

Alaska State Legislature

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Senator Bettye Davis

SB 238 - "An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

SPONSOR STATEMENT

In 2003 the Legislature changed Alaska Statute Section 47.07.020(b)(6), the Medicaid long-term services income eligibility limit for persons in medical or intermediate care facilities from 300% Supplemental Security Income (SSI) to an equivalent fixed dollar amount at \$1,656 per month. This change created an income ceiling for waiver eligibility, effectively freezing the eligibility limit for the last seven years, rather than allowing the limit to adjust annually in tandem with the SSI. The result was that small Social Security cost of living adjustments have disqualified many needy disabled people from the program.

Near the end of 2008 many individuals who were aged, blind, or disabled and requiring institutional care received notices that they would no longer be eligible for the Home and Community-Based Services (HCBS) waivers after the 2009 Cost of Living Adjustment went into effect. Because the waiver eligibility limits no longer increased with the cost of living, it placed a number of people over the \$1,656 per month limit, or 300% of the 2003 SSI benefit rate. The 2009 income equivalent at 300% SSI was \$2,022 per month. Alternatives for preserving eligibility, particularly for those requiring lifetime or long-term care, include creation of a Medicaid qualifying income trust, also known as a Miller Trust. Trusts have procedural drawbacks, including numerous responsibilities and restrictions, limited access to income, assistance of an attorney, and a trustee to manage trust assets.

The Supplemental Security Income (SSI) program is a federal needs-based disability program for low income adults over age 65, blind, or disabled. For an adult, the SSI disability requirement is based on the ability to work. An adult is considered disabled if the person cannot do the work that he/she performed before the disability occurred or cannot do alternate work because of a severe physical or mental condition. For a child to be eligible, he/she must suffer from serious physical and/or mental problems. For both adults and children, the disability must last, or be expected to last for at least a year.

Medicaid services are critical to the well-being of Alaska's most vulnerable citizens. Supporting SB 238 will ensure that eligible Alaskans can continue to receive nursing home care and in-home services. It also will save the Legislature from amending statutes every year or two as the Federal Poverty Level guidelines and Supplemental Security Income levels increase with the cost of living.