

SENATE JOINT RESOLUTION NO. 23

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Introduced: 3/12/97

Referred: HESS

A RESOLUTION

1 Urging the United States Congress to amend the Social Security Act so that the
2 higher cost of living in Alaska is reflected when the per capita income of the
3 state is used as a factor in determining the federal share of Medicaid costs.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 WHEREAS the federal matching rate for the Medicaid program in each state varies
6 from 50 percent to 77 percent based on the relative per capita income of each state; and

7 WHEREAS the use of a simple per capita income figure in the Medicaid program is
8 unfair to the State of Alaska because it ignores the higher cost of living in Alaska, particularly
9 the higher cost of health care services; and

10 WHEREAS this unfair federal funding formula affects not only the state's receipt of
11 federal matching funds for Medicaid but also for the Foster Care and Adoption Assistance
12 Program, child support disbursements, and certain funds under welfare reform; and

13 WHEREAS the federal government has already recognized the higher cost of living
14 in Alaska by adjusting by 25 percent the Medicare nursing facility rates and the federal
15 poverty level figures for the state; and

16 WHEREAS the use of a 25 percent cost-of-living adjustment in the federal formula

1 would reduce the state's general fund Medicaid match from 50 percent to 38 percent, resulting
2 in a savings of \$39,249,300 in Medicaid and \$646,000 in the Foster Care and Adoption
3 Assistance Program that could be applied to other state purposes without any reductions in
4 Medicaid services or services to children;

5 **BE IT RESOLVED** that the Alaska State Legislature respectfully urges the Congress
6 to amend the Social Security Act so that the higher cost of living in Alaska is reflected when
7 per capita income is used in determining the federal share of Medicaid costs in the state;

8 **COPIES** of this resolution shall be sent to the Honorable Bill Clinton, President of the
9 United States; the Honorable Al Gore, Jr., Vice-President of the United States and President
10 of the U.S. Senate; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the
11 Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; the Honorable
12 Donna E. Shalala, Secretary of Health and Human Services; and to the Honorable Ted Stevens
13 and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.
14 Representative, members of the Alaska delegation in Congress.