

**HB**

**153**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 11, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/21/97

The FINANCE Committee considered:

HB 153

HOUSE BILL NO. 153

ALIENS AND ASSISTANCE PROGRAMS

"An Act relating to the eligibility of aliens for state public assistance and medical assistance programs affected by federal welfare reform legislation; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 153 (FIN)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Depts) APPROVES PREVIOUS: (Depts/Date)

fiscal note(s) \_\_\_\_\_ 3  fiscal note(s) DHSS 2/24/97

zero fiscal note(s) \_\_\_\_\_ 2  zero fiscal note(s) DHSS 2/24/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Care Therriault</i>	Therriault	X			
<i>Mark Hanley</i>	Hanley	X			
<i>Y. Kelly</i>	Kelly	✓			
<i>Colin Muder</i>	MUDER	X			
<i>Christine Kohring</i>	Kohring	X			
<i>John J. Davies</i>	J. Davies	X			
<i>Ben Grussendorf</i>	Grussendorf	X			
<i>Paul Moses</i>	Moses	X			
<i>John G. Davis</i>	G. Davis	X			
<i>John Foster</i>	FOSTER	X			

CO-CHAIR'S SIGNATURE

*Care Therriault* *Mark Hanley*  
 Therriault Hanley

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

FISCAL YEAR

Bill Version: HB 153  
(H) Publish Date: 2/24/97

Revision Date: \_\_\_\_\_  
Title: An Act relating to the eligibility of aliens for state public assistance and medical assistance programs  
Sponsor: Rules Committee  
Requestor: GOVERNOR

Dept. Affected: Health and Social Services  
BRU: Public Assistance  
Component: PFD Hold Harmless  
COMPONENT SERIAL NO. 225  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(37.3)	(69.2)	(96.2)	(119.0)	(138.4)	(138.4)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(37.3)</b>	<b>(69.2)</b>	<b>(96.2)</b>	<b>(119.0)</b>	<b>(138.4)</b>	<b>(138.4)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY98	FY99	FY00	FY01	FY02	FY03
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1050 PFD Funds	(37.3)	(69.2)	(96.2)	(119.0)	(138.4)	(138.4)
<b>TOTAL</b>	<b>(37.3)</b>	<b>(69.2)</b>	<b>(96.2)</b>	<b>(119.0)</b>	<b>(138.4)</b>	<b>(138.4)</b>

POSITIONS:

POSITIONS	FY98	FY99	FY00	FY01	FY02	FY03
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

PFD Hold Harmless payments replace ATAP benefits when receiving the dividend causes individuals to lose eligibility or have benefits reduced. The savings to the ATAP program provided for in this bill reduce costs in the ATAP component of the Public Assistance BRU. PFD Hold Harmless costs or ATAP benefits will decrease in direct proportion to the decreases produced by reductions in ATAP expenditures for each fiscal year.

Prepared by: Jim Nordlund, Director Phone: 469-2680  
Division: Public Assistance Date: 02/03/97  
Approved by Commissioner: Karen Perdue, Commissioner Date: 2/5/97  
Agency: Department of Health & Social Services

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**ANALYSIS (cont.):****Assumptions:**

Legislation implemented July 1, 1997

PFD Hold Harmless costs for ATAP benefits will decrease in direct proportion to the decreases produced by this legislation.

**Calculations:**

FY 97	\$0.0
FY 98	(\$37.3)
FY99	(\$69.2)
FY00	(\$96.2)
FY01	(\$119.0)
FY02	(\$138.4)
FY03	(\$138.4)

FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

No. 4  
Bill Version: HB 153  
(H) Publish Date: 2/24/97

Revision Date: \_\_\_\_\_  
Title: An Act relating to the eligibility of aliens for state public assistance and medical assistance programs  
Sponsor: Rules Committee  
Requestor: Governor

Dept. Affected: Health and Social Services  
BRU: Public Assistance  
Component: Adult Public Assistance  
COMPONENT SERIAL NO. 222  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(158.0)	(304.2)	(444.6)	(577.2)	(705.9)	(705.9)
MISCELLANEOUS						
TOTAL OPERATING	(158.0)	(304.2)	(444.6)	(577.2)	(705.9)	(705.9)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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FUND SOURCE

(Thousands of Dollars)

002 Federal Receipts						
003 GF Match						
004 GF	(158.0)	(304.2)	(444.6)	(577.2)	(705.9)	(705.9)
005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1007 I/A Receipts						
TOTAL	(158.0)	(304.2)	(444.6)	(577.2)	(705.9)	(705.9)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

This legislation provides that most legal immigrants who arrived in the U.S. before August 22, 1996 will remain eligible for Adult Public Assistance (APA) benefits. This legislation prohibits APA benefits to most legal immigrants who arrive on or after August 22, 1996 for five years from their date of arrival into the U.S. The program savings generated by this legislation represent caseload decreases due to attrition. These caseload decreases are not offset by newly eligible immigrants because most new immigrants are barred from program participation for five years after their date of entry.

Prepared by: Jim Nordlund, Director Phone: 465-2680  
 Division: Public Assistance Date: 02/03/97  
 Approved by Commissioner: Karen Perdue, Commissioner Date: 2/5/97  
 Agency: Department of Health & Social Services

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**ANALYSIS (cont.):****Assumptions:**

Legislation implemented July 1, 1997

Caseload will decrease each year from FY98 to FY02 by 5 percent due to normal attrition.

Caseload remains constant after FY02 due to new immigrants becoming eligible after the five year bar.

**Calculations:**

Fiscal Year	# Persons Affected	Annual Savings
FY97	0	\$0.0
FY98	40	(\$156.0)
FY99	78	(\$304.2)
FY00	114	(\$444.6)
FY01	148	(\$577.2)
FY02	181	(\$705.9)
FY03	181	(\$705.9)

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

Bill Version: HB 153  
(H) Publish Date: 2/24/97

Revision Date: \_\_\_\_\_  
Title: An Act relating to eligibility of aliens for state public assistance and medical assistance programs  
Sponsor: Rules Committee  
Requestor: Governor

Dept. Affected: Health and Social Services  
BRU: Public Assistance  
Component: ATAP  
COMPONENT SERIAL NO. 220  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(405.9)	(752.4)	(1,046.1)	(1,293.8)	(1,504.8)	(1,504.8)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(405.9)</b>	<b>(752.4)</b>	<b>(1,046.1)</b>	<b>(1,293.8)</b>	<b>(1,504.8)</b>	<b>(1,504.8)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(368.8)	(683.2)	(949.9)	(1,174.6)	(1,366.4)	(1,366.4)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1007 I/A Receipts	(37.3)	(69.2)	(96.2)	(119.0)	(138.4)	(138.4)
<b>TOTAL</b>	<b>(405.9)</b>	<b>(752.4)</b>	<b>(1,046.1)</b>	<b>(1,293.8)</b>	<b>(1,504.8)</b>	<b>(1,504.8)</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

**ANALYSIS:** (Attach a separate page if necessary)

This legislation provides that most legal immigrants who arrived in the U.S. before August 22, 1996 will remain eligible for Alaska Temporary Assistance (ATAP) benefits. This legislation prohibits ATAP benefits to most legal immigrants who arrive on or after August 22, 1996 for five years from their date of arrival into the U.S. The program savings generated by this legislation represent caseload decreases due to attrition. These caseload decreases are not offset by newly eligible immigrants because most new immigrants are barred from program participation for five years after their date of entry.

Prepared by: Jim Nordlund, Director Phone: 465-2680  
Division: Public Assistance Date: 02/03/97  
Approved by Commissioner: Karen Perdue, Commissioner Date: 2/5/97  
Agency: Department of Health & Social Services

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**ANALYSIS (cont.):****Assumptions:**

Legislation implemented July 1, 1997

Caseload will decrease each year from FY98 to FY02 by 15 percent due to normal attrition.

Caseload remains constant after FY02 due to new immigrants becoming eligible after the five-year bar.

**Calculations:**

Fiscal Year	# Persons Affected	Annual Savings
FY97	0	\$0.0
FY98	123	(\$405.9)
FY99	228	(\$752.4)
FY00	317	(\$1,048.1)
FY01	392	(\$1,293.6)
FY02	438	(\$1,504.8)
FY03	456	(\$1,504.8)

**FISCAL NOTE**

**STATE OF ALASKA  
1997 LEGISLATIVE SESSION**

Bill Version: HB 153  
(H) Publish Date: 2/24/97

Revision Date: \_\_\_\_\_  
Title: An Act relating to the eligibility of aliens for state public assistance and medical assistance programs affected by federal welfare ...  
Sponsor: Rules Committee  
Requestor: Governor

Dept. Affected: Health and Social Services  
BRU: Medical Assistance  
Component: Medicaid Non-Facility  
COMPONENT SERIAL NO. 229  
See also (SN#): 230

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: 10.0

**ANALYSIS:** (Attach a separate page if necessary)

Historically, Medicaid covered legal resident aliens who met all other Medicaid eligibility criteria. As a result of federal welfare reform, Alaska Medicaid cannot continue to cover most aliens without this legislation. Even with legislation, most aliens who arrive in the country after August 22, 1996 are ineligible for Medicaid for their first five years in the U.S. This bill provides the Alaska program with the authority to continue Medicaid coverage for qualified legal aliens who are not subject to the five-year bar. Funding for the coverage of these aliens is already included in the Medicaid budget. Therefore, there is no net cost to continuing this coverage.

Failure to extend Medicaid coverage for aliens would result in a loss of Medicaid eligibility for some aliens. However, aliens who do not qualify for full Medicaid coverage are eligible for Medicaid coverage of emergency medical treatment. In addition, aliens needing non-emergency hospitalization, nursing home services, or prescription drugs for certain chronic conditions may be eligible for the General Relief Medical program. See the following page for additional information about the impacts of not passing this legislation.

Prepared by: Jon Sherwood  
Division: Division of Medical Assistance

Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-3355  
Date: 02/03/97

Date: 2/5/97

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**ANALYSIS (cont.):**

In FY 96, the Alaska Medicaid program spend almost \$5.2 million providing Medicaid services to aliens; one-half of that amount was state General Funds. The Division of Medical Assistance estimates that one-quarter of those aliens age 65 and over and 15 percent of aliens under age 65 fall into an immigration status that federal law requires states to cover.

In addition, the Division estimates that for the remaining aliens, one-half of all hospital and transportation services and 10 percent of all physician services received would still be provided under Medicaid coverage of emergency medical treatment for aliens.

Furthermore, some aliens would be eligible for coverage of inpatient hospital, nursing facility services, physician services, transportation services, and prescription drugs for certain chronic conditions under the General Relief Medical program. The Division estimates that one half of these services not covered under Medicaid emergency medical treatment would be covered under GRM. Hospital and nursing facility services are reimbursed at 28 percent of Medicaid rates. Other GRM services are reimbursed at 100 percent of Medicaid rates.

Eliminating Medicaid coverage of qualified aliens would result an annual change to the Medicaid and GRM program shown below. Because of the administrative timeframes in terminating Medicaid coverage, the Division estimates that the impact in FY 98 would be one-half the amount shown below.

**Discontinuing Medicaid Coverage of Qualified Aliens**  
(thousands of dollars)

	<u>Total Funds</u>	<u>General Funds</u>
FY 96 Medicaid - Aliens	\$ 5,171.3	\$ 2,585.7
Mandatory Coverage - Aliens	\$ 972.6	\$ 486.3
Emergency Coverage - Aliens	<u>\$ 637.5</u>	<u>\$ 418.8</u>
Net Savings to Medicaid	\$ 3,361.2	\$ 1,680.6
Cost Shift to GRM	<u>\$ 921.9</u>	<u>\$ 921.9</u>
Annual Reduction in Spending	<u>\$ 2,439.3</u>	<u>\$ 758.7</u>
First Year Reduction (one-half year)	\$ 1,219.7	\$ 379.4

Note: Federal welfare reform legislation prevents most newly arrived immigrants from receiving Medicaid for their first five years in the country. As a result, Medicaid should experience a small caseload decline and, adjusting for a shift in expenditures to emergency medical services and GRM, some modest savings. This savings is not shown in this fiscal note as it will occur with or without this legislation.

# STATE OF ALASKA

**DEPT. OF HEALTH AND SOCIAL SERVICES**

*OFFICE OF THE COMMISSIONER*

**TONY KNOWLES, GOVERNOR**

P.O. BOX 110601  
JUNEAU, ALASKA 99811-0601  
PHONE: (907) 465-3030  
FAX: (907) 465-3068

April 14, 1997

Honorable Gene Therriault  
Co-Chairman  
House Finance Committee  
Alaska State House of Representatives  
State Capitol  
Juneau, AK 99801-1182

Dear Representative Therriault,

The Department of Health and Social Services respectfully requests a hearing in the House Finance Committee on HB 153, "An Act relating to the eligibility of aliens for state public assistance and medical assistance programs affected by federal welfare reform legislation; and providing for an effective date."

House Bill 153 moved from the House Health, Education and Social Services Committee this past week.

The state welfare reform legislation enacted last session was silent on the issue of eligibility of legal immigrants for public assistance and Medicaid. This legislation is necessary to clarify the state's policies in this regard in light of the new federal legislation.

The bill provides for continued eligibility for legal immigrants who were in the country prior to the August, 1996 effective date of the federal legislation.

Your favorable consideration of this request will be most appreciated.

Sincerely,



Elmer A. Lindstrom  
Special Assistant to the Commissioner

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

P.O. BOX 110601  
JUNEAU, ALASKA 99811-0601  
PHONE: (907) 465 3030  
FAX: (907) 465-3068

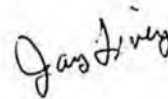
April 18, 1997

The Honorable Mark Hanley  
Alaska State House of Representatives  
Room 507 Capitol Building  
Juneau, Alaska 99801

Dear Representative Hanley;

The attached pages will provide you with some additional information concerning the effects of HB 153 and our analysis of the fiscal impact of this bills passing, or not passing, across all affected components. The net additional costs or savings is indicated for both General Fund and total funds.

Sincerely,



Jay Livey  
Deputy Commissioner

cc Annalee McConnell, OMB

## Introduction

HB 153 and SB102 propose changes to State law regarding the eligibility of legal immigrants for the Alaska Temporary Assistance Program, Medicaid, and the Adult Public Assistance program. These bills extend eligibility for these programs to all legal immigrants who were in the country as of August 22, 1996 (the date of passage of Federal Welfare Reform). Most legal immigrants arriving after August 22, 1996 would be barred from the programs for five years after their date of arrival. The following is an assessment of the impact if neither of these bills passes.

### Alaska Temporary Assistance Program (ATAP)

Approximately 820 legal immigrants currently qualify for ATAP benefits. If neither of these bills were to pass, legal immigrants would be eligible for ATAP regardless of their date of arrival as long as they continued to meet all other eligibility criteria. This is because eligibility criteria in statute for ATAP do not currently contain any exclusion for legal immigrants. However, because of changes in federal law, legal aliens arriving after August 22, 1996 are subject to a 5-year bar on federally funded assistance. These immigrants would, therefore, be paid with General Funds during their first five years in the country.

#### Assumptions:

- Each year, approximately 145 legal immigrants who arrive in the country will qualify for ATAP benefits and the number of immigrant recipients from previous years will decrease by 15 percent because of normal attrition. The net result of these factors and the anticipated effects of welfare reform will be zero net growth in the number legal immigrant cases over the period.
- The ratio of GF to Federal expenditures remains constant after FY02 because new immigrants become eligible after the five-year federal bar.

### Adult Public Assistance (APA)

Approximately 800 legal immigrants currently qualify for APA. If neither HB 153 nor SB 102 pass, legal immigrants will be eligible for APA benefits regardless of their date of arrival as long as they continue to meet all other eligibility criteria. This is because Alaska Statutes do not currently exclude legal immigrants from this program. APA is a general fund only program, so no costs shift to the state if HB 153 or SB 102 do not pass.

#### Assumption:

- Caseloads will increase by 5 percent each year.

### Medicaid and General Relief Medical

If neither HB 153 or SB 102 passes this session, the state would stop providing regular Medicaid coverage to most legal immigrants. Some legal immigrants would remain eligible for Medicaid because they fall into mandatory coverage groups, like veterans and refugees. All immigrants remain eligible for Medicaid payment for emergency medical treatment.

Some immigrants would also qualify for the state's General Relief Medical program which pays for a very limited range of intensive services for the very poorest Alaskans. Therefore, while failing to pass HB 153 or SB 102 would produce some savings to the Medicaid program, significant amounts of funds would still be spent on legal immigrants through the Medicaid and GRM programs. The majority of these funds would be spent on intensive acute care services.

#### Assumptions:

- The Division of Medical Assistance estimates that one-quarter of those aliens age 65 and over and 15 percent of aliens under age 65 fall into an immigration status that federal law requires states to cover.
- The Division estimates that for the remaining aliens, one-half of all hospital and transportation services and 10 percent of all physician services received would still be provided under Medicaid coverage for emergency medical treatment for aliens.
- Some aliens would be eligible for coverage of inpatient hospital, nursing facility services, physician services, transportation services, and prescription drugs for certain chronic conditions under the General Relief Medical program. The Division estimates that one half of these services that are not covered under Medicaid emergency medical treatment would be covered under GRM. Hospital and nursing facility services are reimbursed at 28 percent of Medicaid rates. Other GRM services are reimbursed at 100 percent of Medicaid rates.
- Due to the timing of termination of coverage for immigrants and the time lag in billings for services already provided, the impact to the FY 98 budget would be only 50 percent of the annual impact of these coverage changes.

Analysis of Costs/Savings with and without passage of HB 153 and/or SB 102

**General Funds**

(additional cost or savings calculated from FY98 Governor's Request)

	FY98	FY99	FY00	FY01	FY02	Net GF. . .
<b><u>With Bill</u></b>						
Adult Public Assistance	(156.0)	(304.2)	(446.6)	(577.2)	(705.9)	Savings
ATAP	(368.6)	(683.2)	(949.9)	(1,174.6)	(1,366.4)	Savings
Medicaid	-	-	-	-	-	N/A
<b>Net Effect</b>	<b>(524.6)</b>	<b>(987.4)</b>	<b>(1,396.5)</b>	<b>(1,751.8)</b>	<b>(2,072.3)</b>	<b>Savings</b>
<b><u>Without Bill</u></b>						
Adult Public Assistance	-	156.0	319.8	491.8	672.4	Cost
ATAP	203.0	376.2	523.1	646.8	752.4	Cost
Medicaid	(379.3)	(758.7)	(758.7)	(758.7)	(758.7)	Savings
<b>Net Effect</b>	<b>(176.3)</b>	<b>(226.5)</b>	<b>84.2</b>	<b>379.9</b>	<b>666.1</b>	<b>Cost after FY99</b>

Analysis of Costs/Savings with and without passage of HB 153 and/or SB 102

**Total Funds**

(additional cost or savings calculated from FY98 Governor's Request)

	FY98	FY99	FY00	FY01	FY02	Net GF. . .
<b><u>With Bill</u></b>						
Adult Public Assistance	(156.0)	(304.2)	(446.6)	(577.2)	(705.9)	Savings
ATAP	(405.9)	(752.4)	(1,046.1)	(1,293.6)	(1,504.8)	Savings
Medicaid	-	-	-	-	-	N/A
<b>Net Effect</b>	<b><u>(561.9)</u></b>	<b><u>(1,056.6)</u></b>	<b><u>(1,492.7)</u></b>	<b><u>(1,870.8)</u></b>	<b><u>(2,210.7)</u></b>	Savings
<b><u>Without Bill</u></b>						
Adult Public Assistance	-	156.0	319.8	491.8	672.4	Cost
ATAP	-	-	-	-	-	Cost
Medicaid	<u>(1,219.7)</u>	<u>(2,439.3)</u>	<u>(2,439.3)</u>	<u>(2,439.3)</u>	<u>(2,439.3)</u>	Savings
<b>Net Effect</b>	<b><u>(1,219.7)</u></b>	<b><u>(2,283.3)</u></b>	<b><u>(2,119.5)</u></b>	<b><u>(1,947.5)</u></b>	<b><u>(1,766.9)</u></b>	Cost after FY99

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 153

Page 1, line 7:

Delete "8 U.S.C. 1641(b)"

Insert "8 U.S.C. 1641"

Page 2, line 1:

Delete "8 U.S.C. 1641(b)"

Insert "8 U.S.C. 1641"

Page 2, line 7:

Delete "8 U.S.C. 1641(b)"

Insert "8 U.S.C. 1641"

The effect of this amendment is to include certain battered aliens as qualified aliens. The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 contained a provision that amended the "qualified alien" definition to include certain battered aliens by adding a new subsection, 8 U.S.C. 1641(c). This amendment will incorporate this additional provision and avoid inconsistencies with federal guidelines.

4 2029

## **Differences Between Legal Immigrants and the Definition of Qualified Aliens Under Public Law 104-193**

Regarding a definition for "legal immigrant", there are two issues to consider. The definition of a legal immigrant before the passage of P.L. 104-193, and the definition of a "qualified alien" under P.L. 104-193.

Prior to the passage of P.L. 104-193, an immigrant was considered eligible for state and federal welfare benefits if he met the definition of a legal immigrant. For this purpose, a "legal immigrant" included all immigrants lawfully admitted for permanent residence, and immigrants permanently residing under color of law (PRUCOL). Prucol aliens are considered legal permanent residents of the U.S even though they did not go through the process of applying for and being admitted for permanent residence. Prucol aliens are aliens living in the in the country with the knowledge and permission of the Immigration and Naturalization Service (INS) whose departure the INS does not contemplate enforcing.

For public assistance purposes, P.L. 104-193 created a new category of immigrants called "qualified aliens." Most "qualified aliens" are ineligible for public assistance, or are only eligible if the state opts to cover them. Immigrants who are not "qualified aliens" are generally not eligible for benefits. Under P.L. 104-193, "qualified aliens" are: immigrants lawfully admitted for permanent residence; refugees; asylees; individuals paroled into the U.S. for at least one year; immigrants whose deportation is being withheld; certain immigrants granted conditional entry; and certain battered spouses and children.

However, under P.L. 104-193, certain categories of "qualified aliens" remain eligible for public assistance regardless of their immigrant status. These exception categories are: refugees, asylees, and certain persons whose deportation is being withheld for their first five years in the U.S.; individuals who have 40 quarters of coverage under the Social Security system; and veterans and members of the armed forces and their spouses and dependent children.

Immigrants who become U.S. citizens are not subject to immigrant restrictions on public assistance eligibility.

**Public Assistance Data on Statewide Immigrant Population**  
 (for Immigrants on Public Assistance Only)  
 as of January 1, 1997

**Programs**

Program Type	ATAP Only	ATAP/ FS	APA Only	APA/ FS	FS Only	FS/ MED	GRA/ GRM	MED Only	Total
# of Persons	167	651	639	162	154	69	7	256	2105

**Heritage**

Heritage	Asian	Black	Hispanic	Pacific Islander	White	Other/ Unknown	Total
# of Persons	1069	44	429	119	360	84	2105

**Time on Assistance**

Less than 5 Years	1461
More than 5 years	<u>644</u>
Total	2105

**SSI Status:**

SSI Recipient	669
Non-SSI Recipient	<u>1436</u>
Total	2105

**Alien status:**

Currently Sponsored :	81
Non-sponsored:	<u>2024</u>
Total	2105

**Sex:**

Male:	784
Female:	<u>1321</u>
Total	2105

**Age:**

Under Age 18:	439
18 - 64:	1025
Over Age 64:	<u>641</u>
Total	2105

**Type of Recipient:**

Children & Families	1304
Aged & Disabled	<u>801</u>
Total	2105

**Community of Residence:**

Anchorage	1414
Kodiak	160
Mat-Su	134
Fairbanks	106
Southeast	99
Other	<u>192</u>
Total	2105

**FY 97 Budgeted Expenditures  
(Legal Immigrants)**

	General Fund	Total
Food Stamps	\$0.0	\$812.3
Medicaid		
AFDC/ATAP	\$2,699.4	\$1,349.7
APA	\$3,123.9	\$3,123.9

**Individual Impacts on Legal Immigrants**

**Benefits for Blind/Disabled/Elderly**

	Before Federal Legislation	After Federal Legislation (current state law)	Under Proposed State Legislation	
			Date of Arrival before 8/22/96	Date of Arrival after 8/22/96
FS	\$70	\$0	\$0	\$0
SSI	\$484	\$0	\$0	\$0
APA	\$362	\$362	\$362	\$0
Medicaid	Yes	No	Yes	No

**Benefits for Children & Families**

	Before Federal Legislation	After Federal Legislation (current state law*)	Under Proposed State Legislation	
			Date of Arrival before 8/22/96	Date of Arrival after 8/22/96
FS	\$70	\$0	\$0	\$0
AFDC/ATAP	\$275	\$275	\$275	\$0
Medicaid	Yes	No	Yes	No

\* Under current state law, benefits paid to aliens under the ATAP program are all general funds.



# Welfare Reform Briefing Paper

Division of Public Assistance

State of Alaska

Tony Knowles, Governor



## Immigrants

The *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* significantly impacts immigrant eligibility for public assistance. Recent federal changes reduce or deny benefits to many legal aliens already in the country as well as new arrivals. Alaska has the option of continuing federal-state assistance programs for aliens who were in the United States before August 22, 1996. The following summary explains immigration changes and some policy options for Alaska.

### Changes in Federal Law

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#### Qualified Aliens

The federal welfare reform law created a new category of legal immigrants called *qualified aliens*. Qualified aliens include:

- immigrants admitted for permanent residence;
- refugees;
- asylees;
- certain immigrants granted conditional entry;
- individuals paroled into the United States for at least one year;
- immigrants whose deportation is being withheld; and
- certain battered spouses and children.

Some qualified aliens remain eligible for public assistance. Refugees, asylees and immigrants whose deportation is being withheld for their first five years in the United States; veterans and their spouses and dependents; and those who have worked a total of 10 years in the United States stay eligible. However, these exceptions are limited. Most qualified aliens are ineligible for public assistance, or are only eligible if the state chooses to cover them. Other immigrants are generally ineligible for federal, state and local public assistance benefits. These eligibility restrictions do not apply to immigrants once they become citizens.

#### Program Changes

The federal welfare reform law targets two types of qualified aliens: those in the United States before August 22, 1996, and those arriving on or after August 22, 1996.

The new law reduces federal benefits for both groups of qualified aliens. For those arriving on or after August 22, 1996, eligibility for programs is eliminated for five years. After this period, new immigrants with sponsors must include the sponsors' income when applying for public assistance. For those arriving before August 22, 1996, benefits will be phased out over the first year. These changes apply to the following federal programs.

**Food Stamp Program:** Immigrants arriving on or after August 22, 1996 are ineligible for food stamps. Immigrants receiving food stamps before August 22, 1996, are exempt from the new eligibility restrictions until April 1, 1997. This group of qualified aliens may receive food stamps through August 1997 provided they apply for certification by March 31, 1997.

**Supplemental Security Income (SSI):** Qualified aliens in the country before August 22, 1996 will lose this assistance by September 1997. Qualified aliens arriving on or after August 22, 1996 are ineligible.

The welfare reform law also gives states options for deciding immigrant eligibility for other state-administered programs supported with federal and state funds.

**Temporary Assistance for Needy Families (TANF):** States have the option to determine eligibility of qualified aliens for federal cash assistance under the TANF Program. Qualified aliens currently receiving AFDC benefits from Alaska will remain eligible for benefits until July 1, 1997, when the new TANF Program is in place. As states develop their TANF-funded program, they will decide whether to provide or deny services to qualified aliens who arrived in the country before August 22, 1996. Qualified aliens in the United States on or after August 22, 1996 are banned from receiving TANF-funded assistance for five years. The name for Alaska's new TANF-supported program is Alaska Temporary Assistance Program (ATAP).

**Medicaid:** Qualified aliens arriving in the United States before August 22, 1996 may be covered as a state option. Except for Medicaid emergency coverage, qualified aliens in the country on or after August 22, 1996 are banned from receiving Medicaid benefits for five years. Only Medicaid emergency coverage is available to all aliens.

The welfare reform law also gives states options for deciding immigrant eligibility for state-funded public assistance programs. Alaska's Adult Public Assistance, General Relief Assistance, and General Relief Medical programs fall into this category.

## **Alaska Status**

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### **Policy Choices**

The Knowles Administration has made the following policy choices for immigrants for state-administered public assistance programs. Three of these choices require legislative action to revise current statutes. This legislation supports the federal direction to limit public assistance benefits to qualified aliens arriving on or after August 22, 1996.

## Welfare Reform Briefing Paper -- Immigrants

**Alaska Temporary Assistance Program:** Continue cash benefits for qualified aliens arriving in the United States before August 22, 1996. Implementing this policy requires a statute change as the current state law provides eligibility for all legal aliens meeting the financial requirements, regardless of their date of arrival in the United States.

**Medicaid:** Continue Medicaid coverage for qualified aliens arriving in the United States before August 22, 1996, including those who may not have been on Medicaid on August 22, 1996. This policy requires a statute change. Those qualified aliens entering the United States on or after August 22, 1996 are banned from receiving Medicaid benefits for five years.

**Adult Public Assistance:** Continue cash assistance for qualified aliens in the country before August 22, 1996. Immigrants arriving on or after August 22, 1996 are subject to a five-year bar. This policy requires a statute change to reduce program eligibility.

**General Relief Assistance (GRA)/ General Relief Medical (GRM):** Continue to provide assistance to legal immigrants, regardless of the date they entered the country. The GRA and GRM are last resort programs that provide limited assistance to needy people with no other support for emergency medical and basic needs.

### Impacts to Alaskans

**Food Stamps:** It is estimated that 1,100 legal aliens will lose Food Stamp benefits by September 1997.

**Supplemental Security Income:** An anticipated 800 legal immigrants will lose SSI cash benefits by September 1997.

**Alaska Temporary Assistance Program:** The five-year ban for services to legal aliens applies to the use of federal block grant (TANF) funds only. Current state law provides assistance to all immigrants with state funding only. There are about 820 legal aliens eligible for AFDC/ATAP benefits now. Under proposed state legislation, immigrants arriving in the United States before August 22, 1996 will remain eligible for AFDC/ATAP, while those arriving on or after August 22, 1996 will be ineligible for five years. With this statute change, about 145 of the 820 eligible for AFDC/ATAP will no longer be eligible.

**Medicaid:** Current state law does not provide Medicaid eligibility for most qualified aliens regardless of arrival date in the United States. About 1,575 immigrants are ineligible for Medicaid. Alaska's Medicaid program does not currently have statutory authority to cover these immigrants. Some individuals that are ineligible for Medicaid are eligible for General Relief Medical. Under the proposed state legislation, immigrants arriving in the United States on or after August 22, 1996 are not eligible for five years. Most immigrants in the United States before August 22, 1996 will remain eligible. Medicaid will have about 1,680 eligibles and 265 ineligibles in Alaska if this statute change occurs.

**Adult Public Assistance:** Current state law provides assistance to most immigrants, regardless of their arrival date in the United States. New immigrants are not subject to the five-year federal ban. About 800 legal aliens would continue to be eligible for benefits. Under the proposed state

legislation, immigrants arriving before August 22, 1996 will remain eligible, and immigrants arriving on or after August 22, 1996 will be ineligible for five years. About 45 of the 800 eligible legal aliens will be ineligible with this statute change.

**General Relief Assistance (GRA) / General Relief Medical (GRM):** Current state law provides that most immigrants will be ineligible for Medicaid, regardless of their date of arrival in the United States. Under proposed state legislation, about 265 immigrants who arrived in the United States after or on August 22, 1996, will be ineligible for Medicaid and may need to receive benefits through the GRM program.

## **Key Issues**

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- The proposed state legislation allows Alaska to follow federal law and deny public assistance benefits to most qualified aliens who arrived in the United States after or on August 22, 1996, for a five-year period or until they gain citizenship.
- Public assistance benefits provided to qualified aliens who are ineligible for federal funds must be paid from state funds.

## **Key Dates**

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- Restrictions for new legal immigrants became effective August 22, 1996.
- New restrictions for current legal immigrants receiving food stamps become effective April 1, 1997. Those certified by March 31, 1997 can receive benefits through August 1997.
- The Alaska Temporary Assistance Program goes into effective on July 1, 1997.
- Supplemental Security Income benefits for most legal immigrants stop by September 1997.

## **Additional Information**

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For additional information on immigration and the impacts of welfare reform, contact Jim Steele at the Division of Public Assistance at 465-3014.

adopted NO BY 4/21/97  
AMENDMENT (1)

OFFERED IN THE HOUSE

TO: HB 153

Page 1, line 7:

Delete "8 U.S.C. 1641(b)"

Insert "8 U.S.C. 1641"

Page 2, line 1:

Delete "8 U.S.C. 1641(b)"

Insert "8 U.S.C. 1641"

Page 2, line 7:

Delete "8 U.S.C. 1641(b)"

Insert "8 U.S.C. 1641"



## TITLE V--RESTRICTIONS ON BENEFITS FOR ALIENS

### Subtitle A--Eligibility of Aliens for Public Assistance and Benefits

#### SEC. 501. EXCEPTION TO INELIGIBILITY FOR PUBLIC BENEFITS FOR CERTAIN BATTERED ALIENS.

Section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641) is amended by adding at the end the following new subsection:

(c) Treatment of Certain Battered Aliens as Qualified Aliens.--For purposes of this title, the term 'qualified alien' includes--

(1) an alien who--

(A) has been battered or subjected to extreme cruelty in the United States by a spouse or a parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented to, or acquiesced in, such battery or cruelty, but only if (in the opinion of the Attorney General, which opinion is not subject to review by any court) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

(B) has been approved or has a petition pending which sets forth a prima facie case for--

(i) status as a spouse or a child of a United States citizen pursuant to clause (ii), (iii), or (iv) of section 204(a)(1)(A) of the Immigration and Nationality Act,

(ii) classification pursuant to clause (ii) or (iii) of section 204(a)(1)(B) of the Act,

(iii) suspension of deportation and adjustment of status pursuant to section 244(a)(3) of such Act, or

(iv) status as a spouse or child of a United States citizen pursuant to clause (i) of section 204(a)(1)(A) of such Act, or classification pursuant to clause (i) of section 204(a)(1)(B) of such Act; or

(2) an alien--

(A) whose child has been battered or subjected to extreme cruelty in the United States by

[[Page H11820]]

a spouse or a parent of the alien (without the active participation of the alien in the battery or cruelty), or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, and the alien did not actively participate in such battery or cruelty, but only if (in the opinion of the Attorney General, which opinion is not subject to review by any court) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

(B) who meets the requirement of clause (ii) of subparagraph (A).

This subsection shall not apply to an alien during any period in which the individual responsible for such battery or cruelty resides in the same household or family eligibility unit as the individual subjected to such battery or cruelty.''

#### SEC. 502. PILOT PROGRAMS ON LIMITING ISSUANCE OF DRIVER'S LICENSES TO ILLEGAL ALIENS.

(a) In General.--Pursuant to guidelines prescribed by the Attorney General not later than 6 months after the date of the enactment of this Act, all States may conduct pilot programs within their State to determine the viability,

(or parents) of such child is a qualified alien (as defined in section 431).

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965, and titles III, VII, and VIII of the Public Health Service Act.

(9) Benefits under the Head Start Act.

(10) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(11) Benefits under the Job Training Partnership Act.

Subtitle D—General Provisions

SEC. 431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this title, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this title, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act, or

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

SEC. 432. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal public benefit (as defined in section 401(c)), to which the limitation under section 401 applies, is a qualified alien and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(b) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal public benefit shall have in effect a verification system that complies with the regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

SEC. 433. STATUTORY CONSTRUCTION.

(a) LIMITATION.—

(1) Nothing in this title may be construed as an entitlement or a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this title, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) Nothing in this title may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202(1982)).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This title does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 434. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE.

Notwithstanding any other provision of Federal, State, or local law, no State or local government entity may be prohibited, or in any way restricted, from sending to or receiving from the Immigration and Naturalization Service information regarding the immigration status, lawful or unlawful, of an alien in the United States.

SEC. 435. QUALIFYING QUARTERS.

For purposes of this title, in determining the number of qualifying quarters of coverage under title II of the Social Security Act an alien shall be credited with—

(1) all of the qualifying quarters of coverage as defined under title II of the Social Security Act worked by a parent of such alien while the alien was under age 18, and

(2) all of the qualifying quarters worked by a spouse of such alien during their marriage and the alien remains married to such spouse or such spouse is deceased.

No such qualifying quarter of coverage that is creditable under title II of the Social Security Act for any period beginning after December 31, 1996, may be credited to an alien under paragraph (1) or (2) if the parent or spouse (as the case may be) of such alien received any Federal means-tested public benefit (as provided

8 USC 1643.

8 USC 1644.

8 USC 1645.

8 USC 1641.

8 USC 1642.

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LAW-JND-ANNEX

*Feb amendments: 211(b)(3)*

*Immigration Act*