

HB

459

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 11, 1998

FURTHER REFERRALS:

Date of Committee Action: 3/24/98

The FINANCE Committee considered:

HB 459

HOUSE BILL NO. 459

MEDICAID FOR LOW-INCOME DISABLED

“An Act relating to medical assistance for certain disabled persons; relating to the priorities established for the medical assistance program.”

recommends it be replaced with the following committee substitute CSHB 459 (Fin) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) _____ 4 (X) fiscal note(s) (4) DHSS, 3/11/98
- 1, - 2, - 3, - 4

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Ferrisault</i>	Therriault	X			
<i>Mark Hanley</i>	Hanley	X			
<i>Clayton Mulder</i>	Mulder	X			
<i>Terry Martin</i>	Martin	X			
<i>Vin Kohane</i>	Kohane	X			
<i>John Dawson</i>	J. Dawson	X			
<i>Bob Grossendort</i>	Grossendort	X			
<i>Walter Moses</i>	Moses	X			
<i>Henry Davis</i>	Davis	X			
<i>John Kelly</i>	Kelly	X			
<i>Bob Foster</i>	Foster	X			

CHAIR'S SIGNATURE

Gene Ferrisault *Mark Hanley*

 Hanley

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: CSHB 459 (HES)
(H) Publish Date: 3/11/98

Revision Date: _____
Title: Medicaid for certain disabled persons
Sponsor: House (HES)
Requestor: (H) HESS

Dept. Affected: Health and Social Services
BRU: Medical Assistance
Component: Medicaid Facilities
COMPONENT SERIAL NO. 230
See also (SN#): 229, 243

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	43.4	147.3	126.0	125.6	125.1	124.4
MISCELLANEOUS						
TOTAL OPERATING	43.4	147.3	126.0	125.6	125.1	124.4

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	26.0	88.1	75.3	75.1	74.8	74.4
1003 GF Match	15.8	54.0	46.3	48.3	46.2	46.1
1004 GF						
1005 GF/Program Receipts	1.6	5.2	4.4	4.2	4.1	3.9
1037 GF/Mental Health						
Other (please specify)						
TOTAL	43.4	147.3	126.0	125.6	125.1	124.4

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: 10.0

ANALYSIS: (Attach a separate page if necessary)

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Prepared by: Kevin Henderson
Division: Medical Assistance
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-3355
Date: 02/25/98
Date: 3/2/98

COMMITTEE COPY

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Fiscal Note Summary for HB 459

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Some who return to work will be able to access employer-based private health insurance.

The cost of providing additional Medicaid expenditures under this bill is more than offset by the savings incurred when individuals who return to work or extend their hours will not longer need (or qualify for) Adult Public Assistance cash payments. Nominal revenue would be received through the collection of "buy-in" charges.

See fiscal notes for more explanation.

COST/SAVINGS SUMMARY	FY99	FY00	FY01	FY02	FY03	FY04
Continued Medicaid	83.5	283.4	242.3	241.6	240.5	239.2
Computer Programming	4.0	0.0	0.0	0.0	0.0	0.0
Savings from APA reductions	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
Net Program Expenditures	54.5	92.9	(68.7)	(186.1)	(299.9)	(410.1)
Less Revenue from Buy-in Charge	(3.1)	(10.1)	(8.4)	(8.1)	(7.9)	(7.5)
NET COST/SAVINGS	51.4	82.8	(77.1)	(194.2)	(307.8)	(417.6)

FUNDING SOURCES	FY99	FY00	FY01	FY02	FY03	FY04
Federal Receipts	52.0	169.4	144.8	144.5	143.8	143.1
GF Match	32.4	103.3	89.1	89.0	88.8	88.6
GF	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
GF/Program Receipts	3.1	10.1	8.4	8.1	7.9	7.5
TOTAL	54.5	92.9	(68.7)	(186.1)	(299.9)	(410.1)

FISCAL NOTE

No 2

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: CSHB 459 (HES)
(H) Publish Date: 3/11/98

Revision Date: _____
Title: Medicaid for certain disabled persons
Sponsor: House (HES)
Requestor: (H) HESS

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	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(33.0)	(190.6)	(311.0)	(427.7)	(540.4)	(649.3)
MISCELLANEOUS						
TOTAL OPERATING	(33.0)	(190.6)	(311.0)	(427.7)	(540.4)	(649.3)

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	(33.0)	(190.6)	(311.0)	(427.7)	(540.4)	(649.3)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	(33.0)	(190.6)	(311.0)	(427.7)	(540.4)	(649.3)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: 80.0

ANALYSIS: (Attach a separate page if necessary)

The federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250 percent of the federal poverty level for Alaska. These disabled workers may be obligated to pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that some Adult Public Assistance (APA) recipients who do not pursue working because of the fear of losing their Medicaid coverage will either begin working or will work longer hours and become ineligible for APA. Based on an analysis by the Division of Vocational Rehabilitation, we estimate that 33 APA recipients could potentially lose eligibility because of increased earnings in FY99. We expect this number to decrease over time.

Prepared by: [Signature]
Division: Public Assistance
Approved by Commissioner: [Signature]
Agency: Department of Health & Social Services

Phone: 465-3347
Date: 02/25/98
Date: 3/2/98

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

Of the 33 persons potentially ineligible under this legislation, we expect that one-half will increase their earnings and become ineligible for APA in FY99.

In the start-up year of FY99, savings are calculated using 6 months.

The savings assume that persons who become ineligible for assistance because of this legislation will remain ineligible.

Calculations:

	FY99	FY00	FY01	FY02	FY03	FY04
APA recipients affected each year	17	32	31	30	29	28
Cumulative # of APA recipients	17	49	80	110	139	167
Average monthly APA benefit	\$324	\$324	\$324	\$324	\$324	\$324
APA Program Savings	(\$33.0)	(\$190.5)	(\$311.0)	(\$427.7)	(\$540.4)	(\$649.3)

FISCAL NOTE

No 3

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: CSHB 459 (HES)
(H) Publish Date: 3/11/98

Revision Date: _____
Title: Medicaid for certain disabled persons
Sponsor: House (HES)
Requestor: (H) HESS

Dept. Affected: Health and Social Services
BRU: Medical Assistance Admin
Component: Health Purchasing Group
COMPONENT SERIAL NO. 243
See also (SN#): 229, 230

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	4.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	4.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	2.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	2.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	4.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Establishing of this new eligibility group will require the addition of a new Medicaid subtype code to the Medicaid Management Information System (MMIS). A one time expenditure for MMIS programming is shown for FY 99.

2/27/98
Prepared by: Kevin Henderson
Division: Medical Assistance
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-3355
Date: 02/25/98
Date: 3/2/98

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FISCAL NOTE

No. 4

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: CSHB 459 (HES)
(H) Publish Date: 3/11/98

Revision Date: _____
Title: Medicaid for certain disabled persons
Sponsor: House (HES)
Requestor: (H) HESS

Dept. Affected: Health and Social Services
BRU: Medical Assistance
Component: Medicaid Non-Facility
COMPONENT SERIAL NO. 229
See also (SN#): 230, 243

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	40.1	136.0	116.3	116.0	115.4	114.8
MISCELLANEOUS						
TOTAL OPERATING	40.1	136.0	116.3	116.0	115.4	114.8

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	24.0	81.3	69.5	69.4	69.0	68.7
1003 GF Match	14.6	49.9	42.8	42.7	42.6	42.5
1004 GF						
1005 GF/Program Receipts	1.5	4.8	4.0	3.9	3.8	3.6
1037 GF/Mental Health						
Other (please specify)						
TOTAL	40.1	136.0	116.3	116.0	115.4	114.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Prepared by: Kevin Henderson
Division: Medical Assistance
Approved by Commissioner: Karen Perdue
Agency: Department of Health & Social Services

Phone: 465-3355
Date: 02/25/98
Date: 3/2/98

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ANALYSIS (cont.):

This new eligibility category will benefit current SSI and APA recipients who are ready to go to work or increase their hours of work. Once in the work force for one year, we estimate that all of these individuals will be able to take advantage of employer based health insurance or will have earnings that make them ineligible for this eligibility group. Based upon analysis by the Division of Vocational Rehabilitation, we estimate that only 33 of the current SSI/APA and Medicaid recipients would taken advantage of this category if it were available for the entire FY 99. However, since EIS and MMIS system changes will delay implementation, only about half of those (17) would be able to participate in FY 99. In subsequent years, we would expect to see a general APA case load growth of 6.5% per year, but this would be offset by a reduction (about 3 per year) in the number of disabled individuals able to work. In addition, we expect about 25% of those who do go to work to acquire employer based health insurance immediately. The Medicaid buy-in for this group would begin January 1, 1999, meaning only one-half of the annual expenditures and program receipts would be realized in FY 99.

A nominal buy-in charge, determined using a sliding scale based on income, will be collected annually. We estimate the average buy-in charge to be equivalent to \$360 per year (\$12/month). The actual sliding fee schedule would be established through regulations.

Both expenditures and program receipts are allocated 48% to the Medicaid Non-Facilities component and 52% to the Medicaid Facilities component.

We anticipate the current federal financial participation rate to continue beyond FY 04. Currently the match rate is 59.8% federal and 40.2% state general funds.

We estimate an inflation factor of about 3% per year on the annual cost of providing medical care.

		FY99	FY00	FY01	FY02	FY03	FY04
Avg. Med. Cost Per Disable Worker		\$9,825	\$10,120	\$10,423	\$10,736	\$11,058	\$11,390
SSI/APA Recipients To work		17	32	31	30	29	28
Recipients into Health Insurance		0	4	8	8	7	7
Recipients with extended Medicaid		17	28	23	23	22	21
Additional Medicaid Expenditures		\$83,513	\$283,354	\$242,344	\$241,562	\$240,516	\$239,188
Non-Facilities	48%	\$40,086	\$136,010	\$116,325	\$115,950	\$115,448	\$114,810
Facilities	52%	\$43,427	\$147,344	\$125,019	\$125,612	\$125,068	\$124,378
<hr/>							
Avg. Annual Buy-in Fee = \$360							
PROGRAM RECEIPTS		\$3,060	\$10,080	\$8,370	\$8,100	\$7,830	\$7,560
Non-Facilities	48%	\$1,469	\$4,838	\$4,018	\$3,888	\$3,758	\$3,629
Facilities	52%	\$1,591	\$5,242	\$4,352	\$4,212	\$4,072	\$3,931



House Finance Committee

DATE: March 24, 98

PLACE: Cap SF

SUBJECT OF MEETING:

HB 459 } HB 144
 HB 252 } HB 390
 HB 221

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/WHICH BILL?
Walter Majuros	Alaska Mental Health Board	431 N Franklin #101 Juneau 99801	99801	586-3908	465-3072	(Y) N	HB 459
Karen Pearson	DHSS	350 Main St	99801		465-3070	Y (N)	Only answer 396 fiscal note
RON KREHER	DHSS/DPA	350 MAIN ST.	99801		465-3319	(Y) (N)	HB 459 to respond to questions on fiscal note
GEORGE NIKUNTAKS	Bonus Cafe AK Food Bank	P.O. Box 100940 Anchorage	99510	258-2629	274-9555	(Y) N	HB 459
Jan Sherwood	DHSS/DMA	450 Main St.	99811		465-3319	(Y) N	respond to questions HB 459
Allen Northrup Dir	AK Food Coalition/ Gloria Hole	Box 21997 Juneau 99802		789-3173 986-4159		(Y) N	459
Roy Hiratsuka	AK Food Coalition Bristol Day Association	Box 310 Dillingham, 99524 Regional Food Bank	99576	942-2722	842-3663	(Y) N	459
Annie Carpenter	Law	Room 717 Court Bldg			465-3424	Y N	Part 2 answer questions
Debra Turner Melan	NAMI Alaska	Chester Ave 110 W 15th Ave	99501	277-1300	277-1300	(Y) N	HB 459
Bob Briggs	Disability Law Center	230 So. Franklin #209 Juneau, AK 99801			586-1627	(Y) N	CSHB 459
						Y N	



March 24, 1998

By hand delivery

Mark Hanley
Co-chairman
House Finance Committee
Alaska State Legislature
State Capitol, Room 507
Juneau, AK 99801

Gene Therriault
Co-chairman,
House Finance Committee
Alaska State Legislature
State Capitol, Room 511
Juneau, AK 99801

JUNEAU

230 South Franklin
Suite 209
Juneau, AK 99801
(907) 586-1627
FAX (907) 586-1066

Re: CSHB 459(HES): Medicaid Buy-in for Disabled Workers

Dear Reps. Hanley and Therriault:

Enclosed please find a summary of the General Fund fiscal impact of CSHB 459 (HES), per your request. These numbers, which are predicated on the projection by the Department of Health and Social Services that this bill will help 17 disabled persons get back to work in the first year, and help an additional 20 to 30 people per year after that. The fiscal benefit to the state's General Fund due to reduced Adult Public Assistance payments is accompanied by the incalculable value to these individuals of employment.

Very truly yours,

Robert B. Briggs
Staff attorney

Encls.

Jim Parker, DLC - Anchorage
Dawn Pederson

MEMBER OF THE
NATIONAL
ASSOCIATION OF
PROTECTION &
ADVOCACY
SYSTEMS



DISABILITY
LAW CENTER
OF ALASKA

March 11, 1998

MEDICAID BUY-IN TO HELP DISABLED WORKERS GET BACK TO WORK

PROBLEM:

- *A significant hurdle to re-employment of the disabled:* obtaining adequate health insurance coverage
- *Forced into a cycle of dependency:* Many disabled have high monthly medical expenses, such as organ transplant recipients who take immunosuppressant medications. Under current law, working usually results in a disabled person losing Medicaid or Medicare, and usually a disabled person cannot replace this loss with private health insurance. A disabled person frequently is better off receiving a disability check and not working rather than working with inadequate health insurance
- In 1997 Congress passed a law to help disabled persons get back to work: Section 4733 of the Balanced Budget Act of 1997 provides a state option to permit workers with disabilities to buy into Medicaid. Alaska can now choose an option for Medicaid on a sliding fee scale for disabled workers – its up to the Legislature to exercise the option

SOLUTION:

- *Alaska should exercise the Medicaid Buy-In Option:* a disabled worker pays part of the Medicaid cost on a sliding fee scale with eligibility limited to 250% of the federal poverty thresholds
- *HB 459 implements the state's option:* HB 459 introduced and recently passed by the House HESS Committee will make Alaska one of the first states to exercise this option and send a strong signal of support for employment of disabled workers. Fiscal notes for the bill project a net savings in four years based on reduced Adult Public Assistance payments for the disabled re-entering the work force¹
- *Personal care services more flexible:* HB 459 also revises the definition of personal services delivered under Medicaid, providing more flexibility in how the severely disabled may receive these services. This will expand the range of activities of the disabled, helping integration into the community, including encouragement of employment.

MEMBER OF THE
NATIONAL
ASSOCIATION OF
PROTECTION &
ADVOCACY
SYSTEMS

¹ Source: Fiscal Notes for Medicaid Facilities, Medicaid Non-Facilities, Adult Public Assistance, and Health Purchasing Group components, Medical Assistance BRU, Dept. of Health and Social Services (dated March 9, 1998), for HB 459.

Summary of Fiscal Impact of CSHB 459 (HES)(Medicaid Buy-In Option)

	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>
Medicaid Facilities	\$ 43.4	\$ 147.3	\$ 120.0	\$ 125.6	\$ 125.1	\$ 124.4
Medicaid Non-Facilities	40.1	136.0	116.3	116.0	115.4	114.8
Health Purchasing Group	4.0	0	0	0	0	0
<u>Subtotal</u>	<u>\$ 87.5</u>	<u>\$ 283.3</u>	<u>\$ 244.3</u>	<u>\$ 241.6</u>	<u>\$ 240.5</u>	<u>\$ 239.2</u>
Adult Public Assistance	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
<u>Total</u>	<u>\$ 54.5</u>	<u>\$ 92.8</u>	<u>(\$ 68.7)</u>	<u>(\$ 186.1)</u>	<u>(\$ 299.9)</u>	<u>(\$ 410.1)</u>

Source: Dept. of Health and Social Services, Divisions of Public Assistance and Medical Assistance, Fiscal Notes dated March 2, 1998.

Summary of Fiscal Impact of CSHB 459 (HES) (Medicaid Buy-In Option)

- General Funds Only -

	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>
Medicaid Facilities	\$ 17.4	\$ 59.2	\$ 50.7	\$ 50.5	\$ 50.3	\$ 50.0
Medicaid Non-Facilities	16.1	54.7	46.8	46.6	46.4	46.1
Health Purchasing Group	2.0	0	0	0	0	0
<u>Subtotal</u>	<u>\$ 35.5</u>	<u>\$ 113.9</u>	<u>\$ 97.5</u>	<u>\$ 97.1</u>	<u>\$ 96.7</u>	<u>\$ 96.1</u>
Adult Public Assistance	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
<u>Total</u>	<u>\$ 2.5</u>	<u>(\$ 76.6)</u>	<u>(\$ 213.5)</u>	<u>(\$ 330.6)</u>	<u>(\$ 444.4)</u>	<u>(\$ 553.2)</u>

Source: Dept. of Health and Social Services, Divisions of Public Assistance and Medical Assistance, Fiscal Notes dated March 2, 1998.

ANALYSIS OF CSHB 459 (HES)

Introduction

Disabled persons seeking to re-enter the work force sometimes face a hurdle to re-employment. Those who have high monthly medical costs, or are medically fragile, need adequate medical insurance to pay their medical bills, and to provide a safety net if their medical condition worsens while they are employed. Many disabled persons are prevented by their disability from engaging in the same type of job as they did before becoming disabled. Typically, on re-entry to the work force, they may be compelled to choose low-skill, entry-level positions or part-time employment. Characteristic of these types of jobs is low pay and inadequate health insurance benefits, or no health insurance at all.

Federal law permits certain recipients of Supplemental Security Income (SSI) to continue to receive Medicaid after they have gone back to work, if they can demonstrate (1) that their earnings are insufficient to provide the reasonable equivalent of Medicaid, and (2) that termination of Medicaid benefits would seriously inhibit their ability to continue employment. This program is referred to as the Section 1619 program, in reference to the section of the Social Security Act that provides the benefit. The statute creating the program is codified at 42 United States Code § 1382h.

Section 4733 of the Balanced Budget Act of 1997 permits states to exercise the option to expand the class of disabled person who can work while continuing to receive Medicaid. This section permits a state to provide Medicaid to disabled individuals so long as their family income does not exceed 250% of the federal poverty thresholds, and so long as they contribute towards the Medicaid program by paying premiums or charges on a sliding scale according to their income. The federal act gives the State discretion to determine the sliding scale.

HB 459 if adopted would exercise the option of Section 4733 of Public Law No. 105-33.

Sectional Analysis

Section 1: Under state law, addition of further categories of persons eligible for Medicaid may occur only by legislative revision of AS 47.07.020. See AS 47.07.020(d). This section of the bill amends AS 47.07.020(b) to add disabled workers, subject to the eligibility criteria, to the list of persons who may receive Medicaid.

Section 2: Because of limits in appropriations from year to year, the Legislature is not able to fund all services for all persons who may be eligible for medical assistance, including Medicaid. It is necessary to create a priority in allocation of appropriated funds to guide the Department of Health and Social Services (Department). AS 47.07.035 establishes a priority list for optional medical services and eligibility groups. This section of the bill amends AS 47.07.035 to place the category of disabled workers eligible for benefits under the bill thirty-second on the priority

list, meaning that disabled workers would be the last to lose Medicaid benefits during periods of limited funding.

Section 3: This section revises a definition regarding personal care services to give more flexibility in the way that these services may be delivered to a disabled person. This modification will help make personal care service delivery more efficient and expand the employment opportunities for disabled persons.

Section 4: This section contains a transitional provision that directs the Department to provide this benefit to disabled workers immediately upon the effective date that the bill becomes law prior to the adoption of regulations to implement the act.

Section 5: This section directs the Department to adopt regulations to implement the option, with a deadline for adoption of regulations of July 1, 1999. Because the Department's regulations are to provide a sliding fee scale that is reflective of need, workers who receive health insurance benefits from a private insurance program might reasonably be required to demonstrate their need for additional coverage under the Medicaid program. For example, a new employee with a probationary period before private health insurance benefits begin, who also must satisfy a one-year period of non-coverage for a pre-existing medical condition, would benefit from receiving Medicaid coverage under the bill until his or her private medical insurance began to apply. The bill gives the Department discretion in establishing this program to adopt regulations that are reflective of need, subject however that the regulations should not be so restrictive as to frustrate the purpose for which the option is provided. Thus a worker should not be made ineligible for the benefit just because the worker has health insurance through employment, if the worker can demonstrate need because of limitations or exemptions in the private insurance policy, unusually high regular medical expenses or other inadequacy in the private health insurance benefits received.

THE HHS POVERTY GUIDELINES:

One Version of the [U.S.] Federal Poverty Measure

There are two slightly different versions of the federal poverty measure:

the poverty thresholds; and
the poverty guidelines.

The **poverty thresholds** are the original version of the federal poverty measure. They are updated each year by the Census Bureau (although they were originally developed by Mollie Orshansky of the Social Security Administration). The thresholds are used mainly for *statistical* purposes--for instance, preparing estimates of the number of Americans in poverty each year.

The **poverty guidelines** are the other version of the federal poverty measure. They are issued each year in the *Federal Register* by the Department of Health and Human Services (HHS). The guidelines are a simplification of the poverty thresholds for administrative purposes--for instance, determining financial eligibility for certain federal programs. (The full text of the *Federal Register* notice with the 1996 guidelines is [available here](#).)

1996 HHS Poverty Guidelines

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$ 7,740	\$ 9,660	\$ 8,910
2	10,360	12,940	11,920
3	12,980	16,220	14,930
4	15,600	19,500	17,940
5	18,220	22,780	20,950
6	20,840	26,060	23,960
7	23,460	29,340	26,970
8	26,080	32,620	29,980
For each additional person, add	2,620	3,290	3,010

SOURCE: Federal Register, Vol. 61, No. 43, March 4, 1996, pp. 8236-8238.

(The separate poverty guidelines for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. Note that the poverty thresholds-- the original version of the poverty measure-- have never have never had separate figures for Alaska and Hawaii.)

Programs using the guidelines (or percentage multiples of the guidelines--for instance, 130 percent of the guidelines) in determining eligibility include Head Start, the Food Stamp Program, the National School Lunch Program, and the Low-Income Home Energy Assistance Program. Note that in general, public assistance programs (Aid to Families with Dependent Children and Supplemental Security Income) do NOT use the poverty guidelines in determining eligibility.

The poverty guidelines (unlike the poverty thresholds) are designated by the year in which they are issued. For instance, the guidelines issued in March 1996 are designated as the 1996 poverty guidelines. However, the 1996 HHS poverty guidelines only reflect price changes through calendar year 1995; accordingly, they are approximately equal to the Census Bureau poverty thresholds for calendar year 1995. (The 1995 thresholds should be issued in final form in September or October 1996; a preliminary version of the 1995 thresholds is available now from the Census Bureau.)

The poverty guidelines are sometimes loosely referred to as the "federal poverty level," but that term is

ambiguous, and should be avoided in situations, (e.g., legislative or administrative) where precision is important.

Poverty guidelines for recent years for the 48 contiguous states and the District of Columbia can be calculated by addition using the figures shown below:

Year	First Person	Each Additional Person	Four-Person Family
1990	\$6,230	\$2,140	\$12,700
1991	6,620	2,260	13,400
1992	6,910	2,330	13,950
1993	7,370	2,460	14,350
1994	7,360	2,480	14,800
1995	7,470	2,560	15,150
1996	7,740	2,620	15,600

Note that this simple calculation procedure does NOT reflect the procedure by which the poverty thresholds were originally developed or the procedure by which the poverty guidelines are calculated from the poverty thresholds each year.

FOR FURTHER INFORMATION:

For information about how the poverty guidelines are used in a particular program, contact the federal (or other) office which is responsible for that program.

For general information about the poverty guidelines (but NOT for information about how they are used in a particular program), see Gordon M. Fisher, "Poverty Guidelines for 1992" [a background paper on the poverty guidelines], *Social Security Bulletin*, Vol. 55, No. 1, Spring 1992, pp. 43-46; or contact Gordon Fisher, Office of the Assistant Secretary for Planning and Evaluation, Room 438F, Humphrey Building, U.S. Department of Health and Human Services, 200 Independence Avenue, S.W., Washington, D.C. 20201--telephone: (202)690-6141; internet address: gfisher@osaspe.dhhs.gov

For information about the number of persons in poverty or for general information about the Census Bureau (statistical) poverty thresholds, contact the Income, Poverty, and Labor Force Information Staff, HHES Division, Room 416, Iverson Mall, U.S. Bureau of the Census, Washington, D.C. 20233--telephone: (301)763-8578; internet address: hhes-info@census.gov

For historical tables showing the poverty thresholds back to 1959 and the poverty guidelines back to 1965, see Tables 3.E1 (poverty thresholds) and 3.E8 (poverty guidelines) in the most recent *Annual Statistical Supplement of the Social Security Bulletin*.

For information about how Mollie Orshansky developed the poverty thresholds during the 1960's, see Gordon M. Fisher, "The Development and History of the Poverty Thresholds," *Social Security Bulletin*, Vol. 55, No. 4, Winter 1992, pp. 3-14. (For the 75-page unpublished paper from which this article was condensed, contact Gordon Fisher at the address given above.)

For historical information about unofficial poverty lines in the United States between 1904 and 1965, contact Gordon Fisher at the above address. (A 75-page paper and a 6-page summary are available.)

For historical information about the income elasticity of the poverty line--the tendency of poverty lines to rise in real terms over time as the real income of the general population rises--contact Gordon Fisher at the above address. (A 78-page paper and a 9-page summary are available; they assemble historical evidence from the U.S., Britain, Canada, and Australia.)

Title 47. Welfare, Social Services and Institutions
Chapter 7. Medical Assistance For Needy Persons
Section 20. Eligible Persons

previous: Section 10. Purpose.

next: Section 25. Assignment of Medical Support Rights.

AS 47.07.020. Eligible Persons.

(a) All residents of the state for whom the Social Security Act requires Medicaid coverage are eligible to receive medical assistance under 42 U.S.C. 1396 - 1396p (Title XIX, Social Security Act).

(b) In addition to the persons specified in (a) of this section, the following optional groups of persons for whom the state may claim federal financial participation are eligible for medical assistance:

(1) [See delayed amendment note]. persons eligible for but not receiving assistance under any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A, Social Security Act, Aid to Families with Dependent Children) or 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental Security Income);

(2) persons in a general hospital, skilled nursing facility, or intermediate care facility, who, if they left the facility, would be eligible for assistance under one of the federal programs specified in (1) of this subsection;

(3) persons under age 21 who are under supervision of the department, for whom maintenance is being paid in whole or in part from public funds, and who are in foster homes or private child-care institutions;

(4) aged, blind, or disabled persons, who, because they do not meet income and resources requirements, do not receive supplemental security income under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act), and who do not receive a mandatory state supplement, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility to receive an optional state supplementary payment;

(5) [See delayed amendment note]. persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal aid to families with dependent children program;

(6) persons in a medical or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act) but who would not be eligible for an optional state supplementary payment if they left the hospital or other facility;

(7) [See delayed amendment note]. persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of 42 U.S.C. 601 - 615 (Title IV-A, Social Security Act, Aid to Families with Dependent Children);

(8) [See delayed amendment note]. persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

(9) [See delayed amendment note]. pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal aid to families with dependent children program;

(10) persons under age 21 not covered under (a) of this section who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 - 25.23.220;

(11) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title XIX, Social Security Act, Medical Assistance) to be individuals with respect to whom a supplemental security income is being paid under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act) because they meet all of the following criteria:

(A) they are 18 years of age or younger and qualify as disabled individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

(B) the department has determined that

(i) they require a level of care provided in a hospital, nursing facility, or intermediate care facility for the mentally retarded;

(ii) it is appropriate to provide their care outside of an institution; and

(iii) the estimated amount that would be spent for medical assistance for their individual care outside an institution is not greater than the estimated amount that would otherwise be expended individually for medical assistance within an appropriate institution;

(C) if they were in a medical institution, they would be eligible for medical assistance under other provisions of this chapter; and

(D) home and community-based services under a waiver approved by the federal government are either not available to them under this chapter or would be inappropriate for them.

(c) Receipt of medical assistance under this chapter is considered to be an additional benefit to these individuals and does not affect other assistance payments, federal or state, for which the recipient is eligible.

(d) Additional groups may not be added unless approved by the legislature.

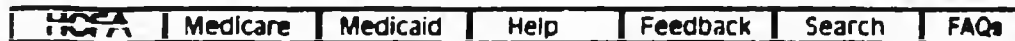
(e) Notwithstanding (b)(4) of this section, a person is not eligible for Medicaid benefits until a final determination is made on the eligibility of that person for benefits under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act).

(f) A person may not be denied eligibility for medical assistance under this chapter on the basis of a diversion of income, whether by assignment or after receipt of the income, into a Medicaid-qualifying trust that, according to a determination made by the department,

(1) has provisions that require that the state will receive all of the trust assets remaining at the death of the individual, subject to a maximum amount that equals the total medical assistance paid on behalf of the individual; and

(2) otherwise meets the requirements of 42 U.S.C. 1396p(d)(4).

(g) A person's eligibility for medical assistance under this chapter may not be denied or delayed on the basis of a transfer of assets for less than fair market value if the person establishes to the satisfaction of the department that the denial or delay would work an undue hardship on the person as determined on the basis of criteria in applicable federal regulations.



November 24, 1997

Dear State Medicaid Director:

This letter is one of a series that provides guidance on the implementation of the Balanced Budget Act.

We are writing to provide you information on section 4733 of the Balanced Budget Act of 1997 (BBA), which is designed to provide Medicaid eligibility to disabled working individuals who, because of relatively high earnings, cannot qualify for Medicaid under one of the other statutory provisions under which disabled working individuals may be eligible for medical assistance.

While Medicaid is designed primarily to cover individuals with limited income and resources, current law provides for continued Medicaid coverage for working disabled individuals with incomes above the normal income standards. Specifically, under

Section 1619(a) of the Social Security Act, individuals can continue to receive Supplemental Security Income (SSI) and Medicaid even if their earned income exceeds the "substantial gainful activity" (SGA) limit of \$500 a month; and

Sections 1619(b) and 1905(q) of the Social Security Act, individuals whose earned income exceeds the maximum amount that will permit payment of an SSI benefit can still receive Medicaid (but not SSI) if they continue to be disabled, meet all other non-disability SSI requirements except for earned income, need Medicaid to continue working, and do not have sufficient income to replace the value of the SSI benefits and the Medicaid benefits they would lose. The amount of income this represents varies from State to State and year to year, but is much higher than the income standards normally applied to Medicaid. The range is from about \$12,000 to over \$32,000 a year. However, individualized calculations can be made in certain instances.

While many persons with disabilities fall within the income levels for eligibility under one of the programs described above, more persons with disabilities may increase their earnings or consider returning to work if they are assured of continued Medicaid coverage beyond the 1619(b) maximums. Because they are disabled and usually have high medical expenses, and often use long-term support services available under Medicaid, they often do not have access to private health insurance coverage, whether through an employer or direct purchase from an insurer. Without access to private health insurance or Medicaid, these individuals, who are estimated to number very few, often cannot afford to pay for their medical care. Under this circumstance, their only alternative may be to stop working, or reduce their work effort, thus reducing their income to a point where they again become eligible for Medicaid.

Section 4733 of BBA allows States to provide Medicaid to these individuals by creating a new optional categorically needy eligibility group. If a State chooses to cover this group, individuals can become eligible for Medicaid if:

they are in a family whose income is less than 250 percent of the federal poverty level for a family of the size involved; and
except for their earned income, they would be considered to be receiving SSI benefits.

Section 4733 also provides that States can require individuals to pay such premiums or other cost-sharing charges, set on a sliding scale based on income, as the State may determine. The amount of the premium or other cost-sharing to be paid, if any, is entirely within each State's discretion. Section 4733 does not require a premium or cost-sharing charges.

This provision is now in effect. We are developing a State Medicaid Manual instruction related to coverage of this group. States wishing to cover this group should submit a Medicaid State Plan

amendment so indicating to their HCFA Regional Office. The amendment should indicate that the State covers this optional categorically needy group and the effective date of the amendment, and should include information on the premiums and cost-sharing charges the State plans to impose.

Enclosed is an explanation of how eligibility is determined for this group.

Any questions about this provision or this letter should be directed to Roy Trudel of my staff at (410) 786-3417.

Sincerely, Sally K. Richardson
Director
Center for Medicaid and State Operations

Enclosure

cc:

All HCFA Regional Administrators

All HCFA Associate Regional Administrators for Medicaid and State Operations

Lee Partridge
American Public Welfare Association

Joy Wilson
National Conference of State Legislatures

Jennifer Baxendell
National Governors' Association

bcc:

CMSO Senior Staff

Enclosure

Determining Eligibility for Individuals Under Section 4733 of BBA

The eligibility determination for individuals in this group is essentially a sequential two-step process.

1. The first step is a gross income test, based on the family's total combined income, including all earnings. The family's total combined income must be less than 250 percent of the federal poverty level for a family of the size involved. Family income is determined without deductions or exemptions, except for types of income generally excluded under laws other than the Social Security Act; e.g., Agent Orange payments, certain reparations payments, various payments to Native Americans, etc. If the family's income is equal to or exceeds 250 percent of the appropriate poverty level, the individual is not eligible for Medicaid under this provision.

It is up to the State to determine what constitutes a "family" in the context of this provision.

2. Assuming the individual has met the gross income test, the second step is a determination of whether he or she meets the disability, assets, and unearned income standards to receive an SSI benefit. Income of other family members used in Step 1 is not included (unless the individual has an ineligible spouse whose income is subject to the SSI deeming rules). To be eligible under this provision, the individual must meet all SSI eligibility criteria (including categorical requirements).

SSI methodologies are used in making this determination except that all earned income received by the individual is disregarded. The individual's countable unearned income (e.g., title II

disability benefits) must be less than the SSI income standard (in 1997, \$484 for an individual). If unearned income equals or exceeds the SSI income standard, the individual is not eligible for Medicaid under this provision.

The individual's countable resources must be equal to or less than the SSI resource standard (\$2,000 for an individual).

There is no requirement that the individual must at one time have been an SSI recipient to be eligible under this provision. However, if the individual was not an SSI recipient, you must do a disability determination to ensure that the individual would meet the eligibility requirements for SSI.



[Return to Medicaid Policies Under the Balanced Budget Act of 1997 Page](#)

Last Updated December 3, 1997

	Medicare	Medicaid	Help	Feedback	Search	FAQs
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TEMPORARY ASSISTANCE FOR DAWN PEDERSEN

- Dawn Pedersen has worked all her adult life in the fishing industry. She is now 30 years old. She was diagnosed with lupus erythematosus, an autoimmune disease which eventually destroyed her liver. She received a liver transplant and now must take immunosuppressant medications, have blood drawn and analyzed once a month, and go for a yearly checkup at the Mayo Clinic. Her medical expenses are \$1,100/mo.
 - Dawn was able to go back to work full-time in January 1997. She now earns approximately \$1600 a month as a payroll clerk for Taku Smokeries. She gets medical benefits, but they won't pay her expenses for her pre-existing condition until July 1998. Even when her medical insurance does kick in, it won't cover her major expense for immunosuppressant medication (\$900 per month).
 - If Dawn had never worked before she became disabled, she would have received Supplemental Security Income (SSI). Instead, she received Social Security Disability Insurance (SSDI) benefits.
 - There is a program for disabled people who are on SSI and who want to go to work. This work incentive program, called the **Section 1619(b)** program, essentially disregards the income of low- and moderate-income disabled people who are medically indigent – and gives them Medicaid. This program allows disabled people with inadequate income and medical insurance to work – Medicaid provides coverage for their medical expenses, they are productive, and live on their earnings.
- (10)
- Dawn is not eligible for the 1619(b) program, precisely because of her vigorous work history before she became disabled. She was never eligible for SSI. Essentially, Congress created a system where people *who have never worked before* and get SSI, can go to work and still be eligible for Medicaid if they need it. But people like Dawn, *who become disabled after establishing a work history*, can't go back to work and also get Medicaid – even if they are just as medically indigent – because they've never been eligible for SSI.
- (8)
- To solve this inequity, in 1997 Congress enacted Section 4733 of Pub. L. No. 105-33, by which states may exercise the option to offer Medicaid on a sliding fee scale to people like Dawn. The Alaska Legislature has to decide to implement this option. AS 47.07.020(d).
 - In the short-term, however, the Alaska Department of Health and Social Services has authority to give temporary, discretionary relief to needy individuals. AS 47.25.250, .252. Dawn's situation demonstrates her need for this temporary, discretionary relief until a system-wide solution to the inequity of Dawn's situation can be reached.



MICHAEL PENNY/THE JUNEAU EMPIRE

Problem solved: Dawn Pedersen sits at the table of her current home, a 21-foot sailboat in Aurora Harbor. Pedersen has found help at the Capitol with trying to pay for her medical expenses without resorting to welfare.

Jobs that make a difference

■ Legislators and their staff can — and sometimes do — have a positive impact on people's lives

By MARY LOU GERB

Dawn Pedersen needed help with her medical problems, but nobody seemed to care.

In desperation, she wrote letters to Juneau Sen. Jim Duncan, Juneau Reps. Kim Elton and Bill Hudson and Alaska Gov. Tony Knowles.

Pedersen began by meeting with Melinda Hofstad, Hudson's chief of staff. Although Hudson was out of town, Hofstad got the ball rolling.

"Melinda was right on it," she said. "She supported me and thanked me for not giving up. Within two hours, letters from Elton, Duncan and (Department of Health and Social Services Commissioner) Karen Perdue were written in my behalf to Gov. Knowles."

Legislators and their staff can — and sometimes do — have a positive impact on people's lives.

Pedersen's problems began five years ago when she discovered she needed a liver transplant. At the Mayo Clinic, doctors determined she had Budd-khairi, a blood clot in the drainage of the liver caused by Lupus, an autoimmune system disease that damages internal organs.

At the time, she was a seasonal

employee with Icicle Seafoods in Petersburg, where she'd worked since 1988. She missed the 1993 season for her liver transplant.

"I was so lucky to be working with them," she said. "I think they're the only Alaskan seafood company with insurance for their seasonal employees."

Hired full time at Juneau's Taku Smokeries in January 1997, Pedersen hoped she could pay for her medical expenses working year 'round; however, she didn't realize she would lose her insurance. In addition to being kicked off Medicaid and Medicare, she also lost the option to pay for insurance from her previous part-time job at Icicle Seafoods. And because she had a pre-existing condition, the liver transplant, she couldn't get insurance through her new job for a year.

"It all came down on me by April 1997," she said. "I had to endure my own medical expenses, over \$968 per month."

"Health care is a human right," said Roxanne Stewart, chief of staff for Duncan. "I don't think anybody should worry about getting it when they need it. Our health-care system is so inefficient, and our insurance lobbies are so strong."

Pedersen will always need medical assistance. Her liver is a foreign object in her body; her immune system will always try to suppress it, so she needs medication and monthly blood tests to monitor her body's reaction.

But she didn't want to be on welfare.

"I'd been on disability, but I'm still young. I don't want to sit on my butt the rest of my life," said the 30-year-old. "Getting back to work is important to me."

After striking out at the Public Assistance Office, she met Martha Stracener, supportive work director for REACH, a Juneau-based nonprofit organization. Stracener helped her reapply for Medicaid. Bob Briggs from the Disability Law Center agreed to take her case.

She borrowed money from St. Vincent de Paul, a social-service group, and waited while her request was kicked up to a judge, which took another 90 days.

"I need help now," she said.

On her birthday, Sept. 17, her claim was denied as a non-work-related expense.

"Meantime, I'm floundering, paying everything I make for medicine and charging up my credit card just to eat," she said. "I have nothing. I live on a 21-foot boat, smaller than

Please turn to Legislators, Page A10

er is one of the few who submitted written comments.

She is at an advantage, she said, because she has a teaching certificate and understands the "dense, compact format" in which curriculum is written.

Many parents don't, she said. "I guess it's a mismatch of communication formats."

"The only thing I could comment on is I didn't understand it," said Dzantik'i Heeni Middle

ending on public input, badeau said.

The real comment period may come over the next few years, though, as the standards are phased in. If it's apparent there are problems once they're put in practice, Rue said, the board can make changes.

"I think the important thing is getting standards established," Schorr said, "and then you can fine-tune them down the road."

pointed to their professional back- tive candidate
groun race, and I r

Abel said his experience in pri- the moderate

Legislators...

Continued from Page A1

most people's bathrooms. By November, with no assistance, it was easier not to take the medicine."

It seemed like it was better to quit her job and go on welfare. She could get housing with Section 8 assistance and go to school.

"No one seemed to see the benefits of continuing work versus going on permanent disability," she said. "I'm disillusioned by the whole system. Those programs are supposed to be here to help, but when I told my story, it fell on deaf ears. Everybody sympathized, but nobody had authority to do anything."

Dianne Lindback in Rep. Elton's office said the constituent came in late in the game in the fall. She needed temporary medical assistance until her new insurance kicked in.

"Sometimes the government seems to be shooting itself in the foot," Lindback said. "Here was an admirable person, working hard, not wanting to take money unless her life depended on it."

It did.

Working together, Hofstad, Lindback and Stewart talked to Perdue of the Health and Social Services Department, but the federal and state guidelines were rigid, so they searched for alternate programs.

Legislative staffers found a program, administered by Mental Health, which pays for the medication and helps with some of the medical bills at Bartlett Regional Hospital and the Mayo Clinic. They also found help for Pedersen's phone and electricity bills.

“
Sometimes the government seems to be shooting itself in the foot. Here was an admirable person, working hard, not wanting to take money unless her life depended on it.

Dianne Lindback

“
In March, Taku Smoker's insurance program will pay for 80 percent of the medical bills.

"If I persevere, it still won't be easy street," she said. "I'm never going to have a nice house or some of the things people take for granted. I'll always have medical bills."

Now Pedersen is interested in getting a bill through the Legislature she hopes Knowles will introduce that would help people in her situation with expenses. She's concerned about politics, however.

"I'm worried about the Republicans defeating my bill because it was introduced by a Democratic governor," she said. "I'll be caught in the middle."

Pedersen considers herself fortunate.

"I've been given the gift of life," she said. "I got an organ donation. I'm not in a wheelchair and I have all my mental capacities. I just got bogged down in financial problems. The advocate, my lawyer and those secretaries - where would I be without them? I'd probably be in the hospital right now."

AI

price

Salmon...

*Amended pg 2
new subsection
7(b)
conceptual*

CS FOR HOUSE BILL NO. 459(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**Offered: 3/11/98
Referred: Finance**

Sponsor(s): HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to medical assistance for certain disabled persons; relating to
2 personal care services for recipients of medical assistance; and relating to the
3 priorities established for the medical assistance program."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 47.07.020(b) is amended by adding a new paragraph to read:

6 (12) disabled persons, as described in 42 U.S.C.
7 1396a(a)(10)(A)(ii)(XIII), who are in families whose income is less than 250 percent
8 of the official poverty line applicable to a family of that size according to the federal
9 Office of Management and Budget, and who, but for earnings in excess of the limit
10 established under 42 U.S.C. 1396d(q)(2)(B), would be considered to be individuals
11 with respect to whom a supplemental security income is being paid under 42 U.S.C.
12 1381 - 1383c; a person eligible for assistance under this paragraph who is not eligible
13 under another provision of this section shall pay a premium or other cost-sharing
14 charges according to a sliding fee scale that is based on income as established by the

1 department in regulations.

2 * Sec. 2. AS 47.07.035 is amended to read:

3 **Sec. 47.07.035. Priority of medical assistance.** If the department finds that
4 the cost of medical assistance for all persons eligible under this chapter will exceed
5 the amount allocated in the state budget for that assistance for the fiscal year, the
6 department shall eliminate coverage for optional medical services and optionally
7 eligible groups of individuals in the following order:

- 8 (1) midwife services;
- 9 (2) clinical social workers' services;
- 10 (3) psychologists' services;
- 11 (4) chiropractic services;
- 12 (5) advanced nurse practitioner services;
- 13 (6) adult dental services;
- 14 (7) emergency hospital services;
- 15 (8) treatment of speech, hearing, and language disorders;
- 16 (9) optometrists' services and eyeglasses;
- 17 (10) occupational therapy;
- 18 (11) mammography screening;
- 19 (12) prosthetic devices;
- 20 (13) medical supplies and equipment;
- 21 (14) targeted case management services;
- 22 (15) rehabilitative services for substance abusers and emotionally
23 disturbed or chronically mentally ill adults;
- 24 (16) clinic services;
- 25 (17) physical therapy;
- 26 (18) personal care services in a recipient's home;
- 27 (19) prescribed drugs;
- 28 (20) hospice care;
- 29 (21) long-term care noninstitutional services;
- 30 (22) inpatient psychiatric facility services;
- 31 (23) intermediate care facility services for the mentally retarded;

1 (24) intermediate care facility services;
 2 (25) individuals described in AS 47.07.020(b)(11);
 3 (26) individuals under age 21 who are not eligible for benefits under
 4 the federal program designated as the successor to the aid to families with dependent
 5 children program because they are not deprived of one or more of their natural or
 6 adoptive parents;

7 (27) skilled nursing facility services for persons under age 21;

8 (28) aged, blind, and disabled individuals who, because they do not
 9 meet the income requirements, do not receive supplemental security income under Title
 10 XVI of the Social Security Act, but who are eligible, or would be eligible if they were
 11 not in a skilled nursing facility or intermediate care facility, to receive an optional state
 12 supplementary payment;

13 (29) individuals in a hospital, skilled nursing facility, or intermediate
 14 care facility whose income while in the facility does not exceed 300 percent of the
 15 supplemental security income benefit rate under Title XVI of the Social Security Act,
 16 but who, because of income, are not eligible for the optional state supplementary
 17 payment;

18 (30) individuals under age 21 under supervision of the department for
 19 whom maintenance is being paid in whole or in part from public money and who are
 20 in foster homes or private child-care institutions;

21 (31) individuals under age 21 who the department has determined
 22 cannot be placed for adoption without medical assistance because of a special need for
 23 medical or rehabilitative care and who the department has determined are hard-to-place
 24 children eligible for subsidy under AS 25.23.190 - 25.23.220;

25 (32) individuals who are eligible under AS 47.07.020(b)(12).

26 * Sec. 3. AS 47.07.900(15) is amended to read:

27 (15) "personal care services in a recipient's home" means services
 28 authorized under a service plan [PRESCRIBED BY A PHYSICIAN] in accordance
 29 with applicable federal and state law [THE RECIPIENT'S PLAN OF TREATMENT
 30 AND PROVIDED BY AN INDIVIDUAL WHO IS

31 (A) QUALIFIED TO PROVIDE THE SERVICES;

1 (B) SUPERVISED BY A REGISTERED NURSE; AND

2 (C) NOT A MEMBER OF THE RECIPIENT'S FAMILY];

3 * Sec. 4. TRANSITIONAL PROVISION. Notwithstanding AS 47.07.020(b)(12), added
4 by sec. 1 of this Act, an individual described in that provision is eligible for medical
5 assistance under AS 47.07 without the payment of a premium or other cost-sharing charges
6 until the effective date of regulations adopted by the Department of Health and Social Services
7 that set the premium or other cost-sharing charges.

8 * Sec. 5. REGULATIONS. The Department of Health and Social Services shall adopt
9 regulations establishing the sliding fee scale for premiums or other cost-sharing charges
10 described in this Act by July 1, 1999.