

HB 20

Shan

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 6, 1991

FURTHER REFERRALS:

Date of Committee Action: 2/19/92

The FINANCE Committee considered:

SSHB 20

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 20

LONGEVITY BONUS/NURSING HOME RESIDENTS

"An Act relating to qualifications for longevity bonus payments; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CSSHB 20 (FIN)

[x] the same title [] a new title

[] have attached amendments(s)

[x] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[x] fiscal impact DOA

[] fiscal note(s)

[x] zero fiscal note HSS

[] zero fiscal note(s)

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Eileen P. MacLean	✓				
Mike Savane	✓				
Mark Boyer	X				
Jay Brown	✓				
Al Korman	✓				
George Vadas	X				
Samuel Barnes	X				
Bob Sharp	X				
Robert E. Phillips	✓				
Ronald J. Larson	X				

Mike Savane Eileen P. MacLean
CHAIRMAN'S SIGNATURE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 20 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES SHARP, Taylor, Gonzales, Gruenberg, Ivan, Martin, M.A.Miller, J.Phillips, Hudson, Zawacki, Leman

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to qualifications for longevity bonus payments; and providing for an
2 effective date."

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

4 * Section 1. AS 47.45.070 is amended by adding a new subsection to read:

5 (c) Notwithstanding (a)(2) of this section, a person who resides in a nursing home who
6 meets the age and residence requirements of this chapter qualifies for the bonus if the costs of
7 care of the person at the nursing home are paid for entirely from private sources.

8 * Sec. 2. This Act takes effect July 1, 1992.

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSSSHB 20 (State Affairs)

Revision Date: January 24, 1992
Title: Longevity Bonus Qualifications
Sponsor: Representative Sharp
Requestor: House Finance

Department Affected: Administration
BRU: Longevity Bonus
Component: Grants

COMPONENT

0	0	2	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	87.0	87.0	87.0	87.0	87.0	87.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	87.0	87.0	87.0	87.0	87.0	87.0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	87.0	87.0	87.0	87.0	87.0	87.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL	87.0	87.0	87.0	87.0	87.0	87.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)
See attached.

Prepared by: Barbara Bathony
Division: Pioneers' Benefits

Phone: 465-4400
Date: January 24, 1992

Approved by Commissioner: Nancy Bear Usher
Agency: Administration

Date: 1/24/92

Distribution (by preparer): Legislative Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

FN - ADMIN

Fiscal Note
CS for Sponsor Substitute House Bill No. 20 (State Affairs)

January 24, 1992

There are approximately 29 nursing home residents over 65 years of age who are fully private pay. This estimate was arrived from a telephone survey of private long-term care facilities during December 1991.

The above calculation does not include residents of the skilled nursing sections of the Pioneers' Homes or the Sourdough Unit at Harborview, Valdez.

The effect of this bill on Medicaid/hold harmless provisions is not addressed in above calculations.

29 residents at \$3000 a year = \$87,000 for FY 93

Assumes effective date July 1, 1992.

FISCAL NOTE

STATE OF ALASKA

BILL NO. CSSSHB20

1992 LEGISLATIVE SESSION

Revision Date: 2/20/92

Department Affected: H&SS

Title: An act relating to qualifications for longevity bonus payments; and providing for an effective date

BRU: Medicaid

Component: Medicaid Facilities

Sponsor: Sharp

Requestor:

COMPONENT SERIAL NO.

0	2	3	0
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING (Thousands of Dollars)

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY:	0	0	0	0	0	0

Estimate of current year impact: NONE

ANALYSIS: (Attach a separate page if necessary.)

See attached note

Prepared By: Kimberly B. Busch

Phone: 465-3355

Division: Medical Assistance

Date: 2-20-92

Approved by Commissioner: Brian L. [Signature]

Agency: Health and Social Services

Date: 2/21/92

Distribution (by Preparer: Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies))

CSSSHB 20

CSSSHB 20 would have no effect on the Medicaid budget, nor would it affect expenditures in the longevity bonus hold-harmless program (0231), as no bonus payment would be made to persons whose cost of care was being paid in whole or in part by Medicaid.

Industry sources estimate that there may be about 31 private pay individuals in private (non-Pioneers' Homes) nursing homes at any given point. From data about Medicaid recipients, we would reason that at least half of these may meet the age and residency requirement of the bonus program. Presumably, monthly bonus income would assist them in meeting the costs of their care or continuing premiums for a private long-term-care insurance policy. However, the costs of nursing home care are so high in comparison to the bonus payment that we do not anticipate that bonus income would reduce Medicaid expenditures by noticeably delaying a private pay patients' empty into the Medicaid program.

Alaska State Legislature

REPRESENTATIVE
BERT SHARP

DISTRICT 20

MEMBER
FINANCE COMMITTEE

FINANCE SUBCOMMITTEES:
GOVERNOR
FISH AND GAME
LABOR



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WHILE IN JUNEAU
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House of Representatives

SPONSOR STATEMENT
Representative Bert Sharp
CS SS HB20
January 22, 1992

In 1984, the federal government decided that it would count the longevity bonus as income for purposes of medicaid eligibility determinations. One result of that change would have been the loss of medicaid coverage of nursing home costs to some older Alaskans.

In 1985, the legislature changed its laws making all nursing home residents ineligible for longevity bonus payments. This blanket exclusion did not take into consideration senior citizens who pay for the cost of care at a nursing home from private sources. Nursing home residents who pay nursing home charges entirely from their own resources should not be penalized by the loss of their longevity bonus simply because their residence has changed. CSSSHB20 corrects this oversight.



REPRESENTING
GOLDEN HEART
OF ALASKA

ALASKA NURSING HOMES CENSUS


AS OF : November 30, 1990

*Actual numbers separating private pay from other is not available. However, numbers are believed to be small.

FACILITY	MEDICAID PER DIEM RATE	CERTIFIED CAPACITY		MEDICAID/GRM PLACEMENTS		NON-OMA PLACEMENTS		TOTAL CENSUS	VACANT BEDS	% OCCUPANCY OF TOTAL BEDS	
		SHF/ICF	SWING BEDS	ICF	SHF	MEDI-CARE	OTHER			OVERALL	MEDICAID
CORDOVA HOSPITAL LTC	\$282.90	10	4	12	0	n/a	0	12	2	86%	86%
DENALI CENTER (Fairbanks)	200.34	101	0	38	8	7	8	61	40	60%	46%
HERITAGE PLACE (Soldotna)	207.30	45	0	21	2	4	5	32	13	71%	51%
ISLAND VIEW MANOR (Ketchikan)	237.70	46	0	18	3	2	5	28	18	61%	46%
KOTZEBUE SENIOR CITIZEN CARE CTR.	189.27	9	0	6	2	0	0	8	1	89%	89%
KODIAK ISLAND HOSPITAL LTC	217.34	19*	4	14	n/a	0	3	17	6	74%	61%
MARY CONRAD CENTER (Anchorage)	290.37	73*	0	70	n/a	n/a	2	72	1	99%	96%
OUR LADY OF COMPASSION (Anchorage)	178.59	224	0	139	46	8	27	220	4	98%	83%
PETERSBURG HOSPITAL LTC	251.18	14	4	10	0	0	2	12	6	67%	56%
QUYAANA CARE CENTER (Nome)	235.38	15*	0	15	n/a	n/a	0	15	0	100%	100%
SOURDOUGH PLACE (Valdez)	207.06	16*	0	10	n/a	n/a	3	13	3	81%	63%
SOUTH PENINSULA HOSP. LTC (Iliomer)	234.82	18	4	14	1	n/a	2	17	5	77%	68%
ST. ANN'S NURSING HOME (Juneau)	210.62	45	0	35	7	0	1	43	2	96%	93%
WESLEYAN NURSING HOME (Seward)	164.52	66	0	40	0	n/a	6	46	20	70%	61%
WRANGELL GENERAL HOSPITAL LTC	284.80	14	4	9	1	0	2	12	6	67%	56%
SWING BEDS (Acute to LTC):											
CENTRAL PEN. HOSPITAL (Soldotna)	181.75	0	4	0	0	1	0	1	3	25%	0%
SEWARD GENERAL HOSPITAL	177.51	0	2	0	0	0	0	0	2	0%	0%
SITKA COMMUNITY HOSPITAL	181.75	0	2	0	0	2	0	2	0	100%	0%
VALDEZ COMMUNITY HOSPITAL	181.75	0	4	2	0	0	0	2	2	50%	50%
VALLEY HOSPITAL (Palmer)	181.75	0	4	0	0	0	1	1	3	25%	0%
TOTAL:			751	453	70	24	*67	614	137	82%	70%

* - beds certified ICF only.
 ** - includes VA, private pay, insurance, and other.

NOTE: Retro rate for Heritage Place effective 7/1/90.


 KAREN MARTZ
 DIVISION OF MEDICAL ASSISTANCE (907) 561-2171
 DATE 1/9/91

Alaska Nursing Home Census

PRIVATE PAY/INSURANCE RESIDENTS IN NURSING HOMES
FY 91

Facility	Number of Private/Insurance Pay Residents
Island View Manor	5
Kodiak Island Nursing Home	3
Petersburg Hospital	5
South Peninsula Hospital	1
St. Ann's Nursing Home	3
Wesleyan Nursing Home	8
Denali Center	7
Our Lady of Compassion Care Center	4
Nome	0
Kotzebue	0
TOTAL	36

Telephone survey conducted by the Division of Pioneers' Benefits on February 13-14, 1991.

PRIVATE PAY nursing home residents in 1990-91.

d\wp\misc\shb20fn

private pay nursing home residents

Box 71932
Fairbanks, 99707

Representative Bert Sharp
Alaska State Legislature
Box V, Juneau 99811

February 7, 1991

Dear Bert:

Thanks for sending me a copy of HB 20 last week. I really appreciate your work in attempting to correct an injustice affecting those oldtimers who are paying their own way.

In case it will help to support your work, I'll recap my experience with this quirk in the longevity program -- I don't expect that you can remember the details of our conversation some months ago. Basically, I was shocked when Mom said Dad's monthly bonus was cut off automatically when he entered Denali Center in March of 1989. Frankly, I couldn't and didn't believe it, since they were paying their own way, and not getting federal or state assistance. (My understanding was that Denali Center told Mom the bonus would be terminated, and that she didn't get an official letter from the State, but I might be wrong.)

At that time the family was in a turmoil, facing the crisis of making a major change and hardly in a position to combat a bureaucratic nightmare on top of everything else. Dad's health -- the onset of Alzheimer's -- had been deteriorating for four, six, or more years. What had appeared to be normal forgetfulness at age 90 slowly changed into something more serious, until the Alzheimer's was finally diagnosed in '88 or so. Mom did well caring for him for several years, but his increasing incapacity to assist eventually brought her to the point of admitting he needed to move to a home where he could get more assistance. (I would note that the home health care and other assistance were a great help, and prolonged the move to a full-time care facility.)

Even though he'd been a resident of Alaska for over 60 years (and served Governor Hickel as the first manager of the Fairbanks Pioneer Home, c. 1967 - 1971) he was unable to get into the local Home, or others throughout the State. Although she considered placing him in a nursing home Outside, in large due to costs, Mom felt it best to try to keep him here among friends and family. Hence the move to Denali Center.

The cost there was \$175.00 per day, and he was ineligible for Medicare or Medicaid (whichever) because Alzheimer's isn't a "covered" illness. Looking back, the next eight months were pretty much a nightmare as the illness progressed. I did make some local inquiries as to why the longevity had been cut off, but remained unsatisfied with the answers. Had the State, or even the federal government, been assisting the folks financially, it would not have seemed so unreasonable for them to have lost the \$250 per month. Throughout those months until he

MISC CORRESP.

died in November, 1989, the folks paid all the bills -- totaling around \$40,000 or more.

By early 1990 I had read the law and so on, but still couldn't understand why entry into any nursing home, even without any governmental assistance, meant the loss of the longevity bonus. I finally called Juneau and spoke with Mr. David Teal, who convincingly confirmed that the Legislature had in fact amended the program in that way several years ago. He also suggested that a simple change in the wording would restore the benefits, at least in some cases. That led to our conversation, when you advised you were already aware of the situation and hoped to be able to correct it.

In many respects this is a matter of principle. When you're looking at a daily cost of \$175 or monthly expense of \$5,250, the \$250 longevity bonus seems almost insignificant. But that's \$3000 per year, and better than nothing. Mainly, there's a psychological blow in losing the bonus, at a time when the individuals involved are suffering enough.

From what I recall of the conversation with Mr. Teal, the correcting language would only restore the bonus to a limited group of people. Otherwise, the intricacies of Medicaid/Medicare would serve to defeat the purpose of the financial increase. The fact that only a few people would be helped can be viewed positively, as the correction would thus not impose a major burden on the State treasury.

In closing, I strongly believe that people who are in nursing homes (especially privately operated homes) paying their own way and not eligible for other federal or State subsidy, should be entitled to the longevity bonus. Thanks again for your efforts on behalf of those oldtimers who may benefit from a technical change in the law.

Sincerely,

Jim Moody

Film this
page - not
attachments

DOCUMENTS WHICH HAVE NOT BEEN
FILMED BUT ARE AVAILABLE IN THE
ORIGINAL FILE INCLUDE:

letters of support