

SENATE FINANCE COMMITTEE

April 1, 2011

9:03 a.m.

[9:03:34 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Lesil McGuire, Vice-Chair
Senator Johnny Ellis
Senator Dennis Egan
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

None

ALSO PRESENT

Darwin Peterson, Staff, Senator Stedman; Representative Mike Hawker.

SUMMARY

SB 94 SECOND VERSE OF ALASKA'S STATE SONG

SB 94 was REPORTED out of Committee with a "do pass" recommendation and with one new zero fiscal note from the Senate Finance Committee.

HB 16 EXTEND SENIOR BENEFITS PAYMENT PROGRAM

SCSHB 16 was REPORTED out of Committee with a "do pass" recommendation and with four new fiscal impact notes from the Department of Health and Social Services.

#hb16

HOUSE BILL NO. 16

"An Act extending senior benefits."

9:04:21 AM

Co-Chair Hoffman proposed committee substitute, work draft 27-LS0135/D. Co-Chair Stedman OBJECTED for purpose of discussion.

DARWIN PETERSON, STAFF, SENATOR STEDMAN, explained the Committee Substitute (CS). The previous version of HB 16 was a one section bill that extended the sunset date for the senior benefit payment program. Following the first hearing on the bill, the chairman was concerned that certain low income seniors were ineligible for the program. The exclusion is found in regulation and states that in order to be eligible for the senior benefits payment program, an applicant may not be a resident of a nursing home, a Pioneer home or a veteran's home. The reason for the exclusion is because low income residents are required to contribute most of their income to the cost of their care. The additional cost is subsidized by the state and Medicaid.

Mr. Peterson continued that if low income seniors in the facilities receive the senior benefit payment they must contribute the funds to the cost of their care which would result in a net increase without any benefit to the client. He mentioned one option to hold harmless senior benefit payments for residents of these facilities, but that would increase the fiscal note by \$1.8 million. Following a meeting with the department, another option was presented to increase the existing personal needs allowance that exists in statute for residents of nursing homes, Pioneer homes and veteran's homes. Currently, residents of nursing homes receive an allowance of \$75 per month, and residents of Pioneer homes and veteran's homes receive an allowance of \$100 per month. For residents with an income such as social security or a pension, this provides the allowance seniors are allowed to keep prior to turning the remainder over for the cost of their care. For residents with no income, the department pays the allowance. The personal needs allowance for a nursing home resident has not changed in 30 years. The total cost to the general fund as a result of increasing these payments is \$522,900. He mentioned the

four new fiscal notes from the Department of Health and Social Services (DHSS).

9:07:29 AM

Mr. Peterson presented a sectional analysis. He stated that Section 1 establishes a \$200 personal needs allowance for residents of nursing homes. Currently the allowance is found only in regulation. The CS codifies the allowance in statute. He continued that Section 2 amends the existing personal needs allowance in statute for residents of Pioneer homes and veteran's homes to \$200. Section 3 AS 47.55.020(c) currently contains permissive language allowing the department to provide personal needs allowance to residents with no income. The CS requires the departments to make the payment. Section 4 exempts the \$200 personal needs allowance from income that must be turned over to the state for the cost of care. Section 5 is the original bill which extends the sunset date for the senior benefit payment program to 2015.

9:08:15 AM

Co-Chair Stedman noted that the series of questions asked of the department have been answered. He noted that the CS changed the title and that the title change resolution was drafted. He mentioned four updated fiscal notes from DHSS.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

REPRESENTATIVE MIKE HAWKER, expressed concern regarding the addition of the provision. The bill came into committee with 23 House cosponsors and 15 Senate cosponsors and he had personally committed to the governor and all previous committees that the bill would not expand or create any new entitlement programs. He promoted the legislation strictly as an extension of the sunset on the senior benefits program. He considered that the addition of the personal needs allowance provisions ought to have a separate legislative process including a review by the human services committees in both the House and the Senate.

Co-Chair Hoffman MOVED to report SB 16 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCSHB 16 was REPORTED out of Committee with a "do pass" recommendation and with four new fiscal impact notes from the Department of Health and Social Services.

#sb94

SENATE BILL NO. 94

"An Act adding a second verse to the official Alaska state song."

9:12:17 AM

Co-Chair Hoffman MOVED to report SB 94 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SB 94 was REPORTED out of Committee with a "do pass" recommendation and with one new zero fiscal note from the Senate Finance Committee.

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ADJOURNMENT

The meeting was adjourned at 9:16 AM.