

**ALASKA STATE LEGISLATURE**  
**HOUSE STATE AFFAIRS STANDING COMMITTEE**

May 5, 2001

1:35 p.m.

**MEMBERS PRESENT**

Representative John Coghill, Chair  
Representative Jeannette James  
Representative Hugh Fate  
Representative Gary Stevens  
Representative Peggy Wilson  
Representative Harry Crawford  
Representative Joe Hayes

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CS FOR SENATE JOINT RESOLUTION NO. 28(HES)  
Urging dissemination of information about the costs of long-term care services and the availability of long-term care insurance for individuals.

- MOVED CSSJR 28(HES) OUT OF COMMITTEE

**PREVIOUS ACTION**

BILL: SJR 28

SHORT TITLE:LONG-TERM CARE INSURANCE

SPONSOR(S): SENATOR(S) WILKEN

Jrn-Date	Jrn-Page		Action
04/11/01	1069	(S)	READ THE FIRST TIME - REFERRALS
04/11/01	1069	(S)	HES, L&C
04/27/01		(S)	HES AT 1:30 PM BUTROVICH 205
04/27/01		(S)	Moved CS(HES) Out of Committee
04/27/01		(S)	MINUTE(HES)
04/28/01	1328	(S)	HES RPT CS 3DP SAME TITLE
04/28/01	1328	(S)	DP: GREEN, WILKEN, DAVIS
04/28/01	1328	(S)	FN1: ZERO(S.HES)
05/01/01		(S)	L&C AT 1:30 PM BELTZ 211
05/01/01		(S)	Moved Out of Committee

05/01/01		(S)	MINUTE(L&C)
05/02/01	1432	(S)	L&C RPT CS(HES) 4DP
05/02/01	1432	(S)	DP: PHILLIPS, AUSTERMAN, DAVIS,
05/02/01	1432	(S)	TORGERSON
05/02/01	1432	(S)	FN1: ZERO(S.HES)
05/04/01	1493	(S)	RULES TO CALENDAR 5/4/01
05/04/01	1501	(S)	READ THE SECOND TIME
05/04/01	1501	(S)	HES CS ADOPTED UNAN CONSENT
05/04/01	1501	(S)	ADVANCED TO THIRD READING UNAN CONSENT
05/04/01	1501	(S)	READ THE THIRD TIME CSSJR 28(HES)
05/04/01	1502	(S)	PASSED Y20 N-
05/04/01	1514	(S)	TRANSMITTED TO (H)
05/04/01	1514	(S)	VERSION: CSSJR 28(HES)
05/04/01		(S)	RLS AT 1:00 PM FAHRENKAMP 203
05/04/01		(S)	-- Time Change --
05/04/01		(S)	MINUTE(RLS)
05/05/01	1552	(H)	READ THE FIRST TIME - REFERRALS
05/05/01	1552	(H)	STA
05/05/01		(H)	STA AT 1:30 PM CAPITOL 102

**WITNESS REGISTER**

SENATOR GARY WILKEN  
 Alaska State Legislature  
 Capitol Building, Room 514  
 Juneau, Alaska 99801  
 POSITION STATEMENT: Sponsor of SJR 28.

**ACTION NARRATIVE**

TAPE 01-53, SIDE A  
 Number 0001

CHAIR JOHN COGHILL called the House State Affairs Standing Committee meeting to order at 1:35 p.m. Representatives Coghill, Wilson, Crawford, and Hayes were present at the call to order. Representatives James, Fate, and Stevens arrived as the meeting was in progress.

SJR 28 - LONG-TERM CARE INSURANCE

Number 0040

CHAIR COGHILL announced that the committee would hear CS FOR SENATE JOINT RESOLUTION NO. 28(HES), Urging dissemination of information about the costs of long-term care services and the availability of long-term care insurance for individuals.

Number 0075

SENATOR GARY WILKEN, Alaska State Legislature, sponsor, explained that the Long-Term Care (LTC) Task Force created by the legislature recommends that information about LTC be disseminated to the public. Two of the things that the LTC Task Force learned during its public hearing process is that "if your fortunate to live long enough to ... need long-term care," it's very, very expensive; and that the time to "get people" is when they're planning their lives - when they're getting their medical insurance in order - so that when they do reach the age when they need help, they don't have to spend their savings or their family's savings. He noted that the good news today is that over the last three years, private industry has picked up on the fact that this is a marketable product. He then recounted how, "When we had our Task Force, a lot of people looked to the state and said, 'Well why doesn't the state just pay for this out of perhaps a permanent fund deduction,' or, 'we'll just have what amounts to socialized long-term care in Alaska,' and people were really serious about that."

SENATOR WILKEN explained that SJR 28 simply says to the state, to municipalities, to Congress, and to the President to spread the word about long-term care. He opined that it is important to keep this issue in front of every legislature, every year, because by the year 2020, one out of eight Alaskans will be 80 years old or older. He noted that the issue is so important that he did a campaign commercial on it in order to get people to start thinking about this issue; people need to make plans early in their lives for what will happen when they get older.

REPRESENTATIVE WILSON commented that Senator Wilken is "right on here," and that SJR 28 is very appropriate. In her town, she noted, the cost of LTC is over \$10,000 per month, and added that the issue of LTC and its cost can be overwhelming when people are faced with making choices without having any prior plans.

REPRESENTATIVE JAMES remarked that she really appreciates the work that Senator Wilken has done with regard to the issue of LTC. Long-term care is an up-and-coming issue that has to be dealt with, she opined; not only the aspect of having insurance available that covers LTC, but also the aspect of having

facilities available for people to receive LTC. She added that she is a supporter of assisted living homes, which provide very good care and which should be considered further.

Number 0477

REPRESENTATIVE HAYES mentioned that he might have a conflict of interest because the company he works for sells long-term-care insurance.

CHAIR COGHILL said that Representative Hayes's potential conflict is "duly noted but objected to"; thus Representative Hayes would be required to vote if called upon to do so.

REPRESENTATIVE STEVENS said that he is really glad to see SJR 28; it is essential that people become aware of this topic. He then mentioned that sometimes it appears that the message to people is that they should transfer their wealth to their families so that the state can pick up the cost of LTC.

SENATOR WILKEN noted that Representative Stevens has a point; people think, erroneously, that social security is going to take care of them when they get old, and that everything is going to be fine. Long-term care is so expensive, however, that many people have to spend their assets down to the limit allowed and then live off the state. He opined that SJR will make people aware that they need to start planning early so that they will not have to give away all their assets when they get older.

REPRESENTATIVE CRAWFORD said that he supports the concept of SJR 28 but noted that in his industry, possible only 25 percent of the people even have healthcare coverage for their families. Coverage is so expensive that people have to decide between paying the rent or paying for healthcare coverage; thus these people hope and bet on staying healthy. He surmised that LTC coverage would have even less priority than healthcare coverage. He asked, "How do we get around to getting people [who] ... are in that sort of predicament to look ahead to long-term-care facilities and insurance?"

SENATOR WILKEN said that he sees it as two tracks:

We need to continue to push to get people to be able to afford major medical [coverage] - we can barely go without it in our world today; at the same time, on another track, we [need to] encourage those that have the ability - those that perhaps have that part of

their lives taken care of - to avail themselves of long-term care [coverage]. But we need to keep pushing on both fronts to keep them both moving ahead.

CHAIR COGHILL said that he agrees with Senator Wilken. He noted that the last resolve in SJR 28 requests that Congress address to what extent tax rules may discriminate against consumers of long-term care insurance policies.

SENATOR WILKEN noted that Congress currently has before it the "Long-term Care and Retirement Security Act of 2001," which will address the topic of how to get tax relief for long-term-care planning.

Number 0927

REPRESENTATIVE JAMES moved to report CSSJR 28(HES) out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSSJR 28(HES) was reported from the House State Affairs Standing Committee.

**ADJOURNMENT**

Number 0956

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 1:49 p.m.