

HJR

52



Alaska State Legislature
 House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: 3/3/94

PLACE: Capitol Room 106

SUBJECT OF MEETING:
 * HB 506: STUDENT LOAN PROGRAM
 * HB 356: LIVING WILLS AND MEDICAL CARE DECISIONS
 * HB 357: DRUG FREE RECREATION AND YOUTH CENTERS
 * HB 52: INCREASE IN FEDERAL MEDICAID FUNDED

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
MARK JOHNSON	DNSS, EMS	P.O. BOX 110616 Juneau	99811-0616	463-5817	465-3027	(Y) N	HB 356
Verna Hall	AARP	23590 61st Ave. Anchorage	99581	780-4089	780-4089	(Y) N	HB 356
Rupe Andrews	AARP	9416 Long Road, Juneau	99801		789-7122	Y (N)	HB 356
Kim Burch	DHSS				465-3735	(Y) N	HB 52
Stacie Han						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. HJR 52

Revision Date: 01/26/94 Dept. Affected: Health and Social Services
 Title: Federal share of Medicaid Costs BRU: Medical Assistance Administration
for Alaska Component: All components
 Sponsor: Reps. Nordlund, Brice, Foster, ...
 Requestor: _____ COMPONENT SERIAL NO. 242, 243, 244, 1226, 1434, 1822, 1979

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGES IN REVENUES						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: _____

ANALYSIS: (Attach a separate page if necessary)
 Revised Alaska specific formula would increase Federal matching funds for Medicaid. If Congress accepts the Alaska specific federal match rate formula requested in the resolution, Alaska assistance programs that rely on this formula would realize an increase in federal match in excess of 40 million dollars.

Prepared by: Kimberly B. Busch *Kimberly Busch* Phone: 465-3355
 Division: Medical Assistance Date: 01/27/94
 Approved by Commissioner: Margaret R. Lowe *Margaret R. Lowe* Date: 1-27-94
 Agency: Department of Health & Social Services

HOUSE COMMITTEE REPORT

(9)

Date Referred: January 21, 1994

FURTHER REFERRALS:

Date of Committee Action: 3/3/94

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HJR 52

HOUSE JOINT RESOLUTION NO. 52

DETERMINING FEDERAL SHARE OF MEDICAID

Urging the Congress to amend the Social Security Act so that the higher cost of living in Alaska is reflected when the per capita income of the state is used as a factor in determining the federal share of Medicaid costs.

RECOMMENDATIONS: [] the same title
 be replaced with _____ [] 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 impac: _____

[] fiscal note(s) _____

zero fiscal note H+SS

[] zero fiscal note(s) _____

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Sam L. Ham</i>	✓	<i>Paul Foster</i>		✓	
<i>Wade Rutherford</i>	✓	<i>Al Young</i>		✓	
<i>Tom Bruce</i>	✓	<i>Tom Bruce</i>	✓		
		<i>Auley Oberg</i>		✓	

Tom Bruce

 CHAIRMAN'S SIGNATURE

LTN: 100-R01
03/11/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01
11:45:58

ICM: 49411 DATE & TIME: 03/03/94 15:00 TO 17:00 STATUS: 7 STATS. IN

*** ORDER SUMMARY ***

SPONSOR: HHES HOUSE HEALTH, EDUCATION AND SOCIAL SERVI CHAIRS: TOOLEY
PURPOSE: PUB PUBLIC HEARING LEGISLATIVE BUNDE
CONTACT: LYNNE SMITH TEL#: (907)465-6825
CHAIRING SITE: JUNEAU CAPITOL CAP106

SPONSOR REMARKS(PUB): TESTIMONY: Y ALLOWED 5 MINUTE LIMIT
HB 356 WILL NOT BE THE FIRST BILL ON THE CALENDAR.
TESTIMONY WILL BE TAKEN WITH A 5 MINUTE LIMIT.
TOP REQUESTED ON 03/03/94 AND HAS 7 UPDATES

*** AGENDA ***

- 1 HB 356 LIVING WILLS AND MEDICAL CARE ORDERS
- 2 HB 506 STUDENT LOAN PROGRAM

*** PARTICIPATING LTOS ***

COR CORDOVA	705 2ND STREET	LOCATION STAFF
FBX FAIRBANKS	119 N CUSHMAN ST	LOCATION STAFF
HOM HOMER LTC	126 W PIONEER #4	LOCATION STAFF
* JNU JUNEAU	CAPITOL CAP106	LOCATION STAFF
MAT MATSU	165 E PARKS HWY.	LOCATION STAFF
PSG PETERSBURG	191 GJOA STREET	LOCATION STAFF
SEM SEMARD	2901 SEMARD HWY	LOCATION STAFF
SIT SITKA	210 LAKE STREET	LOCATION STAFF
SOL KEN/SOL	34824 KALIFONSKY	LOCATION STAFF

*** VOLUNTEER & OFFNET SITES ***

222 OF1 OFFNET 1 FAIRBANKS CRAIG LEWIS (907)456-3978

PARTICIPANTS IN: FAIRBANKS

1 MR.	BRIAN BRUBAKER	COAL. STUD. LEADER TSFY, HB 506
	PO BOX 84791	FAIRBANKS AK 99708 (907)474-9052
2 MR.	NICHOLAS ABRAMCZYK	ASUAF TSFY, HB 506
	PO BOX 99775	FAIRBANKS AK 99775 (907)474-5156

PARTICIPANTS IN: HOMER LTC

1 MRS.	MILDRED MARTIN	HOMER OBSV. HB 356
	PO BOX 2652	HOMER AK 99603 (907)235-6652
2 MS.	BRENDA STEENBLOCK	SENIOR CITIZENS OBSV. HB 356
	3935 SVEDLUND ST	HOMER AK 99603 (907)235-7675

PARTICIPANTS IN: JUNEAU

1	TO	OBSERVE	OBSV. ALL ITEMS
2	TO	OBSERVE	OBSV. ALL ITEMS
3	TO	OBSERVE	OBSV. ALL ITEMS
4	TO	OBSERVE	OBSV. ALL ITEMS
5	TO	OBSERVE	OBSV. ALL ITEMS
6	TO	OBSERVE	OBSV. ALL ITEMS
7	TO	OBSERVE	OBSV. ALL ITEMS
8	TO	OBSERVE	OBSV. ALL ITEMS
9	TO	TESTIFY	TSFY. ALL ITEMS
10	TO	TESTIFY	TSFY. ALL ITEMS
11	TO	TESTIFY	TSFY. ALL ITEMS

LHM100-R01
05/11/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 02
11:45:58

TCN: 40411 DATE & TIME: 05/03/94 15:00 TO 17:00 STATUS: 7 STATS. IN

PARTICIPANTS IN: JUNEAU

JNU

12	TO	TESTIFY	TSFY. ALL ITEMS
14	TO	TESTIFY	TSFY. ALL ITEMS
15	TO	TESTIFY	TSFY. ALL ITEMS
16	TO	TESTIFY	TSFY. ALL ITEMS
17	TO	TESTIFY	TSFY. ALL ITEMS
18	TO	TESTIFY	TSFY. ALL ITEMS
19	TO	TESTIFY	TSFY. ALL ITEMS
20	TO	TESTIFY	TSFY. ALL ITEMS
21	TO	TESTIFY	TSFY. ALL ITEMS
22	TO	TESTIFY	TSFY. ALL ITEMS
23	TO	TESTIFY	TSFY. ALL ITEMS
24	TO	TESTIFY	TSFY. ALL ITEMS
25	TO	TESTIFY	TSFY. ALL ITEMS
26	TO	TESTIFY	TSFY. ALL ITEMS
27	TO	TESTIFY	TSFY. ALL ITEMS
28	TO	TESTIFY	TSFY. ALL ITEMS

PARTICIPANTS IN: MAISO

MAT

1 MR	ERNEST	LINE	TSFY. HB 356
	2654 WHISPERING WOODS DR	WASILLA	AK 99645 (907)376-6709

PARTICIPANTS IN: PETERSBURG

PSG

1 MS	SANDY	TACKETT	PSG GEN HOSPITAL	TSFY. HB 356
	P.O. BOX 589		PETERSBURG	AK 99833 (907)772-4294
2 MRS.	FLORENCE	LEROY		OBSV. HB 356
	P.O. BOX 313		PETERSBURG	AK 99833 (907)772-3200

PARTICIPANTS IN: SEWARD

SEW

1 MS.	JULIE	RENWICK	WESLEY REHAB	TSFY. HB 356
	PO BOX 1066		SEWARD	AK 99664 (907)224-5241
2 MS.	BARBARA	BLACKWELL	R.N. WESLEY REHAB	OBSV. HB 356
	PO BOX 1541		SEWARD	AK 99664 (907)224-8613
3 MS.	JOAN	CLEMENS	R.N. WESLEY REHAB	OBSV. HB 356
	PO BOX 1345		SEWARD	AK 99664 (907)224-3674
4	MARJORIE	MCLEOD	DOWNNEY R.N. SEWARD HOSPITAL	OBSV. HB 356
	PO BOX 365		SEWARD	AK 99664 (907)224-5205
5	DORREEN	BOOTH	SEWARD HOSPITAL	OBSV. HB 356
	PO BOX 365		SEWARD	AK 99664 (907)224-5205
6	LINDA	SWENSON	RN SEWARD HOSPITAL	TSFY. HB 356
	PO BOX 365		SEWARD	AK 99664 (907)224-5205
7 MS.	ELLEN	O'BRIEN	SEWARD HOSPITAL	OBSV. HB 356
	PO BOX 365		SEWARD	AK 99664 (907)224-5205
8 MS.	DITA	DEBOER	RBHC	OBSV. HB 356
	PO BOX 1526		SEWARD	AK 99664 (907)224-3181
9 MR.	RICHARD	JONES	(DIRECTOR) SGM RBHC WR&CC	TSFY. HB 356
	PO BOX 361		SEWARD	AK 99664 (907)224-5241
10	DOROTHY	LOCKE	SPRING CREEK CC	OBSV. HB 356
	BOX 2109		SEWARD	AK 99664 (907)224-8200
11	ANN	WHITMORE	-PAINTER WRCC	OBSV. HB 356
	PO BOX 516		MOOSE PASS	AK 99631 (907)288-3143

PARTICIPANTS IN: SITKA

SIT

1	NANCY	JO	REITER	SEARCH	TSFY. HB 356
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LCN100-R01
13/11/94

LEGISLATIVE TELECONFERENCE NETWORK

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11:45:58

TCN: 404:1 DATE & TIME: 03/03/94 15:00 TO 17:00 STATUS:7 STATS: IN

PARTICIPANTS IN: SITKA

SIT

2 002 TONGASS SITKA AK 99835 (907)966-8413
ANDREA PAIGE ADAMS DASH/SITKA TSFY, HB 306
4-B LIFESAVER DRIVE SITKA AK 99835 (907)966-7244

PARTICIPANTS IN: KEN/SOL

SOL

1 ME. LINDA KRISTENSEN CPC-FORGETTENDY OSCV H2 356
905 COOK AVE. STE. B KENAI AK 99611 (907)283-7094

PARTICIPANTS IN: OFFNET 1

120 OFF

1 CRAIG LEWIS TSFY, HB 356
FAIRBANKS AK (907)456-3478

H/HESS ROLL CALL FORM

BILL HR 52 DATE 3/3/94
 TAPE 94-35A NUMBER 710
 SUBJECT OF VOTE TO MAKE HR 52 OUT OF
COMMITTEE

MEMBER	YEA	NAY	ABS
Rep. Cynthia Toohey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Con Bunde	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep. Gary Davis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Al Vezey	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep. Pete Kott	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Harley Olberg	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Bettye Davis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Irene Nicholia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Tom Brice	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTAL	<u>6</u>	<u>2</u>	<u>—</u>

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BILL _____ DATE _____
 TAPE 94- NUMBER _____
 SUBJECT OF VOTE _____

MEMBER	YEA	NAY	ABS
Rep. Con Bunde	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Gary Davis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Al Vezey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Pete Kott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Harley Olberg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Bettye Davis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Irene Nicholia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Tom Brice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Cynthia Toohey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTAL	<u>—</u>	<u>—</u>	<u>—</u>



Alaska State Legislature
 House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: 3/2/94

PLACE: Capitol Room 106

SUBJECT OF MEETING:
 * HB 340: NO FORFEITURE FOR (LETTER) SEX OFFENDERS
 * HB 337: DRUG FREE RECREATION AND YOUTH CENTERS
 * HJR 52: INCREASE IN FEDERAL MEDICARE FUNDING
 * INDIVIDUALS WITH PUBLIC WORKING

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Wendene Ewing ✓	SEY	203 W 3 rd B Juneau, AK	99804	586-2231	465-3005	(Y) N	HB 340
Gerald W. Bailey ✓	GHS	5597 Aisek Juneau, AK	99801	780-4338	780-4338	(Y) N	HB 340
Cindy Smith ✓	NETWORK on Arm. Violence	#130 Seward # 501	99801	4633350	5863850	(Y) N	340
Diane Schenker ✓	DOC	2200 E. 42 nd Ave. Anch. AK	99508		561-4424 465-4643	(Y) N	HB 340
Laren Robinson ✓		P.O. Box 33702 Juneau, AK 99803		586-1101	same	(Y) N	HB 340
Kim Burch ✓	DHSS	A03 Juneau		465-3355	→	(Y) N	HJR 52
Jayne Anderson ✓	CPUSA	Box 117200 Juneau	99811		465-4356	(Y) N	HB 340
						Y N	
						Y N	
						Y N	
						Y N	



Alaska State Legislature
 House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

SUBJECT OF MEETING:

DATE: 3-2-94

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
SHERRIE GOLL	V Alaska Womens Lobby	P.O. Box 22156 Juneau	99802		907-6744	<input checked="" type="radio"/>	<input type="radio"/>	HB 340
						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	
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						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	

716 W. FOURTH AVE
ANCHORAGE, ALASKA 99501-2133
258-8191

WHILE IN SESSION:
ALASKA STATE CAPITOL
JUNEAU, ALASKA 99801-1182
465-4968

Alaska State Legislature
House of Representatives



DISTRICT 11:
SAND LAKE
SPENARD
TAKU-CAMPBELL

Representative Jim Nordlund

SPONSOR STATEMENT

HJR 52 urges the amendment of the Social Security Act to increase federal funding for Alaska's Medicaid program. Currently, the federal government sets its medical assistance percentages based on each state's per capita income. Those percentages range from 50% to 79%, with Alaska's matching rate set at only 50%.

We all know that Alaska's per capita income appears high until you consider our high cost of living and medical care. An American Chamber of Commerce study shows that health care costs in Anchorage, Fairbanks, Juneau and Kodiak are between 171 and 190% of the national average.

The federal government already takes into account these higher costs by adjusting our poverty guidelines up 25%. Medicare regulations also recognize the higher cost of health care by providing a funding adjustment of 25% for nursing facilities in Alaska.

Amending the Social Security Act to include a similar 25% adjustment in the federal medical assistance formula would increase the percentage for Alaska's Medicaid program to 62%. This would mean an additional \$31,000,000 in federal funding and would require no increase in state General Fund dollars. The savings could be used for other state purposes while Alaska residents in need of Medicaid would still receive the care they need.

An increase in the Federal Medical Assistance Percentage would also increase funding for aid to families with dependent children, foster care assistance and the JOBS program (Job Opportunity and Basic Skills).

Since Medicaid eligibility is determined according to each state's poverty level, the 25% federal adjustment to Alaska's poverty guidelines increases the number of people we have to cover. This is unfair. On one hand the feds tell us we have to cover these individuals, and yet they don't give us the additional assistance to make it equitable. Given the state's current financial situation, it seems that now is the time to request our fair share.

SPONSOR STATEMENT

Position Paper

A resolution urging the Congress to amend the Social Security Act so that the higher cost of living in Alaska is reflected when the per capita income of the state is used as a factor in determining the federal share of Medicaid costs.

POSITION

The Department of Health and Social Services strongly supports House Joint Resolution No. HJR 52 which urges Congress to amend the Social Security Act so that the higher cost of living in Alaska is reflected in the formula used to calculate the federal financial contribution for programs including Medicaid and Aid to Families with Dependent Children.

Historically, the federal law has mandated a formula which uses a cost of living differential to set a higher poverty level for Alaska. This has the effect of mandating a greater number of eligibles for such programs as Medicaid and Aid to Families with Dependent Children. The federal law fails to specify the use of a cost of living differential to establish the match rate for federal financial contributions to these same programs. The result is that Alaska receives in excess of 40 million dollars less in federal dollars every year than the amount that we believe an equitable formula would provide to us.

All of the current health care reform proposals except the Chaffee Bill employ the same federal match rate formula. Passage of these proposals will further exacerbate the financial burden to Alaska. Senator Stevens instigated the inclusion of this Alaska-specific language in the Chaffee Bill. This was a very important step that we believe must be taken further. The Social Security Act must be amended this year to include this Alaska specific language.

We support Representative Nordlund's resolution to encourage this action by our Congressional delegation.

Recommended by: Kimberly B. Busch
Kimberly B. Busch
Director
Division of Medical Assistance

Date: 1-21-94

Approved by: Margaret R. Lowe
Margaret R. Lowe, M.Ed., Ed.S,
Commissioner

Date: 1-27-94

Medicaid Services Reduced To Meet Budget Constraints

Reductions in Medicaid services were implemented this fall because FY93 medical payments exceeded projections, the FY94 Medicaid budget request was not fully funded by the legislature and, some one time costs were incurred through legal settlements.

Medicaid, an "entitlement program" created by the federal government to provide medical service for low-income citizens, is funded jointly by a state and federal match formula. The program is intended to help those who are elderly, blind, or disabled, and families with dependent children who do not have sufficient money or insurance coverage to pay for health care.

The Division of Medical Assistance is limiting the services it pays for in the following ways:

Increases for inflation adjustments for physicians and dentist fees and for residential psychiatric treatment facility services will not be made; and payments to doctors who assist in surgery will be reduced;

The amount paid to some transportation providers will be capped;

Payment for growth hormones will only be made if the treatment is prescribed by a board-certified endocrinologist to address certain specific medical needs;

The maximum number of chiropractic visits paid for in one year will be reduced from 24 to 12 and payment for x-rays to chiropractors will be limited to one x-ray per year instead of the current three; and,

Prior approval will be required for magnetic resonance imaging (a diagnostic service similar to x-rays).

"In keeping with our mission, we want to ensure access to medical care by low income Alaskans who meet regulatory eligibility and medical need requirements," said Kim Busch, Director of the Division of Medical Assistance. "To that end, the Division reduced expenditures through program changes which limited rather than eliminated optional Medicaid services or eligible groups."



Featured speaker Burdena Pasenelli, Special Agent in charge of the Federal Bureau of Investigations (FBI), Alaska meets with students at McLaughlin during Red Ribbon Week.



Deputy Commissioner Mel Krogseng signing Memorandum of Understanding between the Division of Public Health's Alaska Cancer Prevention and Control Program and the American Cancer Society, Alaska Division Cancer.

Botulism in Alaska:
A Guide for Physicians and Health Care Providers may be obtained by writing Division of Public Health, Section of Epidemiology, P.O. Box 240249, Anchorage, AK 99524-0249.

The Alaska Division of Public Health, the Arctic Investigations Program of the U.S. Centers for Disease Control and Prevention, and the Alaska Area Native Health Service of the U.S. Indian Health Service have produced this monograph to give Alaska health care providers an up-to-date summary of botulism in Alaska.

Botulism in Alaska

A Guide for Physicians and Health Care Providers



FEDERAL MEDICAL ASSISTANCE PERCENTAGE

(FMAP)

- THE FEDERAL BUDGET FOR THE MEDICAID PROGRAM WAS APPROXIMATELY \$121,400,000,000 FOR FEDERAL FY 92.
- THE FEDERAL SHARE OF MEDICAID IN ALASKA FOR THAT PERIOD WAS \$107,700,000, OR LESS THAN \$1 OF EVERY \$1000 IN THE FEDERAL BUDGET.
- THE PROPOSED ADJUSTMENT TO THE FMAP FOR ALASKA WOULD INCREASE FEDERAL FUNDING FOR MEDICAID IN ALASKA BY ABOUT \$30 MILLION, OR 10 CENTS FOR EVERY \$230 SPENT BY THE FEDERAL GOVERNMENT FOR MEDICAID NATIONALLY.
- THE PROVIDER TAX PROGRAM, WHICH OVER 30 STATES USE AS A FUNDING DEVICE TO INCREASE THE FEDERAL SHARE OF THEIR MEDICAID PROGRAM COSTS, WILL INCREASE FEDERAL MEDICAID SPENDING BY \$11,300,000,000 IN FY 93.
- * THE AMERICAN CHAMBER OF COMMERCE (ACCRA) COST OF LIVING INDEX FOR 1992 SHOWS THE COST OF LIVING FOR 4 COMMUNITIES IN ALASKA WHICH RANGE BETWEEN 130% TO 146% OF THE NATIONAL AVERAGE.
- * THE ACCRA INDEX FOR HEALTH CARE COSTS IN THE ALASKA COMMUNITIES IS BETWEEN 171% TO 190% OF THE NATIONAL AVERAGE.
- MEDICARE REGULATIONS RECOGNIZE THE HIGHER COSTS OF HEALTH CARE IN ALASKA BY PROVIDING A FUNDING ADJUSTMENT OF 25% FOR NURSING FACILITIES IN THE STATE.
- ELIGIBILITY FOR MEDICAID IS BASED IN PART ON FEDERAL POVERTY GUIDELINES ESTABLISHED BY THE U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES.
- POVERTY GUIDELINES FOR THE STATE OF ALASKA ARE ADJUSTED UP BY 25% ACCORDING TO THE FEDERAL REGISTER TO REFLECT THE HIGHER COST OF LIVING IN ALASKA.
- ANY ADJUSTMENT TO THE ALASKA FMAP WILL IMPACT NOT ONLY MEDICAID BUT ALSO THE AFDC, FOSTER CARE, AND JOBS PROGRAMS.
- ADJUSTING THE FMAP FOR ALASKA WILL HAVE NO IMPACT ON THE FMAP FOR OTHER STATES.

FACT SHEET IN SUPPORT OF THE FMAP ADJUSTMENT

Sections 1101(a)(8)(B) and 1905(b) of the Social Security Act establishes for each state participating in the Medicaid program a federal matching rate known as the "Federal Medical Assistance Percentage" or FMAP. The FMAP is that percentage of the state's Medicaid expenditures paid by the federal government. The matching rate is established on the basis of the ratio between each state's per capita income and the per capita income of the United States. The intent behind these sections is to assure that states that are poorer in relation to other states will be required to bear a lesser share of the burden of their Medicaid expenditures, with the federal government picking up a larger share. Currently, federal matching rates range from 50% to 79%.

Alaska is unfairly disadvantaged by the current statutory formula. For Alaska the current FMAP rate is 50%, a result of the fact that the Alaska per capita income looks very high in comparison to the per capita incomes of the lower 48 states. However, a simple comparison of per capita income fails to take into account the dramatically higher cost of living and of medical care in Alaska.

Currently Medicare regulations recognize the higher costs in Alaska by providing for an adjustment of 25% for nursing facilities in Alaska. Federal poverty guidelines are also adjusted by 25% for Alaska. The statutory provisions that determine federal matching rates by reference to state per capita income should incorporate a similar cost of living adjustment, so that the share of the Medicaid expenditure burden borne by Alaska will be comparable to that of states where residents with lower per capita incomes also benefit from significantly lower living costs.

The attached legislation to amend sections 1101(a)(8)(B) and 1905(b) would employ an "adjusted per capita income" (per capita income divided by 1.25) to compute the federal matching, FMAP, for Alaska.

FEDERAL MEDICAL ASSISTANCE PERCENTAGE

FMAP BACKGROUND

- FEDERAL FINANCIAL PARTICIPATION FOR THE MEDICAID PROGRAM IS BASED ON THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP).
- THE FMAP IS CALCULATED ACCORDING TO A FORMULA BASED ON PER CAPITA INCOME OF THE INDIVIDUAL STATE IN RELATION TO THE PER CAPITA INCOME OF THE UNITED STATES.
- THIS FORMULA IS DEFINED IN THE SOCIAL SECURITY ACT UNDER SECTION 1101 (a)(8)(B) AND SECTION 1905 (b).
- STATE INCOME IS ESTABLISHED AS A DESIGNATED PORTION OF THE NATIONAL INCOME AS DETERMINED AT THE U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS (BEA). PER CAPITA INCOME OF ALASKA IS DERIVED BY THE BEA AS A PORTION OF NATIONAL INCOME STATISTICS.

FMAP FORMULA

THE FORMULA IS DEFINED IN THE SOCIAL SECURITY ACT, SECTION 1101(a)(8)(B) AND SECTION 1905(b).

THE FORMULA IS:

$$\frac{(\text{STATE PER CAPITA INCOME})^2}{(\text{NATIONAL PER CAPITAL INCOME})^2} \times 45\%$$

Population figures are from the U.S. Department of Commerce-U.S. Census Bureau.

Income figures are "personal income" which includes income derived from all sources. Data is from the U.S. Department of Commerce-Bureau of Economic Analysis.

THE FMAP IS USED TO DETERMINE THE FEDERAL MATCH TO FUND PROGRAMS SUCH AS:

- ★ MEDICAID
- ★ AFDC
- ★ FOSTER CARE
- ★ JOBS PROGRAM

ANY ADJUSTMENTS MADE TO THE FMAP WILL IMPACT THE FEDERAL FUNDING AVAILABLE TO THESE PROGRAMS.

FY 1994 Federal Financial Participation

Proposed FMAP Increase for Alaska

AFDC - Program	
Total Eligible for Federal Match	\$113,600,800
Federal Match @ Proposed Rate	70,432,400
Federal Match @ Current Rate	<u>56,800,400</u>
Proposed Federal Fund Increase	13,632,000
Medicaid - Program	
Total Eligible for Federal Match	\$258,035,000
Federal Match @ Proposed Rate	159,981,700
Federal Match @ Current Rate	<u>129,017,500</u>
Proposed Federal Fund Increase	30,964,200
AFDC & Medicaid Increased Federal Funds	SFY 94 Budget <u>\$ 44,596,200</u>

The \$44.5 million dollars represents an increase in federal funds to the State of Alaska Medicaid and AFDC programs. This estimation is based on the state FY 94 budget. If the proposed change to the FMAP calculation would pass and be effective for FY94, it would mean that federal participation for funding the Alaska Medicaid and AFDC programs would increase by the \$44.5 million, which would reduce the state portion of the Alaska Medicaid budget by \$30.9 million for FY 94 and reduce state expenditures for AFDC by \$13.6 million. That is, overall the state budget for the programs would not change, but the federal participation would increase, thereby decreasing the state GF expenditure.

This letter is to update you with additional information in support of the change we would like to propose to the Social Security Act regarding the Federal Medical Assistance Percentage (FMAP), the federal matching for Medicaid and other programs. At this time we would like to share with you the results of our continued research and other efforts to bring equity to the matching formula for the states of Alaska and Hawaii.

On December 12, 1991 Congress passed the Medicaid Voluntary Contribution and Provider Specific Tax Amendments of 1991. This law was enacted to establish new limitations on Federal Financial Participation (FFP) when states receive funds donated from providers and revenues generated by certain health care related taxes. This legislation was conceived in response to financing methods developed in some states as a method of shifting the burden of Medicaid financing to increase Federal participation, a practice labeled as "a financing scam" and "sleight of hand" by OMB Director, Richard Darman.

Currently there are at least 29 states operating 34 different provider tax or donation programs which cost the federal government \$6.8 billion in FY 92. The George Washington University publication "State Health Notes" begins its June 29 issue with the headlines "Illinois Explores New Provider Tax; Other States May Follow". The lead article states that Illinois Governor Jim Egan has decided to press the issue with the new provider tax legislation by modifying the state's existing assessment program to protect an estimated \$735 million in federal matching funds. This exemplifies the magnitude of and tenacity for these programs which are designed to draw Medicaid money from the federal government to subsidize state Medicaid expenditures.

In spite of HCFA's best efforts to demolish this type of federal underwriting of Medicaid, the legislation which Congress finally enacted has been less effective than was hoped for by that agency. Future costs associated with this method of burden-shifting are shown in the current Federal Medicaid baseline spending projections. The following table shows amounts included in the fiscal year 1993 Federal Medicaid budget associated with State tax and donation programs. These projections which were derived from estimates provided by states show projected federal medicaid spending associated with these programs (in billions of dollars)

FY93	11.3
FY94	14.4
FY95	18.0
FY96	22.00

The States of Alaska and Hawaii however, have never used a provider tax "scam" or collected provider donations to "creatively" fund our Medicaid programs. Medicaid in Alaska

has always been paid for with 50% FFP and 50% State general funds void of any contrived funding mechanism. At this time we still are not initiating a device to finance our Medicaid program through the use of "artificial" provider taxes or donations. All we are seeking is to have our programs funded in terms of dollars that recognize our true costs in these unique settings.

CONSIDERATIONS FOR EQUITY

COST OF LIVING

Alaska is unfairly disadvantaged by the current statutory formula. Alaska's current federal matching rate is 50%, a result of the fact that the Alaska per capita income looks very high in comparison to the per capita incomes of the lower 48 states. However, a simple comparison of per capita incomes fails to take into account the dramatically higher cost of living in Alaska and the even more egregious cost of health care in the state. According to the most recent OPM survey data, residents of Juneau experience a cost of living that exceeds the national standard by more than 32%. The cost of living is even higher in more remote Alaska locations.

These data are confirmed in a study by the American Chamber of Commerce Research Association (ACCRA). Quarterly the association produces the ACCRA Cost of Living Index to provide a reasonably accurate measure of living cost differences among urban areas. The four Alaska communities included in this index all registered current living costs at more than 30% above the average for all participating areas. The Composite Index score for Anchorage was 131%, Fairbanks--130%, Juneau--133%, and Kodiak--146%.

The attached chart displays the ACCRA cost of living data for 34 representative communities when sorted by Health Care Cost standing. The cost of health care in Alaska far exceeds that of any other state. The health care segment of the ACCRA unadjusted composite index reveals the index for Alaska as: Anchorage--179%, Fairbanks--190%, Juneau--182% and Kodiak--171% of the national average.

The ACCRA index reflects cost differentials for a midmanagement standard of living. This standard is set by a weighting structure in which home ownership costs are more heavily weighted than they would be if the index were designed to reflect the average costs for all urban consumers. The remaining charts demonstrate the change in the ranking status of urban areas where the index is recalculated based on a consumer package more in line with a Medicaid eligible's spending ability. That is to say, the mortgage cost has been removed from the calculation. These charts are prepared from ACCRA data for a representative selection of 34 communities: big-small; urban-rural; and nationwide.

When the cost of the mortgage is removed from the composite figure the two Alaska communities included in the 34 immediately come to the top of the list with an even more

substantial gap between Alaska and the other states regarding consumer prices. (Kodiak is now at 141% and Anchorage at 127% with the next two communities, Washington D.C. and Los Angeles, at nearly 10 and 15 percentage points less than Anchorage in living costs.) This large gap demonstrates that Federal match for Medicaid cannot buy services in Alaska comparable to the lower 48 states.

The principals of benefit adequacy and horizontal equity support cost of living differentials in program funding. A health care program receiving federal funding should provide horizontal equity which means adequate and equal treatment of people in similar circumstances. Uniform benefits seemingly would provide horizontal equity in dollar terms. However, if the cost of living varies substantially, the purchasing power of a given amount of money is higher in areas with lower living costs, and the amount of services purchased in one location would not be affordable in another location with a higher cost of living. Financial adjustment to reflect cost of living differences would equalize the real purchasing power of the programs and produce equal treatment for the Alaska Medicaid population.

PROGRAM ELIGIBILITY AND COSTS

Medicaid in Alaska has several program areas where coverage is based on federal poverty levels as a guiding criteria. These programs probably account for at least half of the Medicaid eligible population and an even greater percentage of people actually served under Medicaid. The poverty level is established for the 48 states by family size; guidelines are updated annually from the Department of Health and Human Services.

As prescribed by Federal regulations, the poverty levels for Alaska are set at 125% of poverty in the 48 states, and poverty levels in Hawaii are 115% of US poverty. The Federal Register states this adjustment simply and clearly, "In view of substantially higher costs of living in Alaska and Hawaii, the OEO Income Poverty Guidelines for determining program eligibility in Alaska will be 25% higher, and in Hawaii 15% higher, than the national guidelines."

Federal financial participation for the Medicaid program is based on the Federal Medical Assistance Percentage (FMAP) which is calculated according to a formula based on per capita income in the state in direct relation to the per capita income of the United States. This formula is defined in the Social Security Act under section 1101(a)(8)(B) and section 1905(b). It is to this formula that we hope to add very simple language which will reflect consideration for our documented higher living costs and higher medical care costs in the states of Alaska and Hawaii only.

The methodology used by the federal government to determine the FMAP available to Alaska and Hawaii for the Medicaid program truly produces inequity and diminishes our two states' abilities to purchase care for our Medicaid populations. Amending the Social Security Act to correct this inequity would have increased the federal match by approximately

\$40,000,000 in SFY 93 in Alaska and \$54,000,000 in Hawaii for both the medically indigent people and the health care industry. While significant for these two states, this is an increase of less than 0.2% in federal matching for Medicaid program expenditures. By adjusting the FMAP formula it provides the federal government the opportunity to recognize the true value of per capita income in the financing side of Medicaid for Alaska and Hawaii as it already recognizes our higher living costs in determining who and how many are eligible for program benefits, and still have no impact on the FMAP of other states.

The following is a copy of the language proposed to amend the FMAP formula in a way which will provide relief from the horizontal inequity experienced in the states of Alaska and Hawaii in relationship to our burden of providing higher cost medical care for an expanded Medicaid eligible population. Please contact Kim Busch, Director of Medical Assistance in the Department of Health and Social Services, at 465-3355 for more information regarding the FMAP formula and the proposed amendment to the Social Security Act.

Proposed Amendment to the Social Security Act

Section 1905(b) of the Social Security Act [42 U.S.C. § 1396d(b)] shall be amended to read as follows:

The term "Federal medical assistance percentage" for any State shall be 100 per centum less the State percentage; and the State percentage shall be that percentage which bears the same ratio to the 45 per centum as the square of the per capita income of such State bears to the square of the per capita income of the continental United States (including Alaska) and Hawaii; except that (1) for Alaska and Hawaii, the State percentage shall be that percentage which bears the same ratio to 45 per centum as the square of the adjusted per capita income of such State bears to the square of the per capita income of the 50 states; (2) the Federal medical assistance percentage shall in no case be less than 50 per centum or more than 83 per centum; and (3) the Federal medical assistance percentage for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa shall be 50 per centum. "Adjusted per capita income" for Alaska shall be determined by dividing the state three year average per capita income by 1.25, and for Hawaii by dividing the state three year average per capita income by 1.15. The Federal medical assistance percentage for any State shall be determined and promulgated in accordance with the provisions of section 1101(a)(8)(B) of this title. Notwithstanding the first sentence of this section, the Federal medical assistance percentage shall be 100 per centum with respect to amounts expended as medical assistance for services which are received through an Indian Health Service facility whether operated by the Indian Health Service or by an Indian tribe or tribal organization (as defined in section 1603 of Title 25).

COST OF LIVING ANALYSIS
COL SORT by HEALTH CARE COST STANDING

	Location	Health Care 5%	Composite 100%	Grocery 13%	Housing 28%	Utility 9%	Trans. 10%	Misc 35%
1	Anchorage, AK	178.5	131.0	132.1	141.1	98.5	106.9	131.1
2	Kodiak, AK	171.4	145.7	160.6	156.8	172.8	112.2	130.2
3	Washington, DC	142.2	134.4	118.6	175.8	113.7	130.4	112.4
4	Los Angeles, CA	136.5	132.6	107.7	185.3	80.0	119.6	116.4
5	Springfield, MA	110.4	118.7	109.9	135.8	134.9	111.2	108.3
6	Phoenix, AZ	117.0	100.5	100.0	92.6	100.1	106.8	102.9
7	Klamath Falls, OR	112.6	93.1	86.5	89.6	75.6	105.0	93.0
8	Albany, NY	112.5	114.2	110.8	119.8	128.2	104.4	110.3
9	Pittsburg, PA	111.0	107.3	103.4	97.5	149.7	107.8	104.9
10	Visalia, CA	110.1	114.9	107.8	128.9	118.8	106.5	108.4
11	Dallas, TX	107.3	99.1	100.8	93.1	116.0	103.2	96.5
12	Vermillion, SD	106.7	98.4	100.0	88.8	102.7	90.0	100.0
13	Midland, MI	104.8	109.2	106.0	124.6	87.5	100.1	106.9
14	Charleston, SC	103.5	99.4	93.7	96.7	99.2	90.2	105.9
15	Santa Fe, NM	103.3	107.3	98.2	133.4	84.9	102.3	97.7
16	Gainesville, FL	102.4	101.7	95.9	107.0	82.5	107.7	102.7
17	Springfield IL	102.4	97.8	103.0	92.7	90.6	101.2	100.3
18	Carlsbad, NM	102.3	88.7	102.5	73.8	66.8	106.0	94.1
19	Milwaukee, WI	101.2	104.9	89.5	124.0	95.5	102.1	95.3
20	Sioux Falls, SD	99.4	92.2	97.1	88.7	84.5	99.7	91.9
21	Cincinnati, OH	98.7	106.7	102.7	112.6	94.2	102.6	109.1
22	Cheyenne, WY	97.8	99.2	106.3	95.1	81.1	103.8	103.5
23	Bloomington, IL	96.7	102.7	98.1	98.0	130.1	101.5	102.3
24	Pueblo, CO	96.4	86.0	97.1	73.3	78.6	83.2	93.2
25	Memphis, TN	96.3	94.7	100.0	82.9	89.8	101.5	101.4
26	Tulsa, OK	94.7	88.5	98.3	72.7	90.6	91.4	95.3
27	Macon, GA	94.3	100.1	96.7	94.2	106.6	95.6	106.6
28	Baton Rouge, LA	93.8	97.7	100.5	84.8	117.9	100.7	101.6
29	Birmingham, AL	93.5	99.2	96.2	94.8	121.4	98.7	99.2
30	Bellingham, WA	90.3	93.5	84.3	92.1	84.8	91.0	97.7
31	Lubbock, TX	87.6	94.0	99.3	86.3	83.9	87.3	100.9
32	Louisville, KY	85.2	92.1	88.2	89.2	79.7	92.9	99.7
33	Fort Wayne, IN	83.7	90.6	94.2	89.8	98.3	98.6	86.6
34	Fayetteville, AR	74.9	87.9	94.2	76.4	86.6	95.6	94.8

Prepared using data from the ACCRA COST OF LIVING INDEX, First Quarter 1992 for a representative selection of 34 communities.
 The index reflects cost differentials for a midmanagement (\$32,000/yr.) standard of living.

COST OF LIVING ANALYSIS
COL SORT by COMPOSITE STANDING

	<i>Location</i>	<i>Composite</i> 100%	<i>Grocery</i> 13%	<i>Housing</i> 28%	<i>Utility</i> 9%	<i>Trans.</i> 10%	<i>Health Care</i> 5%	<i>Misc</i> 35%
1	Kodiak, AK	145.7	160.8	156.8	172.8	112.2	171.4	130.2
2	Washington, DC	134.4	118.6	175.8	113.7	130.4	142.2	112.4
3	Los Angeles, CA	132.8	107.7	165.3	80.0	118.8	136.5	116.4
4	Anchorage, AK	131.0	132.1	141.1	88.5	108.9	178.5	131.1
5	Springfield, MA	118.7	109.9	135.8	134.9	111.2	118.4	108.3
6	Visalia, CA	114.9	107.8	128.8	118.8	106.5	110.1	108.4
7	Albany, NY	114.2	110.8	119.8	128.2	104.4	112.5	110.3
8	Midland, MI	109.2	106.0	124.8	87.5	100.1	104.8	106.9
9	Pittsburg, PA	107.3	103.4	87.5	149.7	107.8	111.0	104.8
10	Santa Fe, NM	107.3	98.2	133.4	84.9	102.3	103.3	97.7
11	Cincinnati, OH	106.7	102.7	112.6	84.2	102.8	98.7	109.1
12	Milwaukee, WI	104.9	99.6	124.0	95.5	102.1	101.2	85.3
13	Bloomington, IL	102.7	98.1	88.0	130.1	101.5	96.7	102.3
14	Gainesville, FL	101.7	95.9	107.0	82.6	107.7	102.4	102.7
15	Phoenix, AZ	100.5	100.0	92.8	100.1	106.8	117.0	102.9
16	Macon, GA	100.1	96.7	94.2	108.8	85.8	84.3	108.6
17	Charleston, SC	99.4	88.7	88.7	89.2	80.2	103.5	105.9
18	Birmingham, AL	99.2	86.2	94.8	121.1	98.7	93.5	99.2
19	Cheyenne, WY	99.2	108.3	95.1	81.1	103.8	87.8	103.5
20	Dallas, TX	99.1	100.8	93.1	118.0	103.2	107.3	96.5
21	Springfield IL	97.8	103.0	82.7	90.6	101.2	102.4	100.3
22	Baton Rouge, LA	97.7	100.5	84.8	117.9	100.7	93.8	101.8
23	Vermilion, SD	96.4	100.0	88.8	102.7	90.0	106.7	100.0
24	Memphis, TN	94.7	100.0	82.9	89.8	101.5	96.3	101.4
25	Lubbock, TX	94.0	89.3	88.3	83.8	87.8	87.5	100.9
26	Bellingham, WA	83.5	84.3	92.1	84.8	81.0	80.3	97.7
27	Klamath Falls, OR	83.1	86.5	88.8	75.8	105.0	112.6	93.0
28	Sioux Falls, SD	82.2	87.1	88.7	84.5	89.7	89.4	81.8
29	Louisville, KY	82.1	88.2	89.2	79.7	82.8	85.2	89.7
30	Fort Wayne, IN	80.6	84.2	89.8	98.3	98.6	83.7	86.6
31	Carlsbad, NM	88.7	102.5	73.6	66.8	108.0	102.3	94.1
32	Tulsa, OK	88.5	95.3	72.7	90.6	91.4	94.7	85.3
33	Fayetteville, AR	87.9	94.2	76.4	88.8	95.8	74.8	94.8
34	Pueblo, CO	88.0	97.1	73.3	78.5	83.2	96.4	93.2

Based on data from the ACCRA COST OF LIVING INDEX, First Quarter 1992
for a representative selection of 34 communities.
The Index reflects cost differentials for a midmanagement standard of living.

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COST OF LIVING ANALYSIS
COL SORT by HOUSING

	<i>Location</i>	<i>Composite</i> 100%	<i>Grocery</i> 13%	<i>Housing</i> 28%	<i>Utility</i> 9%	<i>Trans.</i> 10%	<i>Health Care</i> 5%	<i>Misc</i> 35%
1	Los Angeles, CA	132.8	187.7	185.3	80.0	118.8	136.5	116.4
2	Washington, DC	134.4	118.6	175.6	113.7	130.4	142.2	112.4
3	Kodiak, AK	145.7	180.9	156.0	172.8	112.2	171.4	130.2
4	Anchorage, AK	131.0	132.1	141.1	98.5	106.9	178.5	131.1
6	Springfield, MA	118.7	108.9	135.8	134.9	111.2	118.4	106.3
8	Santa Fe, NM	107.3	88.2	133.4	84.9	102.3	103.3	97.7
7	Visalia, CA	114.9	107.8	128.9	118.8	106.5	110.1	108.4
8	Midland, MI	109.2	108.0	124.8	87.5	100.1	104.8	108.8
9	Milwaukee, WI	104.9	99.5	124.0	95.5	102.1	101.2	95.3
10	Albany, NY	114.2	110.8	118.8	128.2	104.4	112.5	110.3
11	Cincinnati, OH	128.7	102.7	112.6	94.2	102.5	98.7	109.1
12	Gainesville, FL	101.7	95.9	107.0	82.5	107.7	102.4	102.7
13	Bloomington, IL	102.7	88.1	98.0	130.1	101.5	86.7	102.3
14	Pittsburg, PA	107.3	103.4	97.5	149.7	107.8	111.0	104.9
15	Charleston, SC	98.4	93.7	96.7	99.2	90.2	103.5	105.9
16	Cheyenne, WY	98.2	108.3	95.1	81.1	103.6	97.8	103.5
17	Birmingham, AL	98.2	98.2	94.8	121.4	88.7	93.6	83.2
18	Macon, GA	100.1	98.7	94.2	108.8	85.8	94.3	108.8
19	Dallas, TX	99.1	100.8	83.1	116.0	103.2	107.3	98.5
20	Springfield IL	97.8	103.0	92.7	80.8	101.2	102.4	100.3
21	Phoenix, AZ	100.5	100.0	92.8	100.1	106.8	117.0	102.9
22	Bellingham, WA	93.5	94.3	92.1	84.8	91.0	90.3	87.7
23	Fort Wayne, IN	90.8	94.2	89.8	88.3	88.6	83.7	88.6
24	Klamath Falls, OR	93.1	98.5	89.8	75.8	105.0	112.8	89.0
26	Louisville, KY	92.1	88.2	89.2	79.7	92.9	85.2	99.7
28	Vernon, SD	98.4	100.0	88.8	102.7	90.0	108.7	100.0
27	Sioux Falls, SD	92.2	97.1	88.7	84.5	99.7	99.4	81.9
28	Lubbock, TX	94.0	99.3	86.3	83.9	97.3	87.5	100.8
29	Baton Rouge, LA	97.7	100.5	84.8	117.9	100.7	93.8	101.8
30	Memphis, TN	94.7	100.0	82.9	89.8	101.5	96.3	101.4
31	Fayetteville, AR	87.8	94.2	76.4	88.8	95.6	74.9	94.8
32	Carlsbad, NM	88.7	102.5	73.8	66.8	108.0	102.3	94.1
33	Pueblo, CO	88.0	97.1	73.3	78.5	83.2	96.4	93.2
34	Tulsa, OK	88.5	98.3	72.7	80.6	91.4	94.7	95.3

Based on data from the ACCRA COST OF LIVING INDEX, First Quarter 1982
for a representative selection of 34 communities.
The index reflects cost differentials for a midmanagement standard of living.

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COST OF LIVING ANALYSIS
COL SORT by COMPOSITE STANDING
COMPARISON OF LIVING COSTS WITH and WITHOUT MORTGAGE PAYEMNTS

	Location	With Mortgage Composite	Without Mortgage Composite 100%	Grocery 18%	Utility 13%	Trans. 14%	Health Care 7%	Misc 48%
1	Kodiak, AK	145.7	141.0	180.8	172.8	112.2	171.4	130.2
2	Anchorage, AK	131.0	128.7	132.1	98.5	106.9	178.5	131.1
3	Washington, DC	134.4	117.9	118.8	118.7	130.4	142.2	112.4
4	Los Angeles, CA	132.8	111.8	107.7	80.0	119.6	136.8	116.4
5	Springfield, MA	118.7	111.7	109.9	134.9	111.2	118.4	106.3
6	Albany, NY	114.2	111.6	110.8	128.2	104.4	112.5	110.3
7	Pittsburg, PA	107.3	110.7	103.4	149.7	107.8	111.0	104.9
8	Visalia, CA	114.9	109.1	107.8	118.8	106.5	110.1	108.4
9	Bloomington, IL	102.7	104.2	98.1	130.1	101.5	88.7	102.3
10	Cincinnati, OH	102.7	104.1	102.7	84.2	102.8	88.7	109.1
11	Phoenix, AZ	100.5	103.2	100.0	100.1	108.8	117.0	102.9
12	Midland, MI	109.2	102.8	106.0	87.5	100.1	104.8	108.9
13	Baton Rouge, LA	97.7	102.5	100.5	117.9	100.7	93.8	101.6
14	Macon, GA	100.1	102.1	98.7	108.6	95.6	84.3	108.8
15	Dallas, TX	98.1	101.1	100.8	118.0	103.2	107.3	96.5
16	Birmingham, AL	99.2	100.7	98.2	121.4	98.7	83.5	99.2
17	Cheyenne, WY	98.2	100.5	108.3	81.1	103.8	87.8	103.5
18	Charleston, SC	99.4	100.2	83.7	99.2	90.2	103.5	105.9
19	Springfield IL	97.8	99.5	103.0	90.6	101.2	102.4	100.3
20	Gainesville, FL	101.7	99.8	85.9	82.5	107.7	102.4	102.7
21	Vermillion, SD	96.4	99.1	100.0	102.7	80.0	106.7	100.0
22	Memphis, TN	84.7	99.0	100.0	89.8	101.5	96.3	101.4
23	Milwaukee, WI	104.9	97.1	99.5	95.5	102.1	101.2	95.3
24	Santa Fe, NM	107.3	98.9	98.2	84.9	102.3	103.3	87.7
25	Lubbock, TX	94.0	98.7	99.3	83.9	97.3	87.5	100.9
26	Tulsa, OK	88.5	84.4	98.3	90.6	91.4	84.7	85.3
27	Klamath Falls, OR	93.1	94.2	98.5	75.6	105.0	112.6	93.0
28	Carlsbad, NM	88.7	94.1	102.5	68.8	106.0	102.3	84.1
29	Bellingham, WA	83.5	93.7	84.3	84.8	91.0	90.3	87.7
30	Sioux Falls, SD	92.2	83.2	97.1	84.5	99.7	89.4	91.9
31	Louisville, KY	82.1	92.9	88.2	79.7	92.9	85.2	90.7
32	Fayetteville, AR	87.9	92.1	84.2	86.8	95.8	74.9	94.8
33	Fort Wayne, IN	90.8	90.8	84.2	98.3	98.8	83.7	88.8
34	Pueblo, CO	86.0	90.6	87.1	78.5	83.2	98.4	93.2

Prepared using data from the ACCRA COST OF LIVING INDEX, First Quarter 1992
for a representative selection of 84 communities nationwide.
WOH-SORT 1143

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COST OF LIVING ANALYSIS
COL SORT by COMPOSITE STANDING

COMPARISON OF LIVING COSTS WITH and WITHOUT MORTGAGE
PAYMENTS

OBSERVATIONS - How the Housing Cost Factor skews the composite index.

When mortgage payment is removed from the composite cost of living determination, the variance or range of difference between highest and lowest is reduced by 9.4 percentage points.

Prioritizing the communities based on the composite number w/ mortgage, there are 12 cities in the range of 100% ± 5.0%.

Prioritizing the communities based on the composite number without mortgage, there are 17 cities, or one-half the population, in the range of 100% ± 5.0%.

The cost of a mortgage is 28% of the composite figure when it is included; this is more than twice the weight of any other single factor accumulated. (Groceries are next high at 13%.)

The range in the mortgage factor is from 185.3 in Los Angeles and 175.8 in Washington DC to 72.7 in Tulsa. This is a difference of 112.6 percentage points.

The one overriding assumption in all these numbers is: this Index reflects cost differentials for a midmanagement standard of living; a family of four with income at \$32,000 annually. } *

The possibility of these AFDC and Medicaid recipients paying a mortgage for housing at this income level is unrealistic. For this reason the mortgage payment was dropped from the COL calculations.

Furthermore, there are several programs which subsidize housing expenses for the poverty and near-poverty income levels, thereby rendering any comparison of housing costs ineffective at this income level.