

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 6  
 Bill Version: \_\_\_\_\_  
 ( S ) Publish Date: 5/14/03  
 Dept. Affected: Health & Social Services  
 BRU Medical Assistance  
 Component Medicaid Services

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title ELIMINATE LONGEVITY BONUS

Sponsor SENATE (RLS) BY REQUEST OF THE GOVERNOR

Requester \_\_\_\_\_ Component No. 2077

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,494.0	2,349.7	2,217.2	2,096.4	1,797.4	1,656.3
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2,494.0</b>	<b>2,349.7</b>	<b>2,217.2</b>	<b>2,096.4</b>	<b>1,797.4</b>	<b>1,656.3</b>

<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES (0)</b>						

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	1,587.6	1,478.2	1,375.9	1,280.6	1,192.4	1,107.8
1003 GF Match	906.4	871.5	841.3	815.8	605.0	548.5
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>2,494.0</b>	<b>2,349.7</b>	<b>2,217.2</b>	<b>2,096.4</b>	<b>1,797.4</b>	<b>1,656.3</b>

Estimate of any current year (FY2003) cost: \_\_\_\_\_

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill phases out the Alaska Longevity Bonus Program. This phase-out may cause some seniors who are not currently receiving APA and Medicaid to seek help because their income has dropped below what they need to make ends meet. Seniors age 65+ who are eligible for APA payments are entitled to coverage under the Medicaid program.

The Division of Public Assistance estimates that approximately 500 seniors would apply and be found eligible for APA. The Division of Medical Assistance estimates that approximately 50 of those seniors are already receiving Medicaid under other categories, so 450 seniors would become newly eligible for Medicaid in FY 04.

Prepared by: Jon Sherwood  
 Division Medical Assistance  
 Approved by: Joel S. Gilbertson, Commissioner  
 Agency Department of Health and Social Services

Phone 465-5820  
 Date/Time 05/14/2003  
 Date 05/14/2003

FISCAL NOTE  
FN 6

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

**ANALYSIS CONTINUATION**

The estimated cost of providing Medicaid services to these seniors is \$490/month per senior. Due to death and out migration, 7 % of these new eligibles will leave the caseload each year. The cost of these new eligibles is shown below. Federal Funds are assumed to be 60% of the cost of adding new people before the adjustment.

FY 04: 450 persons x \$490/mo. x 12 mo. = \$2,646.0

FY 05: 419 persons x \$490/mo. x 12 mo. = \$2,463.7

FY 06: 390 persons x \$490/mo. x 12 mo. = \$2,293.2

FY 07: 363 persons x \$490/mo. x 12 mo. = \$2,134.4

FY 08: 338 persons x \$490/mo. x 12 mo. = \$1,987.4

FY 09: 314 persons x \$490/mo. x 12 mo. = \$1,846.3

In addition, the Department currently spends \$190,000 in general funds on ALB Hold Harmless payments. These payments would be reduced as the ALB phased out. The adjusted costs of increased Medicaid coverage for senior citizens are shown below.

FY 04: \$2,646.0 - \$152.0 = \$2,494.0

FY 05: \$2,463.7 - \$114.0 = \$2,349.7

FY 06: \$2,293.2 - \$76.0 = \$2,217.2

FY 07: \$2,134.4 - \$38.0 = \$2,096.4

FY 08: \$1,987.4 - \$0.0 = \$1,797.4

FY 09: \$1,846.3 - \$0.0 = \$1,656.3