyrocket.
- Considerable expense will be involved in making necessary adjustments in the work area.

- Safety records will be jeopardized.
- Other employees will not accept the handicapped.

All these myths have been found to be false assumptions. Assessments of actual on-the-job experience with handicapped workers reveal a picture of average-or-better ratings in those areas which count most with employers: job performance, safety and attendance.

One of the most recent and most extensive surveys of handicapped worker performance was conducted by E. I. Du Pont de Nemours and Company, America's 16th largest employer. This was a fact-finding project for Du Pont, a company of 110,000 employees, which finds hiring mistakes to be extremely costly, just as they are for any employer.

Du Pont's eight-month study gathered data on 1,452 employees with physical handicaps. These included persons with orthopedic problems, blindness, heart disease, vision impairment, amputations, paralysis, epilepsy, hearing impairments and total deafness.

How did the handicapped stack up? Very well. The results were tabulated in seven critical areas and the findings should encourage any employer to review hiring practices concerning the handicapped.

The key findings of the Du Pont study:

1. Insurance: No increases in compensation costs nor lost-time injuries.
2. Physical Adjustments: most handicapped require no special work arrangement.
3. Safety: 96% of handicapped workers rated average-or-better both on and off the job; more than one-half were above average.
4. Special Privileges: A handicapped worker wants to be treated as a regular employee.
5. Job Performance: 91% rated average-or-better.
6. Attendance: 79% rated average-or-better.

The Du Pont study also shows there is very little difference between handicapped and non-handicapped workers as to their ability to work in harmony with supervisors and fellow employees.

In another survey, based on reports from more than 100 large corporations to the U.S. Office of Vocational Rehabilitation, the physically handicapped seem to have the slight edge in job performance, as compared with their able-bodied counterparts.

In assessing productivity, 66% of these employers reported no difference between the handicapped and the able-bodied, while 24% rated the handicapped higher in productivity. Only 10% reported productivity was lower for the handicapped.

Accident rates were reported lower for the handicapped by 57% of the employers, with 41% reporting the same accident rate for both handicapped and able-bodied. Two percent of the employers reported accident rates were higher for the handicapped.

Absenteeism also was lower for the handicapped according to 55% of the corporate reports, while 40% of these employers found no difference in absence rates between the handicapped and the able-bodied. Five percent reported absenteeism higher for the handicapped.

Turnover rates were reported lower for the handicapped in 83% of the cases, with 16% of the employers reporting turnover for both handicapped and able-bodied the same. Only one percent reported turnover higher for the handicapped workers.

Good health and possession of all limbs and faculties will always be an advantage. But it is no longer essential that a worker possess all of these in order to handle a great variety of the jobs available today. The number of jobs requiring an able-bodied person with unimpaired faculties are fast disappearing. The trends toward automation and specialization in industry are to the advantage of the handicapped worker. A highly-trained computer engineer, for example, can show superb performance on the job even though almost totally paralyzed for many years.

Blind workers, their sense of touch often keenly developed to compensate for lack of sight, make superior assemblers, inspectors and sorters.

Cerebral palsy victims have been trained to use precision hand tools. Paraplegics are working very productively on assembly lines, in technical fields and in the professions.

Prosthetic devices often are so skillfully used that amputees now can accomplish virtually any job they performed before their loss.

Of course, not every handicapped worker is a paragon. People with impairments have their share of other human frailties common to all people. But a survey after survey shows that handicapped workers have unusually good morale and work attitudes.

Knowledgeable employers who are experienced in hiring the handicapped suggest a five-point personnel approach.

1. Stop thinking of impaired people as "disabled." This description was adopted to soften the word "crippled," but the connotations of "disabled" are even more misleading. They imply across-the-board inability to perform. This is simply not true.

DISABILITY IS NO HANDICAP FOR DU PONT

*** UPDATE ***

*** UPDATE ***

*New study of 2,745 disabled employees
reconfirms that a high majority of disabled achieve
average or better ratings for job performance, safety, and attendance.*

INTRODUCTION

A 1981 study conducted by E. I. duPont and Company reconfirmed its 1973 survey results that the performance of employees with disabilities is equivalent to that of nondisabled co-workers. The title of the survey is "Equal to the Task." The current survey of employees with disabilities was undertaken to update duPont's earlier findings and to provide direction for future hiring and placement. The survey bears out the conclusion that, given the opportunity, disabled employees are indeed equal to the task.

WHY WAS A SURVEY DONE?

E. I. duPont de Nemours and Company is the United States' seventh largest employer. More than 135,000 people wake up each morning--or evening--and report for work at the corporation's installations throughout the country.

For duPont, making a hiring mistake is costly, just as it is for any employer, large or small. At the company's headquarters in Wilmington, Delaware, a small corps of highly trained statistical specialists aid the firm in establishing sensible policies in what is quickly becoming known as "The Great American Manpower Search."

According to James H. Sears, coordinator of industry education activities during duPont's 1973 study, research into the performance of disabled employees has convinced the country's largest chemical firm that disabled persons are both a safe and a good bet for any employer. Sears offers statistical proof of the conclusion in an effort to help dispel long-standing myths which are often held in the business world.

MYTHS IN THE MARKETPLACE

The best way to examine this survey is to first examine the current business market-place myths which surround the hiring of disabled persons. Many employers still believe the following to be true:

1. Insurance rates will skyrocket when you hire the disabled;

2. Considerable expense will be involved in making the necessary adjustments at the place of work;
3. Safety reports will be jeopardized;
4. Special privileges will have to be granted to the disabled;
5. Other employees will not accept the disabled.

According to a duPont executive, "Every one of these reasons for not considering the disabled person is not only a myth--but has been proven through experience to hold no semblance of fact whatsoever."

Regarding insurance, duPont claims it has had no increase in compensation costs as a result of hiring the disabled, and no lost-time injuries of the disabled have been experienced. Studies have been cited by the U.S. Chamber of Commerce and the National Association of Manufacturers showing that 90 percent of 279 companies surveyed reported no effect on insurance costs as a result of hiring disabled employees.

Regarding physical adjustments in the work place, most companies report minimum adjustment, such as a lowered work bench or an entrance ramp. Most disabled employees require no special work arrangements whatsoever.

Regarding the question of safety, duPont pointed out that in 1973 it received the National Safety Council's Award of Honor for the 27th time. The company study showed that 96 percent of its disabled employees rated average or better in the area of safety both on and off the job.

Regarding the myth that special privileges create antagonism among other employees was also easily dispelled by the duPont survey. "The disabled person wants to be treated as a normal employee," said Mr. Sears. Persons in wheelchairs often cannot push their chairs long distances and need wider parking spaces to transfer from their cars. Fellow employees do not consider a parking spot near the plant entrance to be a misuse of executive privilege. Under the circumstances, they would expect the same treatment.

HOW WAS THE SURVEY DONE?

Regarding the value of hiring the disabled, duPont's initial conclusions were based upon their 1973 study which examined the job performance, safety records, and attendance of 1,452 company employees whose physical conditions may have prevented them from doing what nonimpaired workers could do.

Since the 1973 survey, duPont's disabled population increased 89 percent, from 1,452 to 2,745 employees. By comparison, in the same period, the total number of duPont employees in the United States increased 13 percent, from 111,000 to 130,000. All disabled employees who worked for duPont were not selected to be tracked by this newest study. They were not involved in the study if they chose not to participate or if they had not identified themselves to management as being disabled.

For the 1981 study, supervisors were asked to rate disabled employees in safety, performance of job duties, and attendance. Disabled employees maintained their high standard of safety and improved their already good records in performance of job duties and attendance.

For this newest survey, duPont adopted the definition of "handicapped" described in the Federal Rehabilitation Act of 1973. According to this law, a "handicapped" person is anyone who has a physical or mental impairment which substantially limits one or more of his major life activities, including employment. duPont worked within the boundaries of this definition, with the assumption that the degree of each specific disability was severe enough to create a substantial handicap in securing, retaining, or advancing in employment. The survey uses 11 disability categories to specify the types of impairment of each employee participating in the study.

At duPont, disabled employees are engaged in a wide range of occupations. Craftsmen comprise the largest segment, followed by professionals, technical and managerial, operators, and office and clerical workers. The remaining employees are divided between service workers and laborers.

WHAT WERE THE FINAL RESULTS?

The 1981 survey confirms what duPont supervisors already knew: like their nonimpaired co-workers, disabled employees are safe, productive, and dependable.

Regarding safety, disabled employees maintained the high standard recorded in 1973, with 96 percent rated average or above average, compared with 92 percent for nonimpaired employees.

Regarding the performance of job duties, the disabled improved their rating slightly, from 91 to 92 percent average or above, compared with 91 percent for nonimpaired employees. Furthermore, the duPont study revealed that there seems to be a direct correlation between the job performance of the disabled and the severity of their impairment. Amputees, blind persons, paraplegics, and epileptics, said Sears, were at the top of the job performance list.

Regarding attendance, insignificant improvement was noted in this area. Those rated average or above went up from 79 percent in 1973 to 85 percent in 1981, compared to 91 percent for nonimpaired employees.

Regarding job stability or turnover, 93 percent of the disabled workers rated average or better than the group at large, based upon findings of an earlier survey.

Regarding other information, about one-third of those studied were physically disabled when hired. The remaining two-thirds became disabled after they had been employed. (Ninety-one percent were injured during off-duty hours, with 9 percent injured on the job.) Sears noted that those hired with disabilities (including all of the disabled Vietnam veterans) showed a higher degree of motivation toward good safety, attendance, and job performance than did those who became handicapped subsequent to hiring. The study also revealed that the nature of the specific handicap had no bearing on the level of safety, attendance, or performance.

CONCLUSION

In summarizing this survey, Edward G. Jefferson, Chairman of duPont, stated: "I'm pleased with the findings of the 1981 survey. The results confirm what we already knew from direct, personal experience--that persons with disabilities are an important human resource. In my judgement, all employers would serve

society and themselves by providing increased opportunities for disabled individuals to achieve their potential as self-sufficient, contributing members of the work place and the community." As previously stated by James Sears, ". . . the utilization of the abilities of the disabled is good business."

For a free written copy of tape of the result of the survey, "Equal to the Task," write:

E. I. duPont de Nemours and Company
Public Affairs Department
8084 duPont Building
Wilmington, DE 19898

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The California Governor's Committee
for Employment of the Handicapped
P.O. Box 942880, MIC 41
Sacramento CA 94280-0001
(916) 323-2545 (Voice or TDD)*

sb394.txt

DUE TO SHORTENED MEETING, NO TELECONFERENCE.

Wednesday, April 11

SB 394, Group Health Insurance for Blind or Disabled Vendors

NO SCHEDULED TESTIMONY; Senator Fahrenkamp and Joan Hope out of town, Tom Moyer will represent the "office" though he knows nothing about the bill. Bettye has given her "OK" to any changes that Pat Young may want to make, as this bill was introduced at Voc. Rehab's request. Pat Young, Div. of Voc. Rehab. will be available for questions. Sally Smith will be available to answer questions on the fiscal note.

NO PROPOSED AMENDMENTS.

UPDATE; *The two committee concerns:*

COMPARATIVE RATES/DISABLED VS NON-DISABLED; Committee packets contain a review of the DuPont study which states there are no increased insurance costs for disabled individuals. Provided by Pat Young.

FISCAL NOTE; Sally Smith reviewed fiscal note and responded that zero is correct.

SS SB 394. An Act relating to eligibility to participate in the state group insurance for certain licensees in vocational rehabilitation programs.
Sponsored by Senator Fahrenkamp, this bill would allow the Division of Vocational Rehabilitation (DVR) to include blind and severely disabled people in business as vendors in the group health insurance program. DVR is currently required to provide insurance for these vendors from the proceeds from vending machines in government buildings which are deposited in the Small Business Enterprise Revolving Fund, at a current cost of \$14, 772 per year. Including the five vendors in group health would create a savings to the revolving fund of \$5,100 per year and the vendors would receive more comprehensive insurance than they presently have.

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling



P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot
RE: Friday, April 9 Committee Hearing
DATE: April 7, 1990

On Monday, April 9 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SCR 54, relating to the promotion of Assistant Adjutant General Louis Lee Lucas to brigadier general in the Alaska National Guard. Sponsored by the Rules Committee, this resolution contains the military history of Asst. Adjutant General Louis Lee Lucas and requests the Governor to appoint him to brigadier general in the AK. National Guard.

SB 342. An Act relating to the reenlistment bonus for members of the AK. National Guard and the Naval Militia. Senator Duncan's bill allows Department of Military and Veterans Affairs (DMVA) employees to be eligible to receive the National Guard reenlistment bonus as long as their state position does not require them to belong to the National Guard. For a history of the issue, refer to the DMVA position paper. There are currently no state employees directly impacted by SB 342 but it will allow those National Guard members who apply for future for state positions to not sacrifice their bonus eligibility.

CS HB 224. An Act creating preferences in state employment for prisoners of war and for certain rehabilitated veterans and prisoners of war; and allowing repeated use of the state employment preference by certain veterans and prisoners of war for applications for nonpermanent positions. Sponsored by Representative Kubina, this bill changes statute to allow for repeated use of state employment preference by eligible veterans and prisoners of war for nonpermanent positions. It does have one exception for veterans or prisoners of war who were terminated because of a service related disability and who have not worked in a permanent position for two years. These people, with medical certification, are entitled to receive a preference for a permanent position.

CS HB 493. An Act relating to reemployment rights for members of the state's organized militia. Sponsored by Representative Kubina, this bill would allow reemployment rights to AK National Guard, AK Naval Militia and AK State Militia members who are called to state active duty by the Governor. It would require an employer to grant a leave of absence to a member of the organized militia and upon release from active duty, allow that person to

return to their former position or a comparable position. CSHB 493 also requires the employee to meet certain deadlines for reporting back to work after completing active duty.

SS SB 394. An Act relating to eligibility to participate in the state group insurance for certain licensees in vocational rehabilitation programs.

Sponsored by Senator Fahrenkamp, this bill would allow the Division of Vocational Rehabilitation (DVR) to include blind and severely disabled people in business as vendors in the group health insurance program. DVR is currently required to provide insurance for these vendors from the proceeds from vending machines in government buildings which are deposited in the Small Business Enterprise Revolving Fund, at a current cost of \$14, 772 per year. Including the five vendors in group health would create a savings to the revolving fund of \$5,100 per year and the vendors would receive more comprehensive insurance than they presently have.

SJR 63. Proposing an amendment to the Constitution of the State of Alaska relating to the duration of a regular session. The resolution, sponsored by Senator Frank, would limit the legislative session to 90 days, beginning the fourth Monday in January (January 28, 1991). Your packet contains a proposed CS, which would limit the session to 100 days, beginning on the same date.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An act relating to eligibility to BRU: Retirement and Benefits
participate in state group insurance.
 Sponsor: Fahrenkamp Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This bill expands the eligibility in the State sponsored health plan for governmental units to allow individuals in certain vocational rehabilitation programs to participate in this coverage.

Prepared by: Sally Smith *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: Jan. 25, 1990
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 1/29/90
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Education
 Title: Eligibility to participate in the state group insurance BRU: Vocational Rehabilitation
 Sponsor: Senator Fahrenkamp Components: Specialized Facilities
 Requestor: Senator Fahrenkamp

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)
MISCELLANEOUS						
TOTAL OPERATING	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER P. R.	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)	(5.2)
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attachment A.

Prepared by: F. Pat Young Phone: 465-2814
 Division: Vocational Rehabilitation Date: 1/31/90
 Approved by: Commissioner William G. Demmert Date: 1/31/90
 Agency: Education

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

ATTACHMENT A

ANALYSIS:

The Division of Vocational Rehabilitation has the statutory and regulatory authority to receive net proceeds from vending machines operated by private persons in state or federal buildings throughout the state of Alaska.¹ These proceeds are deposited quarterly in the Small Business Enterprise Program's revolving fund which is administered by the division. The income from these machines can only be used by the division to enhance, expand and provide fringe benefits to vendors licensed under the Small Business Enterprise Program.

One of the services provided to the licensees is health insurance. The Division has provided this health insurance in the past, but the cost has been higher with less coverage than that provided under the state health insurance program. For calendar year 1991, the division is paying \$14,772.00 to cover five vendors out of this revolving fund. The division would only have to pay \$9,611.40 to cover these same five individuals if they were eligible to participate in the state health insurance program. This would create a net savings of \$5,161.00 for the division in program receipts which could then be used for other services needed to operate the vending program.

¹AS 23.15.010-210
4 AAC 54.430

Alaska State Legislature



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Senate

MEMORANDUM

TO: Senator Pat Pourchot, Chairman
Senate State Affairs Committee

FROM: Senator Bettye Fahrenkamp

DATE: March 28, 1990

SUBJECT: Senate Bill 394

"An Act relating to eligibility to participate in the state group insurance for certain licensees in vocational rehabilitation programs."

The Division of Vocational Rehabilitation administers a program to set up blind and severely disabled people in business as vendors in state and federal buildings, licensing them through the Small Business Enterprise Program.

The Division is required to purchase health insurance for these vendors (there are currently five in the state, four of whom are located in Anchorage and the other in Juneau at the State Office Building). The insurance is paid for out of proceeds in the Small Business Enterprise Revolving Fund (which is funded by receipts from vending machines in state and federal buildings).

Because there are only 5 vendors, they are too few to get a group insurance rate on their own, which means they each have to make arrangements for health insurance individually. If we were to include them in the state group health plan as a political subdivision, it would provide them with better insurance for less money. This will save the revolving fund \$5,200 per year, which can then be used toward helping other blind or disabled people to establish vending businesses.

Attached you will find a negative fiscal note and analysis from the Division of Vocational Rehabilitation, and zero fiscal notes from the Division of Retirement and Benefits and the University.

I would very much appreciate your early scheduling and favorable consideration of this measure.

Myths About Hiring the Physically Handicapped

by Sandra Kalenik

"I don't think I could take it. I'd probably kill myself."

"I'd probably try to carry on as best I could."

"I can't even imagine it. I'm sure I'd become terribly depressed."

Almost everyone has thought of what he would do or how he would react to a sudden physical disability, such as becoming blind, losing a limb, or becoming a paraplegic. We are aware of the pain, the problems of adjusting to a handicap, the difficulties of carrying on everyday life. What we don't think about is how much the reaction of others would affect us. Their reaction can create problems as severe as those caused by the physical impairment itself—particularly when it closes the door to job opportunities. As one 32-year old paraplegic from Columbus, Ohio, put it: "All I want is the chance to be able to work, to prove myself, and to support my family to the best of my ability. I did it before and I'd like to do it again."

Under the terms of the Rehabilitation Act of 1973, more handicapped persons will have that chance. As Assistant Secretary Stender notes in his editorial, Section 503 of that law is designed to provide employment opportunities for qualified physically and mentally handicapped individuals and to eliminate discrimination based on handicaps. (This article confines itself to the physically impaired, not to those with a mental disability, a subject which will be discussed in a future issue of *Job Safety & Health*.)

Though the President's Committee on Employment of the Handicapped has a history of 25 years of effort to open job opportunities, there is still a significant degree of employer resistance toward the handicapped.

Surinder Dhillon, who has been confined to a wheelchair for eight years as a result of infantile arthritis, knows what it is like to be turned down for employment because of his disability. A computer systems analyst and programmer, Dhillon spent a year and a half looking for work. He estimates that he made 300 to 400 phone calls, all of them leading nowhere. Eventually Dhillon decided to form his own

company, Rehab Computer in Arlington, Virginia. The company, which generated contracts totaling over \$190,000 in 1973, also trains physically disabled persons in computer communications.

It's a pretty success story, illustrating how much the handicapped can accomplish against great odds. But it also illustrates the enormous resistance that even the talented handicapped worker encounters when he looks for a job. A counselor in the District of Columbia's Bureau of Rehabilitation Services offers a partial explanation: "People are scared of what they don't know. Employers don't like to take a chance with a disabled person. All they see are the problems, many of which are imaginary."

There are several, similar reasons employers offer for not hiring handicapped workers, reasons that have one thing in common: they are myths.

"Handicapped workers will jeopardize our company's safety record."

This statement has about as much validity as the classic schoolboy belief that handling toads will cause warts.

The Bureau of Labor Statistics made a classic study of handicapped workers in the late '40's, a time, like today, when many disabled war veterans had returned home. The two-year, comprehensive survey matched the performance of 11,028 impaired workers with that of 18,258 unimpaired workers who were doing the same kind of work. The survey covered 109 plants in a wide variety of industries and geographic locations.

A committee selected for study 10 types of serious physical impairments—orthopedic, vision, hearing, hernia, cardiac, ex-tuberculosis, peptic ulcer, diabetic, epileptic, and combinations of any two of these.

Nearly 53 percent of the workers surveyed were engaged in processing of some kind, 15 percent were in maintenance work, nearly nine percent in materials handling, about seven percent in custodial operations, six percent in inspecting and testing, over four percent in recording and

control, and about one percent in supervision.

Among the findings were these:

1) As a group, impaired workers were as efficient as unimpaired workers.

2) The impaired employee worked as safely as his unimpaired co-worker. For minor injuries, which required only first aid, the injury frequency rates per 10,000 exposure hours were identical for the two groups—9.9. About half of each group experienced no injuries at all during the period studied.

3) The record for more serious injuries was better for the impaired than for the other workers. Where the unimpaired group averaged 9.5 such injuries per million hours worked, the impaired group averaged only 8.9. They also averaged a slightly lower number of days lost per injury. Against 14.9 days for the unimpaired group, the impaired workers averaged 14.5 days.

4) In no instance had an impaired worker suffered another work injury sufficiently severe to make him permanently and totally disabled.

5) No serious injury to an impaired worker could be traced to his impairment. Nor were any cases found in which the impairment caused an injury to a fellow worker.

In a more recent survey conducted by the Du Pont Company of Wilmington, Delaware, a high majority of handicapped employees achieved ratings of average or better when compared with their fellow workers in a study designed to measure job performance, safety, and attendance.

Of Du Pont's more than 100,000 employees in the United States at the time of this survey, 1,452 were physically handicapped. The handicapped workers included those with orthopedic problems, blindness, heart disease, vision impairment, amputations, paralysis, epilepsy, hearing impairments, and total deafness.

The handicapped employees were engaged in a wide range of occupations: craftsmen—562; professional, technical and managerial—334; operators—233; clerical—224; service workers—83; laborers—16.

The safety records of the handicapped group showed that 51 percent were above average, 45 percent were average, and only four percent were below average. In attendance, 79 percent were average or above. In job performance, as rated by their supervisors, 37 percent were above average, 54 percent average, and nine percent were below average.

In addition, the study indicated that the nature of the handicap did not prevent employees from doing good jobs, as some of the best performers had the most severe handicaps—amputation, blindness, deafness, and paraplegia.

The impressive safety records of the handicapped do not surprise Surinder Dhillon. "The disabled person is more aware of his safety than other people usually are. He has had some bad experience that has made him conscious of his safety. Every day. All the time."

"Our insurance rates will skyrocket."

One study reported that more than 80 percent of the companies surveyed fear that workers' compensation rates would rise if handicapped workers were hired—a myth that Du Pont's experience alone could dispel. James H. Sears, coordinator of industry education activities for Du Pont and now "on loan" to the National Alliance of Businessmen, reports that "Du Pont has had no increases in compensation costs as a result of hiring the handicapped."

Another study by the U.S. Chamber of Commerce and the National Association of Manufacturers also negates the myth of higher insurance costs. The study showed that 90 percent of the 279 companies surveyed reported no effect on insurance costs as a result of hiring physically handicapped workers.

Further, most states have some form of second injury funds to cover cases where a handicapped worker receives a second injury that leaves him totally disabled. Such cases are rare, but when they occur, the employer is responsible only for the cost of the

second injury. The state fund compensates the worker for the difference between this amount and the amount due the worker for permanent total disability.

"Handicapped people are not as productive as unimpaired workers."

The Du Pont study revealed that 31 percent of the company's disabled workers rated average or better when compared with the general workforce.

Dhillon comments, "The disabled are more productive because they have fewer distractions. They are less apt to get up, stroll down halls, take breaks, and visit with other employees because to do these things requires a greater effort. They are also under more psychological pressure to produce."

One company executive also reports a beneficial side effect of hiring the handicapped: when unimpaired workers see a handicapped person doing well on the job, they try harder themselves.

"The impaired workers may need more assistance at the beginning," says a rehabilitation counselor. "But it's generally because they aren't as confident about themselves when they begin."

"I couldn't believe the mistakes I made at first. It was ridiculous," says a successful paraplegic accountant. "I was so nervous, I couldn't even add correctly. For a handicapped person, getting a job is a very emotional experience. You know there aren't as many jobs available for you."

"Special privileges will have to be granted to the handicapped worker."

It is true that in some cases, some accommodations are made for handicapped workers. They may be given a few minutes' head start at quitting time so that they can get to their cars more easily. Or they might be given a lowered work bench or an entrance ramp.

"If we find that an impaired worker will not be hired because there isn't a ramp available," says a rehabilitation

counselor, "many state or local agencies will install one at no expense to the employer."

James Sears adds, "Fellow employees do not consider a parking spot near the plant entrance for a paraplegic in a wheelchair to be a misuse of privilege."

"Most of all, the handicapped person wants to be treated like everyone else," says Dr. John Kelley of the Department of Physical Medicine of the Ohio State University. "Once a handicapped person has accepted the disability, he wants everyone else to accept it as well."

Several conclusions are clear. Employers, employees, and the general public need to learn more about the physically disabled. In many areas such as safety, motivation, and job performance, the impaired worker actually does better than the unimpaired worker. But more opportunities are needed.

James Sears recommends:

1) Obtain the support of your top management.

2) Seek the cooperation of your employees and union.

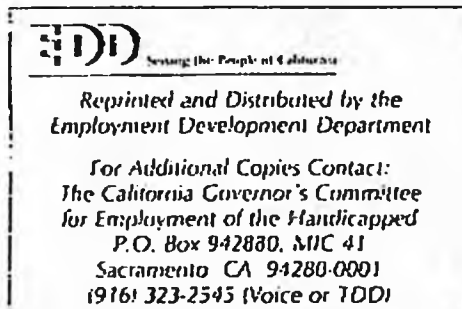
3) Hire the handicapped. The National Alliance of Businessmen is prepared to assist employers throughout the country in the hiring of the physically disabled.

As June H. Wakeford, special assistant to the Assistant Secretary of Labor for Employment Standards, says: "Handicapped persons need and deserve a better break in the employment field. In the past we've had an almost medieval attitude toward their employment, too often denying them jobs for which they were as well qualified as unimpaired workers. Section 503 of the Rehabilitation Act of 1973 will end this discrimination among most federal contractors and give more handicapped workers a chance to prove what they can do. It's time employers put ability ahead of disability."

Ms. Kalanik is a free-lance writer.

SOURCES OF INFORMATION ON HIRING THE HANDICAPPED

- American Mutual Insurance Alliance, 20 North Wacker Drive, Chicago, Illinois 60606
- President's Committee on Employment of the Handicapped, Washington, D.C. 20210
- Governor's Committee on Employment of the Handicapped in your State
- State Vocational Rehabilitation Agency
- State Employment (JOB) Service Offices



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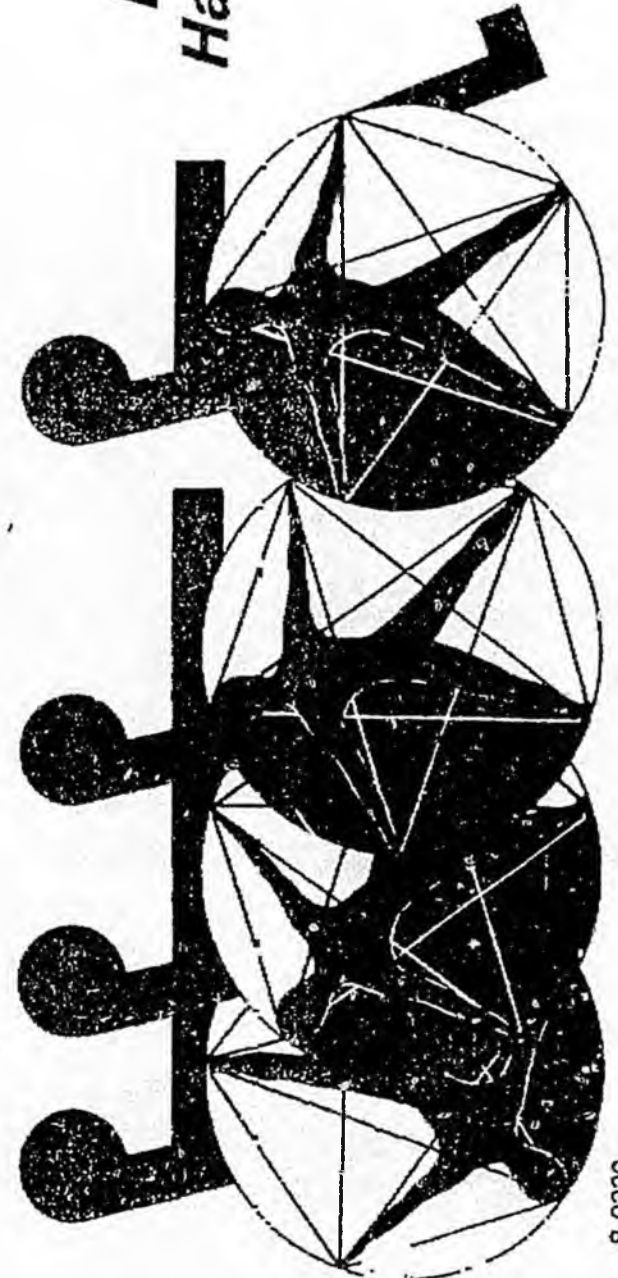
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Hiring the Handicapped Facts and Myths



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