

**CS FOR HOUSE BILL NO. 198(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/4/07

Referred: Rules

Sponsor(s): REPRESENTATIVES HAWKER, Harris, Coghill, Samuels, Chenault, Meyer, Foster, Doogan, Fairclough, Thomas, Wilson, Nelson, Joule, Roses, Johnson, Seaton, Cissna

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing the Alaska senior benefits payment program; repealing the senior**  
2 **care and longevity bonus payment programs; amending medical assistance income**  
3 **eligibility provisions for persons under 19 years of age, for pregnant women, and for**  
4 **disabled persons; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 **\* Section 1.** AS 09.38.015(a) is amended to read:

7 (a) An individual is entitled to exemption of the following property:

8 (1) a burial plot for the individual and the individual's family;

9 (2) health aids reasonably necessary to enable the individual or a  
10 dependent to work or to sustain health;

11 (3) benefits paid or payable for medical, surgical, or hospital care to  
12 the extent they are or will be used to pay for the care;

13 (4) an award under AS 18.67 (Violent Crimes Compensation Board) or  
14 a crime victim's reparations act of another jurisdiction;

1 (5) benefits paid or payable as a longevity bonus under **former**  
 2 **AS 47.45.010 - 47.45.160** [AS 47.45];

3 (6) compensation or benefits paid or payable and exempt under federal  
 4 law;

5 (7) liquor licenses granted under AS 04;

6 (8) tuition credit or savings accounts under a higher education savings  
 7 account established under AS 14.40.802 or an advance college tuition savings contract  
 8 authorized under AS 14.40.809(a);

9 (9) a permanent fund dividend to the extent allowed under  
 10 AS 43.23.065;

11 (10) benefits paid or payable as a senior **benefits** [CARE] benefit  
 12 under AS 47.45.300 - 47.45.390.

13 \* **Sec. 2.** AS 18.56.850(b) is amended to read:

14 (b) In the development of a home energy conservation or weatherization  
 15 program under (a) of this section, the corporation may not consider the value of  
 16 [ALASKA LONGEVITY BONUS PAYMENTS UNDER AS 47.45 OR] permanent  
 17 fund dividends under AS 43.23 in determining whether a person meets income  
 18 guidelines established under AS 18.56.088 and (a) of this section for a state or, to the  
 19 extent permitted by federal law, a federal energy conservation or weatherization  
 20 program.

21 \* **Sec. 3.** AS 37.05.146(c)(80) is amended to read:

22 (80) the Alaska **senior benefits** [SENIOR CARE] fund  
 23 (AS 47.45.360);

24 \* **Sec. 4.** AS 44.99.205(c)(3) is amended to read:

25 (3) "program" includes the permanent fund dividend program under  
 26 AS 43.23 [AND THE LONGEVITY BONUS PROGRAM UNDER AS 47.45];

27 \* **Sec. 5.** AS 47.07.020(b) is amended to read:

28 (b) In addition to the persons specified in (a) of this section, the following  
 29 optional groups of persons for whom the state may claim federal financial  
 30 participation are eligible for medical assistance:

31 (1) persons eligible for but not receiving assistance under any plan of

1 the state approved under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act,  
2 Supplemental Security Income) or a federal program designated as the successor to the  
3 aid to families with dependent children program;

4 (2) persons in a general hospital, skilled nursing facility, or  
5 intermediate care facility, who, if they left the facility, would be eligible for assistance  
6 under one of the federal programs specified in (1) of this subsection;

7 (3) persons under 21 years of age who are under supervision of the  
8 department, for whom maintenance is being paid in whole or in part from public  
9 funds, and who are in foster homes or private child-care institutions;

10 (4) aged, blind, or disabled persons, who, because they do not meet  
11 income and resources requirements, do not receive supplemental security income  
12 under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act), and who do not  
13 receive a mandatory state supplement, but who are eligible, or would be eligible if  
14 they were not in a skilled nursing facility or intermediate care facility to receive an  
15 optional state supplementary payment;

16 (5) persons under 21 years of age who are in an institution designated  
17 as an intermediate care facility for the mentally retarded and who are financially  
18 eligible as determined by the standards of the federal program designated as the  
19 successor to the aid to families with dependent children program;

20 (6) persons in a medical or intermediate care facility whose income  
21 while in the facility does not exceed \$1,656 a month but who would not be eligible for  
22 an optional state supplementary payment if they left the hospital or other facility;

23 (7) persons under 21 years of age who are receiving active treatment in  
24 a psychiatric hospital and who are financially eligible as determined by the standards  
25 of the federal program designated as the successor to the aid to families with  
26 dependent children program;

27 (8) persons under 21 years of age and not covered under (a) of this  
28 section, who would be eligible for benefits under the federal program designated as  
29 the successor to the aid to families with dependent children program, except that they  
30 have the care and support of both their natural and adoptive parents;

31 (9) pregnant women not covered under (a) of this section and who

1 meet the income and resource requirements of the federal program designated as the  
2 successor to the aid to families with dependent children program;

3 (10) persons under 21 years of age not covered under (a) of this section  
4 who the department has determined cannot be placed for adoption without medical  
5 assistance because of a special need for medical or rehabilitative care and who the  
6 department has determined are hard-to-place children eligible for subsidy under  
7 AS 25.23.190 - 25.23.210;

8 (11) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title  
9 XIX, Social Security Act, Medical Assistance) to be individuals with respect to whom  
10 a supplemental security income is being paid under 42 U.S.C. 1381 - 1383c (Title  
11 XVI, Social Security Act) because they meet all of the following criteria:

12 (A) they are 18 years of age or younger and qualify as disabled  
13 individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

14 (B) the department has determined that

15 (i) they require a level of care provided in a hospital,  
16 nursing facility, or intermediate care facility for the mentally retarded;

17 (ii) it is appropriate to provide their care outside of an  
18 institution; and

19 (iii) the estimated amount that would be spent for  
20 medical assistance for their individual care outside an institution is not  
21 greater than the estimated amount that would otherwise be expended  
22 individually for medical assistance within an appropriate institution;

23 (C) if they were in a medical institution, they would be eligible  
24 for medical assistance under other provisions of this chapter; and

25 (D) home and community-based services under a waiver  
26 approved by the federal government are either not available to them under this  
27 chapter or would be inappropriate for them;

28 (12) disabled persons, as described in 42 U.S.C.  
29 1396a(a)(10)(A)(ii)(XIII), who are in families whose income, as determined under  
30 applicable federal regulations or guidelines, is less than 250 percent of the official  
31 poverty line applicable to a family of that size according to the **United States**

1        **Department of Health and Human Services** [FEDERAL OFFICE OF  
 2        MANAGEMENT AND BUDGET], and who, but for earnings in excess of the limit  
 3        established under 42 U.S.C. 1396d(q)(2)(B), would be considered to be individuals  
 4        with respect to whom a supplemental security income is being paid under 42 U.S.C.  
 5        1381 - 1383c; a person eligible for assistance under this paragraph who is not eligible  
 6        under another provision of this section shall pay a premium or other cost-sharing  
 7        charges according to a sliding fee scale that is based on income as established by the  
 8        department in regulations;

9                    (13) persons under 19 years of age who are not covered under (a) of  
 10       this section and whose household income does not exceed **175 percent of the federal**  
 11       **poverty line for Alaska set by the United States Department of Health and**  
 12       **Human Services and revised under 42 U.S.C. 9902(2)**

13                                    [(A) \$1,635 A MONTH IF THE HOUSEHOLD CONSISTS  
 14       OF ONE PERSON;

15                                    (B) \$2,208 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 16       TWO PERSONS;

17                                    (C) \$2,782 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 18       THREE PERSONS;

19                                    (D) \$3,355 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 20       FOUR PERSONS;

21                                    (E) \$3,928 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 22       FIVE PERSONS;

23                                    (F) \$4,501 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 24       SIX PERSONS;

25                                    (G) \$5,074 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 26       SEVEN PERSONS;

27                                    (H) \$5,647 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 28       EIGHT PERSONS;

29                                    (I) \$5,647 A MONTH, PLUS AN ADDITIONAL \$574 A  
 30       MONTH FOR EACH EXTRA PERSON ABOVE EIGHT PERSONS WHO  
 31       IS IN THE HOUSEHOLD IF THE HOUSEHOLD CONSISTS OF NINE

1 PERSONS OR MORE];

2 (14) pregnant women who are not covered under (a) of this section and  
 3 whose household income does not exceed **175 percent of the federal poverty**  
 4 **guideline for Alaska set by the United States Department of Health and Human**  
 5 **Services**

6 [(A) \$2,208 A MONTH IF THE HOUSEHOLD CONSISTS  
 7 OF TWO PERSONS;

8 (B) \$2,782 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 9 THREE PERSONS;

10 (C) \$3,355 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 11 FOUR PERSONS;

12 (D) \$3,928 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 13 FIVE PERSONS;

14 (E) \$4,501 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 15 SIX PERSONS;

16 (F) \$5,074 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 17 SEVEN PERSONS;

18 (G) \$5,647 A MONTH IF THE HOUSEHOLD CONSISTS OF  
 19 EIGHT PERSONS;

20 (H) \$5,647 A MONTH, PLUS AN ADDITIONAL \$574 A  
 21 MONTH FOR EACH EXTRA PERSON ABOVE EIGHT PERSONS WHO  
 22 IS IN THE HOUSEHOLD IF THE HOUSEHOLD CONSISTS OF NINE  
 23 PERSONS OR MORE];

24 (15) persons who have been diagnosed with breast or cervical cancer  
 25 and who are eligible for coverage under 42 U.S.C. 1396a(a)(10)(A)(ii)(XVIII).

26 \* **Sec. 6.** AS 47.45.240(c) is amended to read:

27 (c) The commission may not investigate, review, or undertake any  
 28 responsibility for [THE LONGEVITY BONUS PROGRAM UNDER AS 47.45.010 -  
 29 47.45.160 OR] the Alaska Pioneers' Home or Alaska Veterans' Home under AS 47.55.

30 \* **Sec. 7.** AS 47.45.300 is repealed and reenacted to read:

31 **Sec. 47.45.300. Alaska senior benefits payment program.** (a) The Alaska

1 senior benefits payment program is established in the Department of Health and Social  
 2 Services to provide cash benefits as far as practicable under appropriations provided  
 3 by law.

4 (b) The department shall administer the program and adopt regulations under  
 5 AS 44.62 to carry out the purposes of the program.

6 (c) If the department estimates that appropriations for the program are  
 7 insufficient to meet the demands of the program in a fiscal year, the department may  
 8 reduce or eliminate the cash benefit available to recipients.

9 \* **Sec. 8.** AS 47.45.310 is repealed and reenacted to read:

10 **Sec. 47.45.310. Cash benefit.** (a) An individual is eligible for a cash benefit  
 11 under the program if the individual

12 (1) is 65 years of age or older;

13 (2) is a resident of the state;

14 (3) has a household income that does not exceed 175 percent of the  
 15 annual federal poverty guidelines for Alaska, as determined by the United States  
 16 Department of Health and Human Services and revised under 42 U.S.C. 9902(2); and

17 (4) applies on a form provided by the department; the department may  
 18 use an abbreviated form for an individual who received a payment under an assistance  
 19 program for seniors that paid \$120 a month and was administered by the department  
 20 on or before the effective date of this section.

21 (b) An eligible individual shall receive a monthly cash benefit payment as  
 22 follows:

23 (1) \$250 if the individual's household income does not exceed 75  
 24 percent of the federal poverty guidelines for Alaska;

25 (2) \$175 if the individual's household income does not exceed 100  
 26 percent but is above 75 percent of the federal poverty guidelines for Alaska;

27 (3) \$125 if the individual's household income does not exceed 175  
 28 percent but is above 100 percent of the federal poverty guidelines for Alaska.

29 \* **Sec. 9.** AS 47.45.330 is amended to read:

30 **Sec. 47.45.330. Continuation of benefits.** An eligible individual who leaves  
 31 the state may not receive a cash [ASSISTANCE] benefit under AS 47.45.310 [OR

1           PRESCRIPTION DRUG BENEFIT UNDER AS 47.45.320] during the absence unless  
2           the individual's absence is temporary and is for one of the following reasons:

3                       (1) to receive medical treatment for the individual;

4                       (2) to accompany the individual's family member who is receiving  
5           medical treatment outside the state; or

6                       (3) for a vacation, business trip, or other absence of less than 30  
7           consecutive days, unless the individual has applied for and received a time extension  
8           from the department for special circumstances.

9           \* **Sec. 10.** AS 47.45.340 is amended to read:

10                   **Sec. 47.45.340. Appeal rights.** An individual who receives a determination  
11           from the department that denies, limits, or modifies a cash [ASSISTANCE] benefit  
12           [OR PRESCRIPTION DRUG BENEFIT] under AS 47.45.300 - 47.45.390, other than  
13           a determination under AS 47.45.300(c) to reduce or eliminate benefits, may request a  
14           hearing before the department under regulations adopted by the department.

15           \* **Sec. 11.** AS 47.45.350 is amended to read:

16                   **Sec. 47.45.350. Ability to recover or recoup improper assistance or**  
17           **benefits.** An individual is liable to the department for the value of assistance or  
18           benefits improperly paid to the person under AS 47.45.310 or **former AS 47.45.320**  
19           [47.45.320] if the improper payment was based on inaccurate or incomplete  
20           information provided by the individual. In a civil action brought by the state to recover  
21           from the individual the value of assistance or benefits improperly paid under  
22           AS 47.45.310 or **former AS 47.45.320** [47.45.320], the state may recover from the  
23           individual the costs of investigation and prosecution of the civil action, including  
24           attorney fees as determined under court rules.

25           \* **Sec. 12.** AS 47.45.360 is repealed and reenacted to read:

26                   **Sec. 47.45.360. Alaska senior benefits fund.** The Alaska senior benefits fund  
27           is established as an account in the general fund. The fund shall be used by the  
28           commissioner of health and social services to pay for costs incurred in the provision of  
29           senior services under AS 47.45.300 - 47.45.390. The fund consists of

30                       (1) money in the former senior care fund established in sec. 2, ch. 89,  
31           SLA 2005;

- 1 (2) appropriations to the Alaska senior benefits fund; and  
 2 (3) any appropriation of interest earned on money in the Alaska senior  
 3 benefits fund.

4 \* **Sec. 13.** AS 47.45.390(2) is amended to read:

- 5 (2) "eligible individual" means an individual who meets the  
 6 requirements of AS 47.45.310 [OR 47.45.320] and regulations adopted under **that**  
 7 **statute** [THOSE STATUTES] for eligibility for the program;

8 \* **Sec. 14.** The uncodified law of the State of Alaska enacted in sec. 9, ch. 89, SLA 2005, is  
 9 amended to read:

10 Sec. 9. FUND REVERSION. The unobligated, unencumbered, and  
 11 unappropriated balance of the Alaska senior care fund established in AS 47.45.360,  
 12 added by sec. 2, **ch. 89, SLA 2005** [OF THIS ACT], reverts to the **unrestricted**  
 13 [UNRESERVED] general fund on June 30, **2011** [2007].

14 \* **Sec. 15.** AS 44.64.030(a)(34), AS 47.08.060(c)(8); AS 47.45.010, 47.45.020, 47.45.030,  
 15 47.45.040, 47.45.050, 47.45.060, 47.45.070, 47.45.080, 47.45.100, 47.45.110, 47.45.120,  
 16 47.45.122, 47.45.130, 47.45.140, 47.45.150, 47.45.160, and 47.45.320 are repealed.

17 \* **Sec. 16.** AS 09.38.015(a)(10); AS 37.05.146(c)(80); AS 47.45.300, 47.45.310, 47.45.330,  
 18 47.45.340, 47.45.350, 47.45.360, and 47.45.390 are repealed June 30, 2011.

19 \* **Sec. 17.** Sections 4, 5, 6, and 7, ch. 89, SLA 2005, are repealed.

20 \* **Sec. 18.** The uncodified law of the State of Alaska is amended by adding a new section to  
 21 read:

22 TRANSITION: TRANSFER OF ASSETS FROM THE ALASKA SENIOR CARE  
 23 FUND. Subject to appropriation, the assets of the senior care fund established by sec. 2, ch.  
 24 89, SLA 2005, are transferred to the Alaska senior benefits fund established by sec. 12 of this  
 25 Act.

26 \* **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to  
 27 read:

28 TRANSITION: REGULATIONS. (a) To the extent the regulations are not  
 29 inconsistent with this Act, regulations adopted by the Department of Health and Social  
 30 Services to provide cash assistance of \$120 a month to seniors that were in effect on the  
 31 effective date of sec. 7 of this Act, remain applicable and in effect as valid regulations until

1 the Department of Health and Social Services adopts regulations under this Act and those  
2 regulations take effect under AS 44.62.

3 (b) The Department of Health and Social Services may proceed to adopt regulations  
4 to implement the changes made by this Act. The regulations take effect under AS 44.62  
5 (Administrative Procedure Act), but not before the effective date of the statutory changes.

6 \* **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 **RETROACTIVITY AND REVIVAL.** If secs. 1 - 17 of this Act take effect after  
9 June 30, 2007,

10 (1) AS 47.45.300 - 47.45.390, as amended by this Act, the repeal of  
11 AS 47.45.320, and secs. 14, 15, and 17 of this Act, are retroactive to June 30, 2007; and

12 (2) AS 47.45.300, 47.45.310, 47.45.330, 47.45.340, 47.45.350, 47.45.360, and  
13 47.45.390, as amended by this Act, are revived.

14 \* **Sec. 21.** Sections 18, 19(b), and 20 of this Act take effect immediately under  
15 AS 01.10.070(c).

16 \* **Sec. 22.** Except as provided in sec. 21 of this Act, this Act takes effect June 30, 2007.