

HB

20

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 4, 1991

FURTHER REFERRALS: Health, Education and Social Services
Finance

Date of Committee Action: 4-17-91

The STATE AFFAIRS 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 PS 55 HB 20 (STA) the same title
 a new title

have attached amendments(s)

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)

fiscal impact Admin - Long. Bonus

fiscal note(s) _____

zero fiscal note HSS - Medical Assistance

zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:			
		Do Not Pass	No Rec	Amend
<i>Gene Kubera</i>				
<i>Tom Dwyer</i>				
<i>Dana Prosser</i>				
<i>E. Bruckner</i>				
<i>Mike Miller</i>				
<i>[Signature]</i>				

Gene Kubera
Chairman's Signature

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SSHB No. 20

Revision Date: 2/25/91 Department Affected: Health and Social Services
 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

Expenditures/Revenues: Thousands of Dollars

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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	0.00	0.00	0.00	0.00	0.00	0.00

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

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00

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: 2-25-91

Approved by Commissioner: [Signature] Date: 2/25/91
 Agency: Health and Social Services
 Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, QMB, & Impact Agency(ies).

SS HB 20

SSHB 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' entry into the Medicaid program.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SSHB 20

Revision Date: February 18, 1991

Title: LB Qualifications

Department Affected: Administration

BRU: Longevity Bonus, Pioneers' Benefits

Component: Grants

Sponsor: Representative Sharp

Requestor: Representative Sharp

COMPONENT SERIAL NO.

2	6		
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0

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

GENERAL FUND	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0

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 *Barbara Bathony*
Division: Pioneers' Benefits

Phone: 465-4400
Date: February 18, 1991

Approved by Commissioner: Millett Keller *Millett Keller MK*
Agency: Administration

Date: 2/26/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Fiscal Note

Sponsor Substitute HB 20

February 17, 1991

There are 28 nursing home residents qualified under the sponsor substitute HB 20 in FY 91. This information was collected via a telephone survey of private long-term care facilities conducted February 1991. These 28 nursing home residents are non-medicaid, non-medicare, non-veterans, but their cost is paid for entirely by private pay or by insurance policies. It is estimated that about 80% of the private pay residents are 65 years old and over. (80% of 36 residents equals 28 Alaskans qualified under this bill)

The cost of adding 28 nursing home residents to the program is \$84,000 for FY 92, and will be slowly decreasing thereafter.

(in 1,000s)

	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
Number of Nursing Home residents	28	28	28	28	28	28
Cost of Longevity Bonus	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0	\$84.0

The above calculation does not include the residents of the Pioneers' Homes or the Sourdough unit in Harborview, Valdez. Residents in these facilities do not pay full cost of care.

The division questions if this bill is constitutional.

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.

Alaska State Legislature

REPRESENTATIVE
BERT SHARP

DISTRICT 20

MEMBER
FINANCE COMMITTEE

FINANCE SUBCOMMITTEES
GOVERNOR
FISH AND GAME
LABOR



FAIRBANKS
1101 N CUSHMAN
FAIRBANKS ALASKA 99701
(907) 452-7885/7886

WHILE IN JUNEAU
PO BOX V
STATE CAPITOL
JUNEAU ALASKA 99811
(907) 465-3004/3018

House of Representatives

MEMORANDUM

TO: Representative Kubina
Chairman, State Affairs Committee

FROM: Representative Bert Sharp *BMS*

DATE: February 6, 1991 *BMS*

SUBJ: Committee Hearing Request, SSHB20

I respectfully request that a hearing be scheduled on SSHB20, relating to qualifications for longevity bonus payments.

SSHB20 would correct the law change of 1985, which made all nursing home residents ineligible for longevity bonus payments. It would allow the few nursing home residents who are paying privately for the cost of care at a home to qualify for and receive their longevity bonus payments if they meet the age and residency requirements.

The Department of Administration has told me that a fiscal note is forthcoming and should be available prior to any scheduled hearing.



REPRESENTING
GOLDEN HEART
OF ALASKA

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

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



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: February 27, 1991

PLACE: Capitol, Room 102

SUBJECT OF MEETING:
 *HB 11 - Relating to Longevity Bonus, Nursing Home Residents
 *HB 20 - Relating to Longevity Bonus, Nursing Home Residents
 *HB 67 - Relating to Impoundment of Mistreated Animals

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
GORDON G. LANDER	Div. of MEDICAL ASSISTANCE	PO Box H-07 JUNEAU AK	99811		465-3355	(N)	HB 11, SSHB 20
CURTIS C. LOMAS	Div. Pub. Assistance	Box H JUNEAU AK	99811	3347	3347	Y (N)	HB 11; HB 20
JAMES E. STEELE	DIV. PUBLIC ASST.	PO BOX H-07 JUNEAU AK	99811		465-3347	Y (N)	HB 11, SSHB 20
THOMAS T. SEARNS	Public Safety	Comm. Office			465-4322	Y N	HB 67
Barbara Bathony	Dir. Pioneer's Benef.				465-4400	Y N	if necessary HB 11, SSHB 20
Margot Knuth	Dept. Law	PO Box KC	99811		3428	(Y) N	HB 67
J. RON SUTCLIFFE	Dept. Law	P.O. Box KA JUNO	99811		3620	(Y) N	HB 67
						Y N	
						Y N	
						Y N	
						Y N	



House State Affairs Committee

Representative Gene Kubina, Chair

SUBJECT OF MEETING:

DATE: Feb 27, 1992

PLACE: Capital Room 102

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Pose Palmquist	OPAG.	303 6th St -	9080	467 3315		<input checked="" type="checkbox"/>	N	11420
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: April 17, 1991

PLACE: Capitol, Room 102

SUBJECT OF MEETING:

HB 20 - Relating to Longevity Bonus, Nursing Home Residents
 HB 122 - Relating to Qualifications for Longevity Bonus

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
SUSAN LANDES	Div. of MEDICAL ASSISTANCE	PO BOX H-07 TUNEAU	99511		465-3355	Y <input checked="" type="radio"/> N	AVAILABLE FOR 20/122 QUESTIONS RE MEDICAID/ALB
Barbara Bathony	Div. of Pioneers B.	Box CL	99511		465-4400	Y <input checked="" type="radio"/> N	available for questions
Mary Lou Mennel	AARP	805 Kool Belt	99801	586-2568		Y <input checked="" type="radio"/> N	
P. one Palmquist	O.P.T.G.	Box 8702 94 Wauville	99607	376-2274		<input checked="" type="radio"/> Y N	HB 20
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: April 17, 1991

PLACE: Capitol, Room 102

SUBJECT OF MEETING:

- *HB 55 - Relating to Approp: Budget Reserve Fund
- *HJR 37 - Relating to Alaska/Siberia Lend-Lease Program
- *HB 257 - Relating to Alaska Highway Commem-

orative Medallion

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Jeff Morrison	DMVA	PO Box L Juneau	99811		465-4600	(Y)	N	Questions on FN for HB 257
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	