

SB

320

COMMITTEE REPORT
SENATE

1/15/80

FURTHER: Finance

Date: 4-2-80

Mr. President:

HEALTH, EDUCATION &
SOCIAL SERVICES

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had SB 320 authorizing state medical assistance payments under the program of general relief assistance for persons 'medically needy'

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends INDIVIDUAL
- AND attaches a "Letter of intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Colletta w/o rec.

[Signature]
CHAIRMAN

DO PASS

SB 320

"An Act with HE 5 pt 19-80
relative assistance payments
relative to program of student

Introduced: 1-15-80

Logg - 1-15-80

Referrals Finance

Comm. meeting - 1-28-80 - held - 3-17-80.

, actib - passed as C.S. 4-3-80 - taken to Senate Secy.

|| | | |

Requested f/n paper
State Secy's office
f/n review

Additional provisions paper
for Duchie has for CS
Res =
3-31-80

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST Senate Bill #320
 Bill/Resolution No. _____
 Title An act authorizing General Relief Medical Assistance payments for medically needy
 Requested by Senate HESS Committee Date 3/17/80

II. FISCAL DETAIL Department of Health and Social Sevices
 Agency Affected _____
 Program Category Affected Health
 BRU, Program, or Subprogram(s) Affected General Relief Medical Assistance
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		159.8				
200 TRAVEL		14.0				
300 CONTRACTUAL		79.0				
400 COMMODITIES		3.0				
500 EQUIPMENT		6.0				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		5,275.8				
TOTAL		5,537.6				

FUNDING (Thousands of Dollars)

GENERAL FUND		5,537.6				
FEDERAL FUNDS		-0-				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		6.0				
PART TIME						
TEMPORARY						

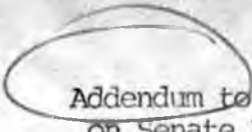
III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Benefits would be provided to approximately 1,050 medically needy persons who are blind, disabled or over 60 but have income exceeding the need standards for the APA program. Based on the cost of data processing time, approximately \$70,000 would be needed to process these additional cases. Based on approved staffing requirements, approximately 5 new positions would be required in field offices around the state, and one new administrative position would be required to provide program support to administer this new program.

Original: Legislative Finance Prepared by: _____ Date: _____
 cc: Budget and Management Division/Office: _____ PH: _____
 Prime Sponsor (First Legislator Named) Department of Health & Social Services

Medical
Assistance
(gen. relief
assistance)

SENATE BILL NO. 320, by the Rules Committee by request of the Legislative Council (for the Interim Committee on Services for the Elderly). Amends eligibility requirements for general relief assistance (AS 47.25.120) by adding: "(2) an aged, blind or disabled person who does not receive a payment under the old age assistance program..., the aid to the blind program ..., or the aid to the permanently and totally disabled program ... because the person's income exceeds the income standards of those programs, but who has incurred medical expenses which equal or exceed the difference between the person's monthly income and the income standard applicable to him under a program for which he would otherwise qualify." Provides Act effective July 1, 1980.



Addendum to Position Paper
on Senate Bill No. 320

Senate Bill 320 proposes to create a medically needy program under the state-funded General Relief Medical Assistance program administered by the Department of Health & Social Services through the Division of Public Assistance. As written, the bill would extend coverage to persons in Alaska who meet the categorical definitions of eligibility contained in Alaska statute for the Adult Public Assistance (APA) program for the aged, blind, and disabled, but who have income that exceeds the established need standards for the APA program. Senate Bill 321 proposes to create the same program using state-federal funding under the Medicaid Program.

Research by the Department into the income limits of Medicaid medically needy coverage has disclosed that federal statute requires the state to use the AFDC need standard as the base line from which the 133 1/3% medically needy income standard is established. Because the AFDC need standard in Alaska is extremely low compared to the APA need standard, a Medicaid medically needy program in Alaska would be required to have a need standard below the existing APA need standards (see chart below).

<u>Household</u>	<u>AFDC</u>	<u>APA</u>	<u>Medicaid MN Limit</u>
1 Person		\$355/ \$414	\$466.55
2 Adults		\$502/ \$608	\$466.55
1 Adult/ 1 Child	\$350		\$466.55

The Department proposes that the bill be amended to set the need standard for medically needy coverage at 133 1/3% of the APA need standard for a comparably situated individual or family. In addition, the Department proposes that the bill be amended to lower the eligibility limit for the need category under the medically needy program to individuals age 60 or older rather than 65 or older as is the limit under the categorical assistance program. The chart below indicates the income levels under the present APA program and under the proposed medically needy program and what they will be in fiscal year 1981 based on the projected 13% cost-of-living increase. To be eligible under the medically needy program, persons would be required to have countable income at or below the standard, or would be required to show that they have incurred medical expenses which require them to spend a portion of their income down to the need standard, with the State paying for the remainder of their covered medical expenses.

	FY 80		
	<u>Household</u>	<u>APA</u>	<u>MN (133 1/3%)</u>
1 Person	\$335/ \$414	\$447/ \$552	
2 Adults	\$502/ \$608	\$669/ \$810	
	FY 81		
1 Person	\$379/ \$468	\$505/ \$624	
2 Adults	\$567/ \$687	\$756/ \$916	

The Department supports in concept SB 320 with the proposed amendments.

Recommended by: Rod Betit
 Rod Betit, Director
 Division of Public Assistance

3/17/80
 Date

Approved by: Helen D. Beirne
 Helen D. Beirne, Commissioner
 Department of Health & Social Services

3/17/80
 Date

Catagories of Service
Covered by Medicaid & GRM

- (1) hospital--inpatient and outpatient
- (2) skilled nursing facility (SNF)
- (3) intermediate care facility (ICF)
- (4) intermediate care facility for mentally retarded persons
and persons with related conditions (ICF/MR)
- (5) laboratory and X-ray services
- (6) physician services
- (7) visual care services, dispensing, and ophthalmic materials
- (8) medical transportation
- (9) speech, hearing, and language services
- (10) psychiatric facility services
- (11) home health care services
- (12) community mental health clinics
- (13) family planning services
- (14) outpatient surgical care centers
- (15) rural health clinics
- (16) dental care--limited to emergency treatment for relief of
pain and acute infection
- (17) pharmaceuticals and over-the-counter drugs
- (18) physical and occupational therapy
- (19) prosthetic devices and medical supplies

	Persons FY81 Eligible 1/	Persons Utilizing 2/	Medically Needy Utilization Projections	Medically Needy Budget Projections	Cost per Case
OAA	2,606	1,818	1,050	\$5,275,788	\$5,024
AB	67	47			
AD	2,354	2,045			

Attachment B

1/ Based on the FY 81 budget document

2/ Based on analysis of utilization from Alaska and five states with Medicaid medically needy programs

POSITION PAPER
ON
SENATE BILLS 320 AND 321

"An Act authorizing state medical assistance payments under the program of general relief assistance for persons who are 'medically needy'; and providing for an effective date."

"An Act authorizing Medicaid-reimbursable assistance payments for persons who are 'medically needy'; and providing for an effective date."

Senate Bill 320 and Senate Bill 321 would establish a medically needy program for persons who meet all the eligibility requirements for cash assistance to the aged, blind or disabled, except that their countable income exceeds the applicable cash assistance need standard. Medically needy would allow eligible persons to use a portion of their excess income to meet their medical need by spending down to the cash assistance need standard. After they have made payment the medically needy program would provide the remaining coverage necessary.

The Department is awaiting financial data on medically needy programs in other states in an effort to put together a fiscal note for this legislation. While the bills approach the question of medically needy coverage only for aged, blind or disabled persons, the fiscal note will also present information that will include medically needy coverage for persons who meet all AFDC eligibility requirements except income. Half of the required information has arrived and a fiscal note is being prepared. Preliminary analysis has shown that this program will cost in excess of \$1 million.

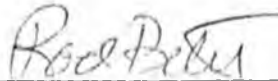
Initial contact with federal staff indicates they will not authorize 50% federal financial participation under Medicaid unless the medically needy program includes coverage of the existing AFDC category as well as the aged, blind, and disabled categories. This federal position appears supported by the federal regulations but not by the federal statutes creating the Medicaid program. If the Department of Health, Education, and Welfare is unwilling to provide financial participation for a medically needy program that does not include AFDC coverage, it may be less costly to the State to include the AFDC category (because of the 50% federal financial participation) than to have a state only medically needy program limited to aged, blind, and disabled persons. Because of the question concerning federal financial participation, both bills would be needed to assure some type of medically needy program may be created.

Two identified gaps exist between the current Medicaid and Catastrophic Illness programs. First the Catastrophic Illness program has a minimum deductible or \$1,000 per illness making it impossible for many people to receive coverage for minor cost illnesses, catastrophic or otherwise, when their income exceeds the existing income limits for Medicaid coverage. Second, the catastrophic illness program has largely excluded

nursing home coverage. Several persons whose income exceeds the income limits for Medicaid coverage are being covered on a special exception basis under general relief-medical (GR-Med) simply because there is no other coverage available to meet their high medical costs. This coverage then depletes the funds available for other persons eligible to receive GR-Med coverage. A medically needy program would provided additional coverage in these two areas.

The Department does not oppose the addition of a medically needy program which covers the aged, blind, and disabled categories, however, we must oppose passage of S.B. 320 and S.B. 321 as implemented would require substantial funding increases to the Governor's Budget and such a change has not been approved by the Governor's Budget and Management Division or the Budget Review Committee.

Recommended by:



Rod Betit, Director
Division of Public Assistance

1/25/80
(DATE)

Approved by:



Helen D. Beirne, Commissioner
Department of Health and Social
Services

1/25/80
(DATE)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill #320
 Title An act authorizing General Relief Medical/assistance payments for medically needy
 Requested by Senate HESS Committee Date 3-17-80

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Health
 BRU, Program, or Subprogram(s) Affected General Relief Medical Assistance
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		159.8				
200 TRAVEL		14.0				
300 CONTRACTUAL		79.0				
400 COMMODITIES		3.0				
500 EQUIPMENT		6.0				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		5,275.8				
TOTAL		5,537.6				

FUNDING (Thousands of Dollars)

GENERAL FUND		5,537.6				
FEDERAL FUNDS		-0-				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		6.0				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Benefits would be provided to approximately 1,050 medically needy persons who are blind, disabled or over 60 but who have income exceeding the need standards for the APA program. Based on the cost of data processing time, approximately \$70,000 would be needed to process these additional cases. Based on approved staffing requirements, approximately 5 new positions would be required in field offices around the state, and one new administrative position would be required to provide program support to administer this new program.

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Prepared by: [Signature] Date: 3/17/80
 Division/Office: PUBLIC ASS. FINCE PH: 465-3347
 Department of Health & Social Services

33-001 (Rev. 12/79)
 Modify by DHSS (11-28-79)

Approval DHSS Mgt. & Bdgt: [Signature] Date: 3/17/80

THIS [] BILL [] RESOLUTION [] CITATION

has been prepared by the staff of the Legislative Affairs Agency in response to the request and at the direction of the sponsoring member or committee. The staff has attempted to place the document in proper legal and clerical form, subject to any special limitations or instructions of the requestor.

If we may be of further assistance in this matter, please contact the Director of Legal Services or the Director of Research Services, as appropriate.

Delivered to requestor

3-24

LA-L 40

Rec'd.

See Green
ad to Tomson \$ sent
Send note
HRS

John Andrews, N.C. Penney
L.A.

ad segs.
586-1554

8:00

State
Retire

until 3:00
6-2550

un. after 4:00
586-374

Shirley
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Cart + car

Den. Democrat
re U of S Support
Dr. Barton
movement on
univ Supp. e

Spouse Coverage

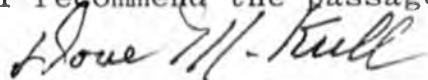
Medicaid doesn't cover
home care, this will
=

SB 32 D COVERAGE FOR THE MEDICALLY NEEDY

In the history of mankind, this is the first generation of extended longevity. Dr. Robert Butler, gerontologist, Director of the National Institute on Aging, has stated that this over-65 generation can expect to live to be from 125 to 150 years. For those who retired at 65, this means that they will live on a fixed income for one-third to one-half of their lives. With inflation, the dollars saved for old age, wither to 35¢ or less.

In 15 years, health costs for the aging have increased 500%. Lower-middle-income aging persons with increased medical bills are rapidly becoming paupers. Becoming a pauper, or an indigent person, not only reduces the person to full dependency upon government, but it also reduces the feeling of self worth and creates a feeling of failure. For Older Alaskans, this is devastating. They feel that they lose control over their own lives. They ask themselves "How long will this last?". Suicide is a way out, especially for older men who protected their wives and provided for them.

I recommend the passage of this bill



Dove M. Kull, M.S. W., A.C.S.W., Member of the
State Committee on
Services to the Elderly

CARE SERVICES - ALASKA, INC.

P.O. Box 3-488
2200 E. 42ND AVE. • ANCHORAGE, ALASKA 99501

January 28, 1980

The Senator Glen Hackney
Chairman- Health, Education, and
Social Services Committee
Alaska State Legislature
Pouch U
Juneau, Alaska 99811

Re: Testimony for Committee Hearings
January 28, 1980
Senate Bills 320, 321, & 322

Dear Senator Hackney:

SB 320 and SB 321

The "medically needy" of the State of Alaska are in great need of the relief that these two bills would provide by broadening income standards. We see, on a frequent basis, dignity being destroyed and families broken as individuals slightly over-income attempt to cope with the increasing costs of catastrophic illness. Legislation providing for the financial gaps in health care has long been needed. We commend the Interim Committee on Services on the Elderly for identifying this as a priority need.

SB 322

We wish to express our strong support for the concept of payment to certain institutions and agencies for Medicaid-eligible persons on the basis of prospectively determined rates. We believe that a "prospective rate" system in the State of Alaska would greatly enhance the quality of care available for a cost-effective dollar. The consequences of this bill are far reaching and of a major importance to the future of health care in this state. Detailed comments on this proposed legislation will be provided to you in the near future. I regret that this is not available to you at this time, but we do want to provide you with accurate and careful consideration on the details of this bill, while at this time expressing our firm conviction that "prospective rates" can be an appropriate solution to a crucial problem.

Respectfully yours,

HEALTH CARE SERVICES - ALASKA, INC.

Donna M. Stephens
Donna M. Stephens, Administrator
Careage House & Nakoyia Health Care Centers

Dick Wilson
Dick Wilson, Administrator
Careage North Health Care Center

DMS:DW:mlc

POSITION PAPER
ON
SENATE BILLS 320 AND 321

"An Act authorizing state medical assistance payments under the program of general relief assistance for persons who are 'medically needy'; and providing for an effective date."

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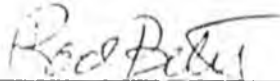
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Recommended by:



Rod Betit, Director
Division of Public Assistance

1/25/80

(DATE)

Approved by:



Helen D. Beirne, Commissioner
Department of Health and Social
Services

1/25/80

(DATE)

II. FISCAL DETAIL Department of Health and Social Services

Agency Affected

Program Category Affected Health

BRU, Program, or Subprogram(s) Affected General Relief-Medical and Medicaid

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	*	*	*	*	*	*
200 TRAVEL	*	*	*	*	*	*
300 CONTRACTUAL	*	*	*	*	*	*
400 COMMODITIES	*	*	*	*	*	*
500 EQUIPMENT	*	*	*	*	*	*
600 LAND & STRUCTURES	*	*	*	*	*	*
700 GRANTS, CLAIMS, ETC.	*	*	*	*	*	*
TOTAL	*	*	*	*	*	*

FUNDING (Thousands of Dollars)

GENERAL FUND	*	*	*	*	*	*
FEDERAL FUNDS	*	*	*	*	*	*
OTHER (Specify Fund Source)	*	*	*	*	*	*

POSITIONS

FULL TIME	*	*	*	*	*	*
PART TIME	*	*	*	*	*	*
TEMPORARY	*	*	*	*	*	*

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

*Detailed Fiscal Note to be developed. See Position Paper for detailed explanation of delay.

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Prepared by: Rod Betit

Date: 1/25/80

Division: Public Assistance PH: 465-335

Department of Health & Social Services

33-001 (Rev. 12/79)

Modify by DHSS (11-28-79)

Approval DHSS Mgt. & Bdgt: Mike Polone Date: 1/25



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

REGION X

ARCADE PLAZA BUILDING
1321 SECOND AVENUE
SEATTLE, WASHINGTON 98101

HEALTH CARE
FINANCING ADMINISTRATION
Medicaid Bureau

58321

Dr. Helen Beirne, Commissioner
Department of Health & Social Services
Pouch H-01
Juneau, Alaska 99811

Dear Dr. Beirne:

This is in response to a January 4, 1980, letter from Ms. Deborah Behr of your staff. Ms. Behr's letter requested our review and comments regarding three proposals scheduled to be presented to the current session of the Alaska legislature. This letter contains our comments regarding two drafts of Senate bills, identified as Work Orders (WO) #7522 and #7531.

WO #7522 proposes a Medicaid funded medically needy program for those who would be cash recipients under the State Supplementary Payments (SSP) program except for the level of their income.

Federal regulations at 42 CFR 435.310(a) require that states which provide medically needy coverage include coverage to families and children.

Therefore, WO #7522 would not comply with requirements of 42 CFR 435.310(a).

In addition, any medically needy program must utilize requirements of 42 CFR, Part 435, Subpart I in determining financial eligibility of medically needy individuals.

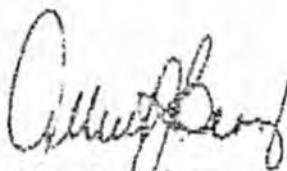
WO #7531 proposes a state-only funded medically needy program for those who would be cash recipients under the Alaska SSP program except for the level of their income.

Since no federal funds would be involved in such a program, it is beyond our role to comment on the technical correctness of that

Page 2 - Dr. Reirne

If we can be of further assistance in either of the above discussed areas, please contact Mr. Ken Call at (206) 442-0506.

Sincerely,

A handwritten signature in cursive script, appearing to read "Albert J. Benz".

Albert J. Benz
Regional Medicaid Director

cc: Deborah Behr

TO: (name, organization, address, phone)
Dr. Helen Beirne, Commissioner
Department of Health & Social Services
Pouch H-01
Juneau, Alaska 99811
465-3030

FROM: (name, organization, phone)
Ken Call 2-0506
DREW/HCFA/Medicaid/MS 709

Total Pages:
2

FAX Machine Phone Number:
465-3005/3774

Date:
January 24, 1980

Remarks:

IF RETRANSMISSION IS NECESSARY, CALL: FIS 399-4527

Requestor's Instructions to Data Center: (check one)

Mail copies back toM/S _____

Call extension 0506 (we will pick up copies)

ISSUES RAISED/ANCHORAGE PUBLIC HEARINGS

1. Duplication and overlap of services/comprehensive state policy
2. Residential care in rural Alaska
3. Audits of aging grants
4. State and federal expenditures on aging
5. Lack of information on aging programs/single agency/reorganization
6. People falling through the cracks
7. Outreach workers
8. Long-term care coverage: (1) Medicaid; (2) Medicare; (3) private companies
9. Senior housing
10. In-home services/homemakers
11. Paperwork
12. Operational funds for senior centers
13. Local control of aging programs
14. Anchorage Pioneers' Home addition/longevity bonus
15. State match for Office on Aging
16. Appropriations for rural services
17. Catastrophic relief
18. Senior day care
19. Property tax exemption

Summary of Public Hearing/Anchorage September 10, 1979

The following is an edited version of comments made at the public hearing. The tapes containing the complete testimony are available through the committee office in Juneau, or through the Legislative Council.

The hearing was called to order at 1:30pm by Sen. Pat Rodey, chairman of the committee. All 11 members of the committee were present. Also in attendance were 104 participants (see attachment).

PRESENT

Rodey explained the purpose of the committee, and then allowed each member of the committee to introduce him/herself.

Helen Beirne, commissioner of Health and Social Services, was the first to testify. She explained that her department has long been interested in coming up with alternative forms of care for the aging, and that a study completed some 18 months ago revealed that there are, in fact, a number of examples of duplication and overlap in the provision of services. She said she was "delighted" that the legislature had created this committee.

HEALTH AND
SOCIAL SERVICES

Allen Korhone, deputy commissioner of Health and Social Services, gave a slide presentation explaining the programs for the elderly presently operated by the department (see exhibit #17). He cited the need for a "consistent policy on services to the aging", particularly in view of the changing needs since many of the programs were first established. He also mentioned that the department was failing to provide equivalent residential care in rural Alaska compared to urban Alaska.

Bill McMurtry, manager of the Anchorage Pioneers' Home, testified regarding programs operated by the Department of Administration: Pioneers' Homes and Longevity Bonus. The latter started in 1973 as an incentive to keep the older Alaskans from moving outside. In June, 1979, there were 7,353 recipients at a total cost of \$13,607,000. He said the program would continue to increase until 1984, when it would start to taper off due to the requirement for 25 years of residency beginning before statehood. (EDITOR'S NOTE: This is inaccurate. Theoretically, the last persons to be eligible to claim longevity bonus payments would be those who were born on Jan. 2, 1959, in Alaska. Those persons - if they lived to be 100 years old - could still be collecting payments in the year 2059. In fact, the "tapering off" will not take place until the year 2005, by which time the number of recipients will be nearly double the number today.)

ADMINISTRATION

The total budget for the Pioneers' Homes is \$10,800,400, he said. That is for four homes with a residency of approximately 500, with beds of approximately 520. Started in 1913 in Sitka, he said the program was designed for pioneers 65 years or older who have lived in the state for 15 years, with a physical or financial need to be admitted to the Pioneers' Home, and stay there until he decides to move or passes on.

Louise Crane and LaDonna Brown, from the Department of Community and Regional Affairs, were next to testify. Crane told of the housing program which grew out of a \$7.5 million bond issue passed in 1976. Approximately \$1.7 million still remains. The money was used to provide about 400 units of senior citizens' housing in 28 Alaskan communities. Designed to maxi-

COMMUNITY AND
REGIONAL AFFAIRS

mize the leverage of federal dollars, the program requires the person to spend no more than one-quarter of their income on housing. Brown testified about the property tax and renters' equivalency program (see exhibit # 2).

Lloyd Robinson, a planner with the Department of Public Transportation/ Public Facilities, testified next about the single program for the aging run by DOT/PF: UMPTA. (See exhibit #8.) This completed the presentations by the administration.

DOT/PF

Regarding a question from Rodey about accountability of grants' program, Helen Bierne said all of the grants are audited regularly by - in some cases - all three levels of government. The specific process enacted for those programs under the Office on Aging, according to Danny Plotnick, director, is "We require each grantee to submit both a monthly narrative report and a quarterly financial report. In addition to these, we require each grantee to perform annually - and not less than once every two years - a complete audit report on their own."

AUDITS

"Our audits are not as program- and performance-oriented, at the present time, as they should be. We're interested in that the money gets to the place it's going, if it's spent in the way they said they were going to spend it in the grant. And we would like to think that we are going to get better performance audits in the future." This from Commissioner Bierne.

In response to a question from the audience, Korhonen said the Office on Aging is presently funded 95 percent by the federal government and five percent by the state. Discussion ensued about the need to provide accurate figures broken down by federal and state appropriations for all aging programs.

OFFICE ON AGING

In response to a question from Bill O'Connor, Plotnick said, in comparison to offices on aging in other states, Alaska gets the minimum amount because the allocations are based on population of elderly; we, of course, have the smallest number in the nation.

In response to a question from Margaret Mitchell regarding the dental grant appropriated by the legislature, he explained that \$25,000 was granted to the Southcentral Dental Society, on a one-time basis, "to provide a pilot demonstration program for needy elderly persons in the Anchorage area."

DENTAL GRANT

Doris Southall questioned whether the \$1.2 million under winterization was all for seniors. Louise Crane answered it is for all low-income people in Alaska. Anchorage uses about 40 percent of its money on elderly; from a budget of approximately \$350,000. The rest of the money is administered by RuralCap. Some boroughs are not part of the program, e.g. Mat-Su Borough.

WINTERIZATION

Hazel Heath asked how a senior citizen is supposed to find out about these programs. Ted Drahn responded that "as long as significant resources for older people are largely from the federal government, I think that it tends to operate in a way to take responsibility off of state and local governments." He added that the resources for getting the information out come largely through the 22 programs being supported by the Elder Americans Act.

LACK OF INFORMATION

"One of the things that this points up is that we have no central way in this state of consolidating information about old people. That was one of the reasons why this committee came into existence. There is no single agency in state government that has responsibility for the development of policy toward aging." Heath added that the problem is in how the information "filters down" to the person in the local community.

SINGLE AGENCY

Sen. Glenn Hackney asked Commissioner Bierne if she saw the need for a division on the elderly with Health and Social Services. She said, "Right now, in our division of Social Services, we have Adult Protective Services. There's very little funding coming through our Adult Protective Services; most of it's going through the Office of Aging. I would see no problem whatsoever - and I think it would be better coordinated - if there was indeed within that division, a section or a subdivision of Adult Protective Services and Child Protective Services." She added that a division on elderly would be all right, but her concern is "when you call elderly 65 and older, then we have a large gap of people who are not being served between 21 and 65. But, if we could make arrangements so that we are not doing a disservice to the other age groups, I would say a Division on Aging - Adult Protective Services - whatever one would wish to call it, would be commendable."

She said that Adult Protective Services means development of "levels of care". In response to another question, she said, "I don't think we're being innovative enough in our Office of Aging. I think we are getting federal money, and we're following federal criteria. In order to become innovative, we do have to spend state money. If you're going to call the Division on Aging or Elderly, or Adult Protective Services something from 21 on up, then we would get into a much broader-scope definition - which I would like to see so we're taking care of all the people." She agreed that if we do have a state policy on aging, it would be "to appropriate a minimum amount of state funds in order to get an optimum amount of federal funds."

ADULT PROTECTIVE SERVICES

Edna Adrian commented at this time that senior citizens programs are too often the first ones cut by the Department of Health and Social Services.

From questioning, it was revealed that persons who want additional information about any of the individual programs should write to the appropriate department for details.

Lennie Kapuscinski, from the Anchorage Salvation Army, spoke of additional needs of that organization: parking, more space and more money.

SALVATION ARMY

Virginia Blanchard, a resident of the Anchorage Pioneers' Home, was next to testify. She is 73-years old. She criticized the committee for the building in which the hearing was conducted (APL Student Center) because of the numerous steps both inside and outside the building. She criticized the flyer distributed by the committee: "I think this has been badly put together. Number one, they left off the name of one of the committee members - which was an oversight. Number two, it doesn't give the proper information, it has mixed up state and federal monies." She asked to have the flyer reprepared to accurately differentiate between state and federal. She also asked to see the figures on Pioneers' Homes broken down by debt

service on each facility. She also wanted the flyer to show the offsets, for example, money paid by residents of the homes. She questioned the amount of money appropriated for the Kotzebue Senior Center. She questioned the absence of any mention in the handout prepared by the Department of Health and Social Services of aging programs relating to drug abuse, a problem she cited as serious. She praised the Pioneers' Home in Anchorage.

She said she would be opposed to putting all the aging programs under Health and Social Services. She favors keeping Pioneers' Homes and the Longevity Bonuse under Administration. She did say, however, that the Office on Aging should become a division. She also said, "I am opposed to direct appropriations that should be under the department in their program, and aren't."

REORGANIZATION

Doris Southall, a member of the Governor's Advisory Committee on Aging from Fairbanks, testified next. Her greatest concern is for people on moderate or fixed income. "They do not come under subsidized rent, food stamps, welfare, Social Security Supplement or Medicaid." She said these are "proud people" who want to stay in their own homes; the state needs to do more for them. She said that Medicare is of little value. Only retired state employees and teachers have good insurance coverage, she said. She also criticized the private companies. She also lamented the fact that senior housing, particularly in Fairbanks, is not restricted solely to seniors (handicapped are included).

FIXED INCOME

Regarding the income limitations on the winterization program, she said if the federal government puts the limitations on, then perhaps the state government should get involved. Outreach workers are the key persons in the aging network, she said, because "they see more people every year than any of us."

OUTREACH WORKERS

Dove Kull spoke up here in support of Mrs. Southall's statements, and cited her experience with senior housing in Juneau in which the citizens there were successful in getting an increase in allowable income. She also mentioned the state housing committee which is supposedly looking into the possibility of foundation funding for senior housing. She urged all seniors to work together.

SENIOR HOUSING

Betty Warren, chairperson for the Governor's Advisory Committee on Aging, testified next. She cited the problems that seniors have with wills. She stressed the importance of having a will before you pass away. She also stressed the importance of keeping people in their own homes, and said she supports additional funding for programs aimed at that. Much discussion ensued regarding wills, and Ted Drahn urged the people present to consider community colleges as a resource for help with wills.

WILLS

Regarding in-home care, Dove Kull spoke of the need to refund home nursing, and to add the component of health to homemakers.

IN-HOME CARE

Hanna Miller, director of the senior program in Nome, spoke next.

She has been working there for five years, and laments the increasingly heavy burden of paperwork. This is a particular problem for Natives, many of whom have not had much schooling. She cited a problem with homemakers - not enough personnel. She asked for help in that area, as well as for a new senior center. Senior centers need funding sources too, for operation. She added that she is grateful for the help already provided by the state.

PAPERWORK

She also mentioned the need for more services to help people stay in their own homes.

John Hauser, an administrator for Health Care Services, Alaska Inc., testified next. Because of his experience in the nursing home business, he has seen many proud people forced into welfare because of the high cost of institutional care. Consequently, he said, "My personal feeling is anti-institutionalization of people." He added that he supports the state providing home support services. He said he would submit written testimony. He cited the apparent differing policies between Administration and Health and Social Services - the former supporting institutionalization and the latter, deinstitutionalization. He called for a single policy, and he favors keeping people in their own homes.

INSTITUTIONALIZATION

He said, "As far as I'm concerned Medicare is a lousy insurance policy. It pays halfway decent in the hospital setting, halfway decent in the outpatient setting, but lousy in the nursing home situation. Less than three percent of the people that are put into nursing homes in the nation, qualify for Medicare." He said many studies have shown that Medicare is not cost-justifiable. Other problems he mentioned with Medicare are: limits in the number of physician visits per month, the limits on the amount of treatment per month. Because many people who enter nursing homes have no one to represent them, he sees the need for the state to consider "some good guardianship legislation, or else have some legal services available." He said his corporation has had no success with community colleges or Legal Services.

MEDICARE

He mentioned the proposed regulations about to go into effect on the Medicaid program, and said they might be appropriate for the lower 48, but were unsatisfactory here. He spoke in favor of additional senior centers, particularly a mechanism for funding operating services.

GUARDIANSHIP

MEDICAID

SENIOR CENTER

On a question from Sen. Glenn Hackney, Hauser said the total cost for the three facilities they own averaged out to \$101/day - that includes three different levels of care.

Bill McMurtry spoke up from the audience at this point to say, "I'd like to go on record for the Department of Administration: we are 100 percent in favor of the home care program. He said the average age of the people in the Pioneers' Home is 80-years old. On a question from Jewel Jones, he said that approximately 10 percent of the people presently in the Anchorage home wouldn't be there if there were better home services.

ADMINISTRATION

Dennis Murray, director of the senior programs in Kodiak, testified next. He submitted written testimony from the board in Kodiak. It cites as the first priority need: the state should recognize that the best way to deliver services is at the local community level, and to do that, a multi-purpose senior center is probably the most viable means. To that end, he said, the state needs to develop a state policy supporting that. He cited the problems faced by programs like his which are supported entirely by diminishing federal dollars. He opposes using political clout as a basis for funding; a policy would be better.

LOCAL CONTROL

The second priority is for better consolidation and coordination in the delivery of services. The third priority is for more and less expensive long-term care alternatives. He cited the case of a man from Kodiak who in six and a half months spent \$26,000 in the Kodiak and Anchorage facility. He said Pioneers' Home was not an alternative in this case because he was terminally ill. "In my opinion, in my community, the best use of aging funds, is not to build another facility, but to appropriately utilize the one we have." There are 14 elderly presently in the Kodiak long-term care facility; 11 of them qualify as Pioneers. All are Medicaid-sponsored. Regarding homemakers, he stressed that Kodiak wants local control. He also submitted a resolution from the Kodiak Island Borough Health Resources Advisory Committee which urged the committee to introduce legislation "to authorize and provide sufficient funding for the decentralized home health care program, which will allow local areas to receive funding and provide such services,"

COORDINATION

Harold Maxwell, a resident of the Anchorage Pioneers' Home, spoke next. He praised the Pioneers' Home program as the best in the country. Regarding a nursing home adjacent to the present home, he said, "That is as it should be. It's a place where those who have entered the Pioneers' Home with the idea of their remaining years among friends, that they would be able to be near those friends when they approach the dying time." He favors immediate construction of the \$7.5 million facility.

ANCHORAGE PIONEERS' HOME

Bruce Kovarik, the division comptroller for the Salvation Army, testified next about Salvation Army programs. He said the funding for his program comes from the federal government through the Office on Aging. Additional sources are contributions from participants of the programs, and money from within the Salvation Army network. He also cited local in-kind contributions and volunteer hours. He recommended that state tax dollars be used to help programs like the Salvation Army. He also urged the state to do a better job getting out information about what is available, and to communicate more with other states about better ways to provide services. He spoke against increased limitations on local programs. Regarding residential care, he informed the committee that, effective 7/1/79, the Salvation Army closed its Palmer-Susitna residence, which did not receive state support for its operation. He said it was closed because it did not have enough business. "Purely and simply, we closed because we could not compete with the Pioneers' Homes and the subsidized programs in the rest of the state. We only charged \$390/month for our senior residents, and provided room and board. Just as short as two years ago, that program was full with 21 seniors who wanted to be there." He added, "I hope that the committee will be aware that there are other means besides state, federal or local tax dollars, for accomplishing a given end."

SALVATION ARMYRESIDENTIAL CARE

Regarding audits, he said many programs do independent audits on their own, as well as state and federal programs. He said audit exceptions are common, and that's a problem. They need to know what risks are involved in assuming state or federal programs. He praised the committee, urged state funding for the Office on Aging, praised them, and asked for an Anchorage office for the Office on Aging.

AUDITS

Bob Lohr, executive director for the Upper Tanana Development Corporation in Tok, testified next. He described the programs he runs in

their region - transportation, meals, homemakers (through CETA) - and said funding does indeed need to be differentiated between federal and state. "Rural Alaskans, especially Alaska Natives, have totally inadequate access to services for the elderly." One of the reasons for this he cited as federal regulations which don't apply to rural Alaska. That's why he thinks it's so important to consider state funding - because state dollars do not come under the "unreasonable federal restrictions".

RURAL ALASKA

Additional problems he cited as:

- * inadequate funding for programs for the elderly;
- * lack of coordination in delivery mechanisms (supports a division on aging - provided there is sensitivity to rural problems); based on the record, he said, Community and Regional Affairs and the Governor's Office would be most appropriate.

REORGANIZATION

He suggested that the state match - dollar for dollar - federal funds received in the state through the Office on Aging. He said that doubling of resources would still only meet "between 20-33 percent of the present need." He praised the homemakers program, but asked for additional funds for it. He also said that in the provision of any services to rural Alaska, Native corporations have proven to be the most efficient, and future funding should come through them. He added that his corporation receives about \$300,000 through different programs. to serve about 100 elderly.

STATE MATCH

NATIVE CORPORATIONS

Next to testify was Bill O'Connor of the Salvation Army. Regarding the proposed senior center in Anchorage, he noted that Salvation Army would like to be a sponsor of the center. His concerns relate to the lack of planning, the lack of a needs assessment, and the lack of input by local Native organizations. He wondered where the operational monies for the center would come from.

ANCHORAGE MULTI-PURPOSE SENIOR CITIZENS' CENTER

Edna Adrian, a member of the Mayor's Commission on Senior Citizens in Anchorage, was next to testify. She stated her support for the statements of Bob Lohr, particularly in the area of local control. She praised the efforts of the Easter Seals Society, but said "there is no way this program should be statewide." Her first priority is in-home support services. She also criticized the breakdown on the committee flyer. She cited the need for an Area Agency on Aging office in Anchorage so "we would be able to go to bat for ourselves." She is opposed to duplication of services, which she said does exist. She said there is too much money going into nursing homes in the area. She favors ICF and congregate living, but is appalled at the state paying for empty beds in nursing homes. She also said that Catastrophic relief under Medical Relief is inadequate. Additionally, she agreed with earlier comments about the need to take care of people who fall through the cracks.

LOCAL CONTROL

IN-HOME CARE

AREA AGENCY ON AGING

NURSING HOMES

Chuck Mundorff, the consultant on aging for the Anchorage Community Mental Health Center, testified next. According to his experience, the greatest needs are with mental health problems relating to social isolation. He also cited the need for a comprehensive policy on aging on the state level for better coordination. He mentioned a commission on aging as an alternative. He spoke in favor of the homemakers program, and a day-care program for seniors. He said three big reasons why seniors like to stay in their own homes are:

ISOLATION

- * self determination

- Age Storage Summary Page 6
- * retain a sense of autonomy
 - * continue traditional roles in familiar environment

He also recommended funding through the Office on Aging to operate multi-purpose senior centers around the state. Similarly, he advocated state match for the Office on Aging, "especially to help in the employment of seniors". Lastly, he urged the use of Title XX monies for senior day-care centers - funding which he said occurs in other states.

RECOMMENDATIONS

On a question from Sen. Hackney regarding the specific needs for additional homemaker support, he said, even more important than additional funds is provision of consistent reliable service. He also mentioned that he sees two or three families a week in need of homemaker services. He said it would probably make good administrative sense to create an umbrella agency to oversee homemakers and home health programs. Art Holmberg noted that last year, the division of social services was forced to lapse over \$200,000 in homemaker funds because of the inability of the service provider (Alaska Federation of Natives) to provide that service in the rural areas. He didn't anticipate that problem with Easter Seals.

HOMEMAKERS' PROGRAM

Pat Bonney and Jerry Ivey from the Red Cross spoke next. They mentioned that the Red Cross runs a home nursing program. The funds come from CETA. The local program is modeled after a national Red Cross program. There are 15 volunteer instructors.

RED CROSS

Chuck Hines testified next to inform the committee of a proposal submitted by Alaska Pacific University to establish a Center for Gerontology in Anchorage. The center would provide the means for people to receive academic credit in the area of aging; it would also provide training opportunities for the many agencies involved with services for the aging.

CENTER FOR GERONTOLOGY

John Thomas, a 40-year Alaskan resident, spoke next. He mentioned the need for protective services for persons incapable of taking care of their own money. Regarding the Longevity Bonus, he suggested paying for that program from the interest of the Permanent Fund. He also recommended adding \$50/month to the present \$150/month. He spoke of the need for more employment opportunities for seniors.

PROTECTIVE SERVICE

Waldo and Ruby Coyle spoke next on the property tax exemption program administered by the Department of Community and Regional Affairs. Mrs. Coyle said C&RA has put a limit on that program to only five acres. She said their whole homestead was exempt in 1977 and 1978, the first two years they were eligible. However, in 1979, only five acres were exempt. She said she received a letter from C&RA at the time stating their policy of only exempting one acre inside boroughs and five outside. She said this is at variance with state statutes, though apparently efforts are underway to change the administrative regulations in that regard to place that restriction into effect officially. The Administrative Regulations Review Committee recommended against that change, however, because it doesn't relate to state law.

PROPERTY TAX EXEMPTION

Florence Orr testified to say that people who stay in their own homes need recreational activities, and she hopes that the committee will support continued funding for the Caverly Senior Center which provides these services.

RECREATION

Ed Dodd, chairman of the Pioneers' Home Advisory Board, testified next. He questioned the delay on the Anchorage addition. He said once the 75-bed addition is completed, the cost of operating will come to \$1,020,000 per year - a figure he compared to the \$3,500,000 he said it would cost for equivalent care in private nursing homes. He criticized the Kotzebue Senior Center, noting that his advisory committee advised against it because of the extreme cost. He also criticized the cost and quality of care at Nakoyia.

ANCHORAGE PIONEERS HOME ADDITION

Poldine Carlo mentioned here that Natives in the villages also don't like to leave their own homes, but appreciate it when they have a facility in their own community - like in Kotzebue - to which they can go when they need to.

Lorena Showers closed the hearing by speaking of the need for the multi-purpose senior center in Anchorage.

The Anchorage members of the committee reconvened the hearing three days later, on September 14, to receive additional comments from the project directors under the Office on Aging, many of whom were unable to attend the earlier meeting. Their testimony follows.

Dennis Murray presented written testimony prepared by the project directors urging more state support for in-home services (see exhibit #9).

Beth Bishop with the Southeast Nutrition program urged the state to match federal monies through the Office on Aging. She said many local communities in southeast don't have any local money to use for that purpose. Priorities would depend on local communities, but if the state made some additional money available, much more of what is presently being provided could be offered.

Loretta French, from the Chugiak Senior Center, spoke next. She explained their program, and cited the need for operational funds for the senior centers. She stressed she meant program monies.

SENIOR CENTERS

Doris Southall added that she would support a bill which would allow seniors receiving the Longevity Bonus to go outside for longer periods of time and still receive payments. She also said she would support cost-of-living increases for retired teachers and state employ es.

LONGEVITY BONUS

Ellen Evans of Bethel testified that the biggest problem in Southwest Alaska is the lack of home health care. She said, "There is nothing." She added that Natives need an alternative, in times of need, to going to the Alaska Native Hospital in Anchorage.

HOME HEALTH CARE

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Interim Committee on Services for the Elderly)

1 IN THE SENATE

2 PROPOSED COMMITTEE SUBSTITUTE
3 SENATE BILL NO. 320

4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 ELEVENTH LEGISLATURE - SECOND SESSION

6 A BILL

7 For an Act entitled: "An act authorizing state medical assistance
8 payments under the program of general relief
9 assistance for persons who are 'medically
10 needy'; and providing for an effective
11 date."

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

13 *Section 1. AS 47.25.120 is amended to read:

14 Sec. 47.25.120. ELIGIBILITY FOR ASSISTANCE. Financial
15 assistance may be given under AS 47.25.120 - 47.25.300 (
16 SO FAR AS PRACTICABLE UNDER THE CONDITIONS IN THIS
17 STATE,) to

18 (1) a needy person who is eligible under the regulations
19 of the department; and

20 (2) an aged, blind or disabled person who does not
21 receive a payment under the old age assistance program (AS 47.25.610)
22 the aid to the blind program (AS 47.25.620 - 47.25.780), or the
23 aid to the permanently and totally disabled program (AS 47.25.790 -
24 47.25.970) (because the person's income exceeds the income standards
25 of those programs, but who has incurred medical expenses which
26 equal or exceed the difference between the person's monthly
27 income and 133 1/3% off the income standard under one of these
28 programs. *And persons aged 60-69*

29 *Section 2. AS 47.25.300 is amended by adding a new para-
30 graph to read:

31 (5) "aged" means a person who is age 60 or older.

32 *Section 3. This Act takes effect July 1, 1980.

*323
to
Delete
means*

*to meet all the requirements
of the old age assistance program (AS 47.25.610), but
does not receive a payment
thereunder.*

Suggested Draft Language

SB 320

For Review

(3) A person aged ~~60~~⁶⁴ who meets all the requirements under the Old Age Assistance program (AS. 47.25.610) ^{except age,} but does not receive a payment because the person's income ~~is~~ income exceeds the income standard of that program, but who has incurred medical expenses which equal or exceed the difference between the person's monthly income and 133 1/3% of the income standard under that program.

Underlined

Section 2 - This Act takes effect July 1, 1980

Tahira
3-28-80
Redo

Office Copy

Introduced: 1/15/80
Referred: Health Education &
Social Services and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE LEGISLATIVE
COUNCIL (for the Interim
Committee on Services for
the Elderly)

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2 SENATE BILL NO. 320

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

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15 (1) a needy person who is eligible under the regulations
16 of the department; and

17 (2) an aged, blind or disabled person who does not receive a
18 payment under the old age assistance program (AS 47.25.430 - 47.25.610),
19 the aid to the blind program (AS 47.25.620 - 47.25.780), or the aid to
20 the permanently and totally disabled program (AS 47.25.790 - 47.25.970)
21 because the person's income exceeds the income standards of those pro-
22 grams, but who has incurred medical expenses which equal or exceed the
23 difference between the person's monthly income and the income standard
24 applicable to him under a program for which he would otherwise qualify.

25 * Sec. 2. This Act takes effect July 1, 1980.

29