

HOUSE FINANCE COMMITTEE
February 7, 2018
2:05 p.m.

2:05:58 PM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 2:05 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Paul Seaton, Co-Chair
Representative Les Gara, Vice-Chair
Representative Jason Grenn
Representative David Guttenberg
Representative Scott Kawasaki
Representative Dan Ortiz
Representative Steve Thompson
Representative Cathy Tilton
Representative Tammie Wilson

MEMBERS ABSENT

Representative Lance Pruitt

ALSO PRESENT

Elizabeth Diament, Staff, Representative Paul Seaton; Jill Lewis, Deputy Director, Division of Public Health, Department of Health and Social Services; Jane Pierson, Staff, Representative Neal Foster; Representative Scott Kawasaki, Sponsor; Mercedes Colbert, Staff, Representative Scott Kawasaki; Denise Daniello, Executive Director, Alaska Commission on Aging, Department of Health and Social Services; David Blacketer, Chair, Alaska Commission on Aging, Department of Health and Social Services; Jayne Andreen, AARP, Juneau.

SUMMARY

HB 215 DHSS: PUBLIC HEALTH FEES

CSHB 215(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new

fiscal impact note from the Department of Health and Social Services.

HB 236 EXTEND SENIOR BENEFITS PAYMENT PROGRAM

CSHB 236(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Health and Social Services.

Co-Chair Foster reviewed the meeting agenda.

#hb215

HOUSE BILL NO. 215

"An Act relating to program receipts; and relating to fees for services provided by the Department of Health and Social Services."

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Co-Chair Foster noted that the bill had last been heard on February 2, 2018.

ELIZABETH DIAMENT, STAFF, REPRESENTATIVE PAUL SEATON, had no additional information to share with the committee.

Vice-Chair Gara asked why \$600,000 in additional revenue from the fees only resulted in a reduction of \$200,000 in undesignated general funds (UGF).

JILL LEWIS, DEPUTY DIRECTOR, DIVISION OF PUBLIC HEALTH, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, answered that the \$200,000 reductions to the general fund (GF) was based on the only applicable program that had existing funding and was used to craft the fiscal note. The fiscal note reflected that GF expenditures would be replaced by fees.

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Representative Kawasaki noted that implementing fee collection was a long process. He was aware of program receipt authority placed in the budget and the fees were never collected. He asked for comments from Ms. Lewis. Ms. Lewis answered that the issue had been addressed in the fiscal note by not showing any receipts collected in the first year, FY 2019. She explained that in the first year

she expected the division to develop regulations and hold meetings with stakeholders. The division hoped to collect fees the following year. Representative Kawasaki spoke to a provision related to waiving fees in Section 2 of the bill. He recounted that the commissioner can waive fees if collection was deemed not feasible or in the public interest or if they undermined the division's public health mission. He asked for more detail about when in the process it was determined a fee undermined the mission. Ms. Lewis replied that it was a subjective analysis; there were many things to weigh in order to judge whether something was in the public's interest or would undermine the division's mission to protect or promote the health of Alaskans. She explained that the division would not pursue a fee that it or stakeholders determined would not achieve the division's goals. At some point a fee could become a barrier to taking advantage of services, which would negatively impact the public's health.

2:12:00 PM

Representative Guttenberg stated that in a separate bill he was working on, the administration was concerned about raising fees that would impact state employees. The state was anticipating rising healthcare costs. He asked if the Department of Administration (DOA) weighed in on the issue regarding how the bill would affect the cost of healthcare. Ms. Lewis asked for clarification. She wondered if he was asking that by filling the positions there would be additional healthcare costs. Representative Guttenberg explained by filling the position and instituting fees by the department. He asked if the bill affected employee healthcare costs in anyway. He asked whether DOA had expressed concerns. Ms. Lewis replied in the negative. She explained that the positions would not impact state healthcare costs.

Representative Wilson asked for verification the bill would charge patients. She asked whether the charge was a sliding fee. Ms. Lewis answered that the department currently had the authority to collect fees for clinical services like lab fees, specialty clinics, and public nurse fees. She listed services the department could not charge fees for; professional services, consultations, technical assistance, specialized data analysis, and certain administrative services. The costs would generally be charged to the

entity that utilized the services but not to individual members of the public.

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Vice-Chair Gara thanked Ms. Lewis, Ms. Diament and others for their work. He shared that the previous year the DHSS finance subcommittee recommended the department charge fees for certain services that were not thoroughly "fleshed out." He appreciated the department's and Co-Chair Seaton's follow up.

Vice-Chair Gara reviewed the new fiscal impact note from the Department of Health and Social Services allocated to Public Health Administrative Services. The fiscal note reflected a \$200,000 expected reduction in UGF in FY 2020 and anticipated raising \$600,000 in revenue for a net positive of \$400,000.

Representative Wilson asked what data was used to determine the numbers. Ms. Lewis admitted that a certain level of uncertainty existed because the proposed type of fees had never been collected before. She analyzed each fee individually to determine the volume and guessed at an amount for a reasonable fee. The fee could be no more than cost. The division had made the best attempt at identifying what was necessary to support the program and an amount for a fee that was possible to collect.

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Co-Chair Seaton MOVED to REPORT CSHB 215(FIN) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 215(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Health and Social Services.

[2:18:14 PM](#)

AT EASE

[2:22:39 PM](#)

RECONVENED

#hb236
HOUSE BILL NO. 236

"An Act extending the Alaska senior benefits payment program."

[2:22:55 PM](#)

Co-Chair Seaton MOVED to ADOPT the proposed committee substitute for HB 236, Work Draft 30-LS0754\D (Glover, 2/2/18).

Co-Chair Foster OBJECTED for discussion.

JANE PIERSON, STAFF, REPRESENTATIVE NEAL FOSTER, explained the changes in the Work Draft. The change extended the program from four years to six years at the sponsor's request.

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

[2:24:21 PM](#)

AT EASE

[2:24:47 PM](#)

RECONVENED

REPRESENTATIVE SCOTT KAWASAKI, SPONSOR, briefly introduced the legislation. He shared that the bill was simple and kept "grandparents in the state" by enabling some seniors to continue to live in Alaska. He read from the sponsor statement:

House Bill 236 would extend the Senior Benefits Program to 2022, ensuring another four years of support for low income seniors across Alaska. Without action, the program would end in 2018.

The Senior Benefits Program protects low-income seniors by providing them with modest cash assistance to pay for expenses like food, heating, electricity, transportation and prescription medication.

The program was established in 2007 and currently provides assistance to nearly 11,500 Alaskans ages 65 and older with incomes at 75 percent, 100 percent, and

175 percent of the federal poverty level. Assistance ranges from \$76 to \$250 a month for eligible seniors, depending on income and the size of the appropriation from the Alaska State Legislature. The Senior Benefits Program is a successor to the Longevity Bonus created in 1972.

This program protects seniors who have spent a lifetime building this state. It lends a hand to low-income seniors who need assistance to help make ends meet. Terminating this program would put thousands of seniors at risk for losing means to buy essential items necessary for maintaining a healthy lifestyle, such as groceries, medication, transportation, rent and utilities.

[2:28:31 PM](#)

Representative Kawasaki elaborated that the bill received extensive vetting and was placed in a subcommittee in the House Health and Social Services Committee. He listed the members of the subcommittee; Representative Fansler and Representative Sullivan-Leonard. He relayed that he held a statewide listening session in September 2017 to gain as much public input as possible on the bill.

MERCEDES COLBERT, STAFF, REPRESENTATIVE SCOTT KAWASAKI, offered to review program requirements.

Co-Chair Foster requested that the invited testifier share her testimony.

DENISE DANIELLO, EXECUTIVE DIRECTOR, ALASKA COMMISSION ON AGING, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, provided information about the commission. She explained that the commission existed within the Department of Health and Social Services (DHSS) and worked to plan services for seniors, educate Alaskans regarding senior issues, and provided recommendations regarding budget and policy items that affected senior citizens. She relayed that the commission strongly supported the bill and extension of the Senior Benefits Program, which benefitted the quality of life for over 11,000 seniors. She identified financial security as a pressing issue confronting seniors. She shared that over the years the program's growth had been modest. The state's senior population increased approximately 4 percent annually and 120,908 seniors

resided in the state. The program increased only 1.7 percent statewide. She elaborated that the Commission on Aging held a joint senior advocacy meeting recently in Juneau with H NET, The Pioneer Home Advisory Board, and AARP Alaska. She related that all were in support of passage of the bill. She characterized the bill as a hand up to seniors, not a handout.

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DAVID BLACKETER, CHAIR, ALASKA COMMISSION ON AGING, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, spoke in support of the legislation. He appreciated the program and shared that he benefitted from the program. He conveyed that his only other income was from social security. He outlined the various timing of income received during the month and when his bills were due. He and his wife received a total of \$152 from the program, which helped him pay his rent on time. He noted that if he did not pay the rent on time there was a penalty. He noted that around 1,200 people were receiving senior benefits from the program in Alaska.

[2:34:26 PM](#)

JAYNE ANDREEN, AARP, JUNEAU, spoke in support of the legislation. She shared that AARP had over 95,000 members in Alaska. She shared a personal story about visiting her elderly parents and discussing with them how they could remain in their home and sustain a quality of life. She elucidated that one group who would most benefit from the program was older women. She communicated that women had lower earning power and outlived men. As the husband faced declining health, resources were used on him leaving less for the woman when she is widowed. The organization was also concerned about low income Alaskans who had worked all their lives at low paying jobs and were not able to build retirement income. In addition, rural Alaskans, living a subsistence lifestyle benefitted from senior benefits as well as the oldest living individuals; people in their 80's, 90's, and 100 or older. She shared another story about a family member who was able to live at home until he was 99 years of age, but his resources had been completely used up. She concluded that the classifications of seniors she listed benefitted the most from senior benefits due to increasing health costs and needs for services without the increasing income to meet the needs.

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Co-Chair Foster CLOSED public testimony.

Representative Wilson was supportive of moving the bill.

Co-Chair Foster believed the bill had strong bipartisan support.

Representative Grenn had a comment about amending the fiscal note to reflect the extension to six years.

[2:38:54 PM](#)

AT EASE

[2:39:54 PM](#)

RECONVENED

Vice-Chair Gara addressed the previously published fiscal impact note from the Department of Health and Social Services (FN 1 (DHS)) allocated to the Senior Benefits Payment Program. He shared that the note showed a consistent program cost of \$19,986,100 through FY 2024. He reported that an amended fiscal note to extend the program to 2024 was forthcoming.

Co-Chair Seaton MOVED to REPORT CSHB 236(FIN) out of committee with individual recommendations and the accompanying fiscal note.

CSHB 236(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Health and Social Services.

Co-Chair Foster reviewed the schedule for the following day.

#

ADJOURNMENT

[2:42:23 PM](#)

The meeting was adjourned at 2:42 p.m.