

ALASKA STATE LEGISLATURE
HOUSE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 4, 2016

3:04 p.m.

MEMBERS PRESENT

Representative Paul Seaton, Chair
Representative Liz Vazquez, Vice Chair
Representative Neal Foster
Representative Louise Stutes
Representative David Talerico
Representative Geran Tarr
Representative Adam Wool

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Lynn Gattis

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 23(JUD)

"An Act relating to opioid overdose drugs and to immunity for prescribing, providing, or administering opioid overdose drugs."

- MOVED HCS CSSB 23(HSS) OUT OF COMMITTEE

HOUSE BILL NO. 226

"An Act extending the termination date of the Alaska Commission on Aging; and providing for an effective date."

- MOVED HB 226 OUT OF COMMITTEE

HOUSE BILL NO. 260

"An Act relating to the recovery of overpayments of day care assistance and child care grants; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 262

"An Act relating to eligibility requirements of the Alaska senior benefits payment program; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 23

SHORT TITLE: IMMUNITY FOR PROVIDING OPIOID OD DRUG

SPONSOR(S): SENATOR(S) ELLIS

01/21/15	(S)	READ THE FIRST TIME - REFERRALS
01/21/15	(S)	HSS, JUD
03/18/15	(S)	HSS AT 1:30 PM BUTROVICH 205
03/18/15	(S)	Heard & Held
03/18/15	(S)	MINUTE(HSS)
03/23/15	(S)	HSS AT 1:30 PM BUTROVICH 205
03/23/15	(S)	Moved SB 23 Out of Committee
03/23/15	(S)	MINUTE(HSS)
03/25/15	(S)	HSS RPT 3DP 2NR
03/25/15	(S)	DP: STEDMAN, ELLIS, GIESSEL
03/25/15	(S)	NR: KELLY, STOLTZE
04/01/15	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
04/01/15	(S)	Moved CSSB 23(JUD) Out of Committee
04/01/15	(S)	MINUTE(JUD)
04/02/15	(S)	JUD RPT CS 4DP NEW TITLE
04/02/15	(S)	DP: MCGUIRE, COGHILL, COSTELLO, WIELECHOWSKI
04/18/15	(S)	TRANSMITTED TO (H)
04/18/15	(S)	VERSION: CSSB 23(JUD)
04/19/15	(H)	READ THE FIRST TIME - REFERRALS
04/19/15	(H)	HSS, JUD
01/26/16	(H)	HSS AT 3:00 PM CAPITOL 106
01/26/16	(H)	Heard & Held
01/26/16	(H)	MINUTE(HSS)
02/04/16	(H)	HSS AT 3:00 PM CAPITOL 106

BILL: HB 226

SHORT TITLE: EXTEND ALASKA COMMISSION ON AGING

SPONSOR(S): REPRESENTATIVE(S) HAWKER

01/19/16	(H)	PREFILE RELEASED 1/8/16
01/19/16	(H)	READ THE FIRST TIME - REFERRALS
01/19/16	(H)	HSS, FIN
01/28/16	(H)	HSS AT 3:00 PM CAPITOL 106

01/28/16 (H) Heard & Held
01/28/16 (H) MINUTE(HSS)
02/04/16 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 260

SHORT TITLE: DAY CARE ASSISTANCE & CHILD CARE GRANTS
SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/19/16 (H) READ THE FIRST TIME - REFERRALS
01/19/16 (H) HSS, FIN
01/28/16 (H) HSS AT 3:00 PM CAPITOL 106
01/28/16 (H) Heard & Held
01/28/16 (H) MINUTE(HSS)
02/04/16 (H) HSS AT 3:00 PM CAPITOL 106

BILL: HB 262

SHORT TITLE: SENIOR BENEFITS PROG. ELIGIBILITY
SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/19/16 (H) READ THE FIRST TIME - REFERRALS
01/19/16 (H) HSS, FIN
01/28/16 (H) HSS AT 3:00 PM CAPITOL 106
01/28/16 (H) Heard & Held
01/28/16 (H) MINUTE(HSS)
02/04/16 (H) HSS AT 3:00 PM CAPITOL 106

WITNESS REGISTER

SENATOR JOHNNY ELLIS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions as the sponsor of SB 23.

REPRESENTATIVE MIKE HAWKER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions as the sponsor of HB 226.

DUANE MAYES, Director
Central Office
Division of Senior and Disabilities Services
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Answered questions during discussion of HB 226.

JACQUELLI ZIEGENFUSS, Administration Operations Manager
Central Office
Division of Senior and Disabilities Services
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during discussion of HB 226.

LISA MORLEY, DSIDS Grants
Central Office
Division of Senior and Disabilities Services
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during discussion of HB 226.

SEAN O'BRIEN, Director
Director's Office
Division of Public Assistance
Department of Health and Social Services (DHSS)
Juneau, Alaska

POSITION STATEMENT: Responded to questions during discussion of HB 260 and HB 262.

MONICA MITCHELL, Chief
Policy & Program Development
Division of Public Assistance
Department of Health and Social Services (DHSS)
Juneau, Alaska

POSITION STATEMENT: Responded to questions during discussion of HB 262.

ACTION NARRATIVE

[3:04:59 PM](#)

CHAIR PAUL SEATON called the House Health and Social Services Standing Committee meeting to order at 3:04 p.m. Representatives Seaton, Tarr, Wool, Talerico, and Vazquez were present at the call to order. Representatives Foster and Stutes arrived as the meeting was in progress. Also in attendance was Representative Gattis.

SB 23-IMMUNITY FOR PROVIDING OPIOID OD DRUG

3:05:28 PM

CHAIR SEATON announced that the first order of business would be CS FOR SENATE BILL NO. 23(JUD), "An Act relating to opioid overdose drugs and to immunity for prescribing, providing, or administering opioid overdose drugs."

3:07:15 PM

SENATOR JOHNNY ELLIS, Alaska State Legislature, reported that there had been statewide support for the proposed bill, with no known opposition.

3:08:17 PM

CHAIR SEATON moved to adopt Amendment 1, labeled 29-S0058\E.6, Wallace, 2/3/16, which read:

Page 1, line 1, following "**Act**":

Insert "**relating to the practice of pharmacy; relating to the dispensing of opioid overdose drugs by a pharmacist; and**"

Page 1, following line 3:

Insert new bill sections to read:

"* **Section 1.** AS 08.80.030(b) is amended to read:

(b) In order to fulfill its responsibilities, the board has the powers necessary for implementation and enforcement of this chapter, including the power to

(1) elect a president and secretary from its membership and adopt rules for the conduct of its business;

(2) license by examination or by license transfer the applicants who are qualified to engage in the practice of pharmacy;

(3) assist the department in inspections and investigations for violations of this chapter, or of any other state or federal statute relating to the practice of pharmacy;

(4) adopt regulations to carry out the purposes of this chapter;

(5) establish and enforce compliance with professional standards and rules of conduct for pharmacists engaged in the practice of pharmacy;

(6) determine standards for recognition and approval of degree programs of schools and colleges of

pharmacy whose graduates shall be eligible for licensure in this state, including the specification and enforcement of requirements for practical training, including internships;

(7) establish for pharmacists and pharmacies minimum specifications for the physical facilities, technical equipment, personnel, and procedures for the storage, compounding, and dispensing of drugs or related devices, and for the monitoring of drug therapy;

(8) enforce the provisions of this chapter relating to the conduct or competence of pharmacists practicing in the state, and the suspension, revocation, or restriction of licenses to engage in the practice of pharmacy;

(9) license and regulate the training, qualifications, and employment of pharmacy interns and pharmacy technicians;

(10) issue licenses to persons engaged in the manufacture and distribution of drugs and related devices;

(11) establish and maintain a controlled substance prescription database as provided in AS 17.30.200;

(12) establish standards for the independent administration by a pharmacist of vaccines and related emergency medications under AS 08.80.168, including the completion of an immunization training program approved by the board;

(13) establish standards for the independent dispensing by a pharmacist of an opioid overdose drug under AS 17.20.085, including the completion of an opioid overdose training program approved by the board.

* **Sec. 2.** AS 08.80.168(b) is amended to read:

(b) In this section,

(1) "opioid overdose drug" has the meaning given in AS 17.20.085;

(2) "related emergency medication" includes an epinephrine injection or other medication for the treatment of a severe allergic reaction to a vaccine.

* **Sec. 3.** AS 08.80.168 is amended by adding a new subsection to read:

(c) A pharmacist may independently dispense an opioid overdose drug if the pharmacist has completed an opioid overdose drug training program approved by

the board and otherwise complies with the standards established by the board under AS 08.80.030(b).

* **Sec. 4.** AS 08.80.480(27) is amended to read:

(27) "practice of pharmacy" means the interpretation, evaluation, and dispensing of prescription drug orders in the patient's best interest; participation in drug and device selection, drug administration, drug regimen reviews, and drug or drug-related research; provision of patient counseling and the provision of those acts or services necessary to provide pharmaceutical care; the administration of vaccines and related emergency medication; the independent dispensing of opioid overdose drugs; and the responsibility for compounding and labeling of drugs and devices except labeling by a manufacturer, repackager, or distributor of nonprescription drugs and commercially packaged legend drugs and devices; proper and safe storage of drugs and devices; and maintenance of proper records for them;"

Page 1, line 4:

Delete "**Section 1**"

Insert "**Sec. 5**"

Renumber the following bill section accordingly.

REPRESENTATIVE VAZQUEZ objected for discussion.

CHAIR SEATON explained that the proposed amendment would allow a pharmacist to dispense the opioid overdose drugs independent of a prescription by adding to the responsibilities of the Board of Pharmacy and to the definition of the practice of pharmacy. He pointed out that this proposed amendment added to the title of the proposed bill to include the practice of pharmacy, as well as adding four new Sections, which contained: inclusion of standards for independent dispensing of opioid drug overdose and an opioid overdose training program as the responsibility of the Board of Pharmacy; inclusion of opioid overdose drugs with the definition of emergency medications; allowance for pharmacists to independently dispense opioid overdose drugs if training has been completed and standards of the Board of Pharmacy have been fulfilled; and, inclusion of independent dispensing of opioid overdose drugs in the practice of pharmacy. He reminded the committee that the amendment included a title change for the proposed bill.

SENATOR ELLIS noted that other states had already made these changes, that the Fred Meyer stores in the Pacific Northwest were ready to make this drug available, and there appeared to be unanimous favor.

[3:11:55 PM](#)

REPRESENTATIVE VAZQUEZ removed her objection. There being no further objection, Amendment 1 was adopted.

[3:12:10 PM](#)

CHAIR SEATON moved to adopt Amendment 2, labelled 29-LS0058\E.4, Wallace, 1/29/16, which read:

Page 2, line 5, following "program":

Insert "; education and training under this paragraph may be provided by any reasonable means, including through the use of electronic, video, or automated education or training resources"

Page 2, line 15, following "program":

Insert "; education and training under this paragraph may be provided by any reasonable means, including through the use of electronic, video, or automated education or training resources"

REPRESENTATIVE VAZQUEZ objected for discussion.

CHAIR SEATON paraphrased from Amendment 2, stating that it was intended to ensure that the training for administration of the opioid overdose drug, required by the proposed bill, could be provided by any reasonable means.

[3:12:59 PM](#)

REPRESENTATIVE VAZQUEZ removed her objection. There being no further objection, Amendment 2 was adopted.

[3:13:22 PM](#)

SENATOR ELLIS reflected on the training component mentioned in Amendment 2. He reported that, although the drug was safe and there had not been any problems, he wanted to make sure that people other than medical personnel also had reasonable access to the training.

[3:14:15 PM](#)

CHAIR SEATON moved to adopt Amendment 3, labeled 29-LS0058\E.3, Wallace, 1/28/16, which read:

Page 2, line 20, following "assistant,":
Insert "nurse,"

Page 3, line 15, following "assistant,":
Insert "nurse,"

REPRESENTATIVE VAZQUEZ objected for discussion.

CHAIR SEATON explained that Amendment 3 would allow a nurse to provide the required training.

[3:14:56 PM](#)

REPRESENTATIVE VAZQUEZ removed her objection. There being no further objection, Amendment 3 was adopted.

[3:15:30 PM](#)

REPRESENTATIVE VAZQUEZ moved to report CSSB 23(JUD), Version 29-LS0058\E, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no further objection, HCS CSSB 23(HSS) was moved from the House Health and Social Services Standing Committee.

[3:16:26 PM](#)

The committee took an at-ease from 3:16 p.m. to 3:19 p.m.

[3:19:19 PM](#)

CHAIR SEATON brought the committee back to order, and noted there was also a resolution in support of CSSB 23(JUD) from the Kenai Peninsula Borough [included in members' packets].

HB 226-EXTEND ALASKA COMMISSION ON AGING

[3:19:49 PM](#)

CHAIR SEATON announced that the next order of business would be HOUSE BILL NO. 226, "An Act extending the termination date of the Alaska Commission on Aging; and providing for an effective date."

3:20:35 PM

REPRESENTATIVE MIKE HAWKER, Alaska State Legislature, clarified that there were now three new fiscal notes. He explained that, as the Alaska Commission on Aging (ACOA) existed in the State of Alaska, the qualifications of certain federal statutes for funding had been met. He reported that ACOA also fulfilled an obligation and requirement for the Alaska Mental Health Trust Authority (AMHTA). He directed attention to the fiscal note, OMB Component Number 2674, which listed \$119,100 under the Fund Source from MHTAAR (Mental Health Trust Authority Agency Receipts) as the money contributed by AMHTA to fulfill its obligations. He shared that the General Fund and I/A Receipts also listed under the Fund Source were from Department of Health and Social Services, which had designated ACOA as the agency to fulfill the federal requirements. He pointed out that there were now fiscal notes from the Senior and Disabilities Services Administration, OMB Component Number 2663, showing a receipt of \$603,200 in federal receipts [listed under Fund Source], and from the Senior Community Based Grants, OMB Component Number 2787, which reflected a federal receipt of \$5,771,300 [listed under Fund Source]. He stated the key point was that "ACOA serves a real purpose here. By having it, we are able to avail ourselves of the federal money that's available for the state for these particular programs." He pointed out that, should ACOA not be re-authorized, the state would either have to cease participation in these programs, or designate another state agency to take its place. He stated that this clarified the need for three fiscal notes, the exact role of ACOA, and that it satisfied requirements from the federal government for Alaska to receive money for senior benefits and requirements from AMHTA to satisfy its obligations. He declared that ACOA served a good purpose, and there was great leverage from the general funds invested in these services.

3:25:23 PM

REPRESENTATIVE VAZQUEZ asked about the interplay between the three fiscal notes.

REPRESENTATIVE HAWKER reiterated that all three fiscal notes defined allocations in the various budgets which appropriated money and provided a fund source for this money. He directed attention to the Allocation on each fiscal note, which was "the most granular level within the budget where this money is appropriated as both an expenditure and we provide a fund source

for it." He pointed to the Appropriation, which he explained was the next tier of the budget, and was within the Department, listed just above it. He shared that, although all three fiscal notes were appropriated into the Senior and Disabilities Services, the allocations were to different areas, hence the need for three separate fiscal notes. He explained that, with the passage of any bill with an attached fiscal note, this fiscal note was added to the budget through an appropriation that identified the specific fiscal note. He pointed out that, as this was a reauthorization bill, the money was already in the current budget, but would disappear without reauthorization of the agency, a consequence should proposed HB 226 not be passed. He clarified that should that happen, the money would not be spent or received, which was reflected in the fiscal notes. He stated that the policy call was for whether there was sufficient value and merit from this agency and its activities.

REPRESENTATIVE VAZQUEZ directed attention to the fiscal note labeled OMB Component Number 2663, and asked about the nature of the services for \$520,300 listed under Operating Expenditures.

REPRESENTATIVE HAWKER referenced the back page of the fiscal note, noting that it explained the services in general, although a very specific explanation would come from the agency.

CHAIR SEATON clarified that the fiscal note OMB Component Number 2674 had been updated on 02/04/16.

[3:32:06 PM](#)

DUANE MAYES, Director, Central Office, Division of Senior and Disabilities Services, Department of Health and Social Services, in response to Representative Vazquez, said that this money was for two reimbursable services agreements (RSAs), one to the Long Term Care Ombudsman in the Department of Revenue and the other to the Alaska Commission on Aging.

REPRESENTATIVE VAZQUEZ offered her belief that funds to the Alaska Commission on Aging would be through Personal Services, under Operating Expenditures in the aforementioned fiscal note.

MR. MAYES relayed that he was unsure why these Services had not been included under Personal Services on the fiscal note.

[3:34:26 PM](#)

JACQUELLI ZIEGENFUSS, Administration Operations Manager, Central Office, Division of Senior and Disabilities Services, Department of Health and Social Services, explained that RSAs were paid from the Services line, which included any passage of funds onto another state agency.

REPRESENTATIVE VAZQUEZ asked why the funding to the Alaska Commission on Aging was not on the Personal Services line, instead of the Services line.

MS. ZIEGENFUSS directed attention to the fiscal note OMB Component Number 2663 and explained that those funds go out through the Services line and then, on fiscal note OMB Component Number 2674, move into the Personal Services line for the Alaska Commission on Aging. She directed attention to page 2, final paragraph, of the aforementioned fiscal note, which stated that the commission was funded in part by an RSA from the Senior and Disabilities Services Administration component, while a small portion of this was federal funding.

REPRESENTATIVE VAZQUEZ asked whether the Alaska Commission on Aging was funded through the Personal Services on fiscal note OMB Component Number 2663 and then additionally through an RSA from the Senior and Disabilities Services Administration.

MS. ZIEGENFUSS directed attention to Fund Source, I/A Receipts (interagency receipts) on the fiscal note OMB Component Number 2674, which helped fund the Personal Services under Operating Expenditures. She stated that these funds, \$348,100, were used for the expenditure of personal services.

REPRESENTATIVE VAZQUEZ asked if this money was received from the Senior and Disabilities Services Administration.

MS. ZIEGENFUSS stated her agreement.

REPRESENTATIVE TARR asked if the other dollars not reflected in the fiscal notes were awarded through a competitive grant process, and what evaluation process was used to ensure that the money was distributed "to the best places."

[3:38:38 PM](#)

LISA MORLEY, DSDS Grants, Central Office, Division of Senior and Disabilities Services, Department of Health and Social Services, explained that the other funds not accounted for in the fiscal note were distributed directly from the Administration on

Community Living, part of the Older Americans Act. The funds identified in this fiscal note were from Title III, and were a combination of funds for grants and services directly to seniors, the Long Term Care Ombudsman, the Alaska Commission on Aging, and administration. She stated that Title IV funds were discretionary and competitive, and that the State of Alaska was not currently receiving any of these funds. She explained that Title V funds were for workforce for seniors, and were distributed to the Department of Labor & Workforce Development. She relayed that Title VI funds were awarded directly to the tribal governments, about \$4 million during the past year. She concluded with the Title VII funds which were awarded to the Long Term Care Ombudsman in the Department of Revenue.

REPRESENTATIVE VAZQUEZ asked where the public could look at the list of grantees.

MS. MORLEY asked if the reference was for grantees receiving funds to provide direct services in Alaska or those who receive Title III funds.

REPRESENTATIVE VAZQUEZ asked about any grantees receiving grants from the Division of Senior and Disabilities Services.

MS. MORLEY replied that these were online in an operating grants book, which listed every grant funded program by region and by grantee, and included the dollar amounts. She offered her belief that this was listed under the Department of Health and Social Services, Finance and Management Services. She offered to provide the link.

REPRESENTATIVE TARR asked for how long the Older Americans Act was reauthorized relative to the longevity of the funds.

MS. MORLEY replied that she did not recall.

MR. MAYES said that he would supply the information.

There being no further objection, the amended fiscal notes were adopted.

[3:42:49 PM](#)

REPRESENTATIVE VAZQUEZ moved to report HB 226, Version 29-LS1089\A, out of committee with individual recommendations and the accompanying amended fiscal notes. There being no

objection, HB 226 was moved from the House Health and Social Services Standing Committee.

[3:43:21 PM](#)

The committee took an at-ease from 3:43 p.m. to 3:45 p.m.

HB 260-DAY CARE ASSISTANCE & CHILD CARE GRANTS

[3:45:49 PM](#)

CHAIR SEATON announced that the next order of business would be HOUSE BILL NO. 260, "An Act relating to the recovery of overpayments of day care assistance and child care grants; and providing for an effective date."

REPRESENTATIVE TARR stated that she would keep working with community partners on an amendment for the payment structure.

REPRESENTATIVE VAZQUEZ relayed that she had raised concern about recovery of overpayments in the heating assistance program.

[3:48:16 PM](#)

SEAN O'BRIEN, Director, Director's Office, Division of Public Assistance, Department of Health and Social Services (DHSS), relayed that the division had no objection to either the heating assistance program or senior benefits being added to the proposed bill. He stated that initially the proposed bill had focused primarily on new regulations and new federal requirements.

CHAIR SEATON, in response to Representative Vazquez, suggested that the Legislative Legal Services draft an amendment as it was "more complicated than just changing a number."

REPRESENTATIVE VAZQUEZ explained that she had been waiting for the response from the Department of Health and Social Services, in case there was a valid reason for not adding to the proposed bill.

CHAIR SEATON directed attention to the written response from the division, noting that DHSS had agreed to the suggestion [Included in members' packets].

REPRESENTATIVE VAZQUEZ said that she would have an amendment drafted.

[3:51:18 PM](#)

CHAIR SEATON said that HB 260 would be held over until the amendment was available.

HB 262-SENIOR BENEFITS PROG. ELIGIBILITY

[3:52:36 PM](#)

CHAIR SEATON announced that the final order of business would be HOUSE BILL NO. 262, "An Act relating to eligibility requirements of the Alaska senior benefits payment program; and providing for an effective date."

[3:52:49 PM](#)

REPRESENTATIVE VAZQUEZ moved to adopt the proposed committee substitute (CS) for HB 262, labeled 29-GH2770\W, Glover, 2/2/16, as the working draft. There being no objection, Version W was in front of the committee.

CHAIR SEATON noted that there were three levels of senior benefits referenced in the proposed bill. He asked if the numbers were available.

SEAN O'BRIEN, Director, Director's Office, Division of Public Assistance, Department of Health and Social Services (DHSS), offered his belief that those numbers were available.

[3:54:13 PM](#)

MONICA MITCHELL, Chief, Policy & Program Development, Division of Public Assistance, Department of Health and Social Services (DHSS), stated that, although she did not have the exact numbers, at the highest income level there were about 5300 recipients, at the mid income level there were about 4000 recipients, and at the lowest income level there were about 2000 recipients. In response to Chair Seaton, she explained the senior benefits program and its three income levels. She reported that the senior benefits program was a cash benefit program for individuals over 65 years of age. She stated that the different payment levels were based on income up to a specific percentage of the federal poverty level. She detailed that individuals with incomes up to 75 percent of the federal poverty level receive the highest monthly benefit amount, \$250;

between 75 percent and 100 percent of the federal poverty level receive a monthly benefit amount of \$175; between 100 percent and 175 percent of the federal poverty level receive a monthly benefit amount of \$125.

CHAIR SEATON acknowledged that benefits were being cut in many programs, and he questioned whether the monthly cash payments to individuals with income of 175 percent of the federal poverty level should be reconsidered. He noted that the House Finance Committee should review this, but he "wanted to open up that policy discussion for us to have here since in all of the other committees that we're in, we're talking about raising taxes..." He stated that, as this was revenue sharing to individuals beyond the Permanent Fund Dividend, it should be open for discussion.

REPRESENTATIVE VAZQUEZ stated that the total number in the program statewide was only 11,300 individuals. She said that this was "more of a safety net" and that the income limits were very low. She reported that to qualify for the highest amount of monthly benefit, \$250, an individual's annual income could not exceed \$11,040, about \$920 each month. She went on to report that, for a married couple to qualify for the highest monthly benefit, income could not exceed \$14,940, about \$1,245 each month. She emphasized that this amount of money "doesn't go far." Moving on to the monthly benefit of \$175, an individual could not have an annual income of more than \$14,720, or \$1,227 each month; whereas, a married couple could not have an annual income to exceed \$19,920, or \$1,660 each month, which she declared was "doing marginally as far as income in light of the cost of living in Alaska." She relayed that for the monthly benefit amount of \$125, an individual could not have an income which exceeded \$25,760, or \$2,146 each month; whereas a married couple could not have an income which exceeded \$34,860, or about \$2905 per month. She emphasized that it was necessary to understand each level of income.

CHAIR SEATON pointed out that the question was not for the lower end of the scale, as those were "poverty and need." He relayed that there was a question whether the state could afford a subsidy for a couple earning \$35,000 each year. He asked if there was also an asset test along with the income test.

MS. MITCHELL replied that there was not an asset test. She pointed out that these regulations for senior benefits allowed for an adjustment based on the appropriation, and that the current regulation package allowed for a cut to the highest

benefit level first, and then to subsequent benefit levels, if not enough money had been appropriated for the program.

CHAIR SEATON reflected that the discussion was on policy, whereas the adjustment was for a budgetary constraint. He asked if this adjustment for budgetary constraint was good policy or whether it was better to address the upper level of benefits. He pointed out that a lack of asset limitation allowed an individual to own a home and other things, yet the individual would be subsidized with a benefit if the direct income was below a certain level. He declared that it was necessary to have a discussion for what levels the state could afford.

REPRESENTATIVE TARR expressed her personal opinion that these were modest benefits, even at the lowest level of payment. She reported that her constituents were considered moderate to low income, and the average rent in the low income neighborhoods was \$1,200 to \$1,500 per month. She pointed out that this meant more than half of a monthly income was spent for rent, with utilities above this. She observed that most of these subsidized individuals were on a fixed income and in retirement, so there was not a lot of opportunity to supplement their income. She suggested a gradual change to these benefits to allow for any adjustments to living arrangements. She reminded the committee that there had been a strong response against change during the last year, "in large part because people just didn't feel like they had time to make any adjustment." She requested some transitional time period, noting that a loss of housing which forced an individual into institutional housing would have a have an even greater cost to the state.

REPRESENTATIVE WOOL acknowledged some of the difficulties with asset qualifications, pointing out that assets did not guarantee expendable income. He expressed support for the lack of an asset test.

CHAIR SEATON stated that, without an asset test, there was a very broad group of people who qualify for benefits. He noted that people could have homes and "a lot of stuff," but an income that did not exceed the benefit limits. He opined that they might not be spending much, either. He questioned whether the higher income definition for poverty was too high, and he emphasized that no one was talking about eliminating the program entirely. He expressed his own discomfort for having a program which could then be underfunded, although he was glad that the regulation stated that payment at the highest income levels would be stopped first. He shared that, although he did not

plan to introduce an amendment, he wanted to have this discussion regarding benefits to higher income individuals given the current budget deficit. He noted that it was unclear of an individual's real needs without an asset test, although he acknowledged that the cost to administer the program would then become more expensive than the cost of the program.

REPRESENTATIVE WOOL asked if dividends and reverse mortgages would be considered income.

MS. MITCHELL replied that a reverse mortgage was considered a conversion of an asset, and would not be considered income. In response to Representative Wool, she said that a regular monthly payment would be considered income.

REPRESENTATIVE FOSTER opined that the profit from the sale of a home was income, but a reverse mortgage was not income.

MS. MITCHELL explained that the house was considered an asset, and the cash from the sale was also an asset, as it was not a regular monthly income.

CHAIR SEATON pointed out that these assets were not counted, yet the income could be low enough to qualify for the benefit. He noted that it was necessary to review the system to determine whether it was accomplishing the intended goals without having any unintended consequences.

REPRESENTATIVE VAZQUEZ asked about the cost to implement an asset test to the highest income tier, and expressed her agreement that this could cost more than the payment.

MS. MITCHELL explained that, in order to implement the asset test, it would be necessary to change the application and reprogram the legacy system, and, although she did not have an exact dollar amount, it would have a big financial impact.

REPRESENTATIVE VAZQUEZ acknowledged that it was also necessary to train staff and send notifications to present recipients, noting that this was all part of the cost when determining the feasibility. She pointed out that there was not an asset test for other programs, including Denali Kid Care or Medicaid expansion enrollees, and that this same argument could be made for those programs.

REPRESENTATIVE WOOL asked to confirm that the minimum age for these benefits was 65 years, and how often was it necessary to enroll for the program.

MS. MITCHELL replied that there was a yearly review process.

REPRESENTATIVE TARR asked if it was possible for "some kind of spot check" to attain a sample snap shot for information, which was not very expensive. She pointed out that an asset test was required for an elderly person with a need for Medicaid services. She acknowledged that there had been similar criticism for the Alaska Longevity Bonus program as it did not have any income guidelines.

MS. MITCHELL offered that there could be a cross match for individuals who were also eligible for other programs that did have an asset test for benefits. In response to Chair Seaton, she explained that an individual with senior benefits who also received food stamps and/or adult public assistance would have been required to have an asset test to qualify for either of those programs.

CHAIR SEATON asked to see this information if it was not too onerous to collect, as it offered a potential mechanism for reviewing the programs. He stated that it was necessary to effectively target resources for what they were intended. He noted that a review of wealth across the state pointed to concentration among those over 65 years of age, that this group was the wealthiest population in the state.

REPRESENTATIVE TARR asked if the program could be adjusted to be parallel with social security benefits.

MS. MITCHELL agreed that there was an age requirement in the statutes for senior benefits, and this could be amended to reference the federal statute for social security.

REPRESENTATIVE TARR asked if there was an age breakdown of the current recipients to this program.

MS. MITCHELL reported that the average age of the recipients was 75 years, and the maximum age was 104 years.

CHAIR SEATON asked for any other helpful information that was readily available.

MS. MITCHELL said that she did not have any other information that had not already been discussed.

CHAIR SEATON reported that this proposed bill was trying to tighten up the eligibility standards for this program to include a requirement to be a citizen of the United States, or a qualified alien. He offered his belief that the program needed some refinements. He said that the proposed bill would be held over until the cross check information could be obtained from DHSS for further discussion. He stated that his intention was to move the bill out of committee at the next opportunity.

REPRESENTATIVE VAZQUEZ asked if it made sense to likewise tighten the qualification criteria to a program like the heating assistance program.

MS. MITCHELL asked for clarification.

REPRESENTATIVE VAZQUEZ asked if this program should be made similar to the criteria for a general fund program, similar to the heating assistance program.

MR. O'BRIEN clarified that, as the heating assistance program was a federal and state program, there was a distinction between the funding and the qualifications.

[4:24:33 PM](#)

CHAIR SEATON opened public testimony. After ascertaining no one wished to testify, closed public testimony.

[HB 262 was held over.]

[4:25:21 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Health and Social Services Standing Committee meeting was adjourned at 4:25 p.m.