

HEB

241



REPRESENTATIVE ERIC CROFT

HB241

The Pioneers' Dignity Act of 1997

Sponsor Statement

One hundred dollars a month disposable income. That's all many residents of Alaska's Pioneer Homes have.

No current resident may be evicted from a Pioneer Home for inability to pay. However, in exchange for state assistance in paying their Home costs, some Pioneer Alaskans must forfeit virtually all their assets, spending down their savings then accepting what many proud Pioneers consider to be a form of welfare. It does not have to be this way.

The Pioneers' Dignity Act of 1997 guarantees the rights of Home residents to keep up to \$5,000 in personal property and to receive certain forms of income, such as Permanent Fund Dividends and ANCSA distributions. In addition, when one spouse lives in a Home and the other continues to live outside the Home, the house or condominium is not counted as an asset of the resident spouse.

Pioneers' Home costs have risen sharply in recent years and will continue to rise. A basic room currently costs a resident \$934 a month, but will cost \$2,129 by the year 2003. Of the 600 residents statewide, approximately 130 apply for and receive state assistance in paying their rates. To be eligible for payment assistance, residents must relinquish all their income—including Longevity Bonus and Permanent Fund Dividend—and keep only \$100 a month.

One hundred dollars isn't enough to pay for clothing, subscriptions, toiletries, calls to relatives and gifts for grandchildren. In the richest state in the union, to restrict Home residents to such a meager allowance is to needlessly rob them of their dignity and independence. Our Pioneers—who have contributed so much effort to building our great state—deserve better treatment.

The fiscal impact of HB241 will be minimal. Increased revenues from Home residents will more than offset the cost of disregarding certain assets and income. Some of the features of the bill will soon be incorporated in pending regulations. HB241 simply sets in statute some of the more important and basic rights.

Please join me in treating our Pioneers with the respect they deserve.





REPRESENTATIVE ERIC CROFT

Pioneers' Homes Fact Sheet

Six hundred beds in 6 locations: Anchorage, Fairbanks, Palmer, Juneau, Ketchikan, and Sitka (where the first home was established in 1913). Average age of resident: 86 years old.

Applicants as of February 1997: 2,359. Active waiting list: 221.

Approx. 200 vacancies yearly. Forty-four deaths in the Anchorage Home last year. Approx. 21 residential rooms remain vacant, since most applicants require more intensive care.

Approx. 62% of Homes residents suffer from Alzheimer's or related dementia. About 80% of residents receiving assisted living services or more intensive services suffer from Alzheimer's. That percentage is estimated to rise to 90% by the year 2000.

Annual operating budget: approx \$30 million, \$80,000/day.

	<u>GF</u>	<u>Program Receipts</u>
FY96	\$25 million	\$5.2 million
FY97	\$22.9	\$7.9
FY98	\$21.1	\$9.9

Annual cost of operating Anchorage's 224-bed home: \$9.9 million
Annual cost of operating one of the smaller homes: \$1.9 million = yearly GF reduction.

No Medicaid funds pay for Pioneers' Homes. Pioneers' Homes are not Medicaid eligible because the buildings don't meet specifications, and would require \$20-\$60 million (estimates vary) to renovate up to standards (wider halls, e.t.c.).



Also, most Pioneers' Homes residents have too many financial resources to qualify for Medicaid.

Currently, approx. 140 (roughly one quarter) of the nearly 600 residents receive payment assistance. Following rate increases scheduled for 7/1/97, between 200 and 215 are expected to qualify.

<u>Rates</u> (monthly)	<u>Current</u>	<u>As of 7/1/97</u>
Coordinated services	\$934	\$1140 (+22%)
Basic assisted living	\$1289	\$1720
Enhanced assisted living	\$1553	\$2140
Alzheimer's services	\$1579	\$2200
Comprehensive	\$1864	\$2630 (+41%)

Seven-year rate increase plan ends in 2003. By then, Coordinated services will cost \$2,129; Comprehensive will cost \$6,448,

Current costs in private nursing homes range from \$2,500/mo. to \$4,000/mo. Seven-year plan will make Pioneers' Homes rates similar to those at private homes.

Approximately 30,000 senior citizens (aged 65+) reside in Alaska, 4.7% of our population.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

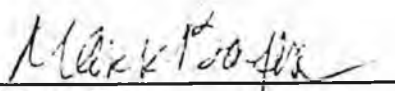
DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

BILL ANALYSIS

The Department of Administration supports HB 241. The bill would put into statute certain financial provisions regarding residents who receive financial assistance to pay rates in a Pioneers' Home. The department has proposed regulations that would have the same effect and has held public hearings that have supported the proposals. There will be no fiscal impact from this legislation.



Mark Boyer
Commissioner

FAX NOTE

TO: REP. ERIC CROFT
ATTN: TOM ATKINSON
PHONE: 800 689-4098
FAX: 465-4419

FROM: PATTY WEISENBERGER
ACT'G PRES., RESIDENT COUNCIL
PALMER PIONEERS' HOME
PHONE (907) 745-3030
FAX: 745-0230

PROVISIONS OF HB 271 ARE APPROVED BY PALMER PIONEERS' HOME RESIDENTS AND THEY URGE ITS PROMPT PASSAGE.

INCLUDED IN HB 271 ARE ABBREVIATED PROVISIONS TO SOME OF PROPOSED AMENDMENTS TO REGULATIONS FOR PIONEERS' HOMES, TO NONE OF WHICH WE OBJECT EXCEPT 2 AAC 41.015, RATES, WHICH WE ADAMANTLY OPPOSE.

AGAIN, WE REQUEST THAT RATES FOR PRESENT RESIDENTS OF PIONEERS' HOMES BE FROZEN AT FY 97 RATES; IF NECESSARY, INCREASED RATES MIGHT BE ASSESSED FUTURE RESIDENTS WHO WILL HAVE AN OPTION TO UNDERTAKE SAME -- WE HAVE NO CHOICE.



PATTY WEISENBERGER

ACT'G PRESIDENT, RESIDENT COUNCIL
PALMER PIONEERS' HOME

DISTRIBUTED BY REPRESENTATIVE ERIC CROFT

May 1, 1997

Representative Eric Croft
State Capitol
Juneau, Alaska 99801-1182


Dear Representative Croft:

Thank you for your letter dated April 16, 1997 sent to Ms. Bernice Westfall, President and to Ms. Grace Edelman, Secretary, Juneau Pioneers' Resident Council.

The Bill you are sponsoring (HB 241 Pioneers' Dignity Act of 1997) seems equitable to all Pioneers of Alaska.

I have read your letter and the Bill to our residents at today's meeting of the Resident Council and they concur. We hope this Bill passes.

Thank you for your concern..

Donna 

Sincerely,

Bernice Westfall

Mrs. Bernice Westfall, President
Juneau Pioneers' Home Resident Council

Barbara S. Looper

Marianne E. Hennrich

Grace Edelman

Emmetta S. Siuempiper

~~*Barbara S. Looper*~~
~~*Marianne E. Hennrich*~~
~~*Grace Edelman*~~

Fertens W. Volley

John H. Carlson

Amey Messerschmidt

Dicki Conover

Emma Knuth

Helen M. Lodge

Wendy Lee Lowe

5:5-97

TO ERIC CROFT

FAX # 465-4119

Rm # 430 - State Capitol 99801

From - John A. Gibbons

Pres. Anchorage Pioneer Resident Council

274-3307

FAX # 343-7272 -

Anchorage, Pioneer's Home Resident
Council approves and urges passage
of H.B. 241, The Pioneer Liquor
Act of 1997.

The Council further urges
passage of the tobacco tax
increase.

Side by Side: 2 AAC 41.032/HB241

When a Pioneers' Home Resident applies for payment assistance the state would, for the purposes of determining eligibility, disregard the following assets and income:

Under Proposed Regulations

\$100/mo. per AS 47.55.020(b)

ANCSA assets (income and cash dividends up to \$2,000, non-cash dividends from stock, land)

Alaska Permanent Fund Dividend

Veterans' benefits under 38 U.S.C. 1114

Compensation to federal retired and senior volunteers, foster grandparents, senior companions

Federal WWII restitution payments

Alaska victims' compensation payments

Real property being used as the primary residence of the Resident's spouse or dependent

Real and personal property not exceeding \$5,000 in value, not counting property necessitated by the Resident's physical condition, such as prostheses

Under HB241

\$100/mo. per AS 47.55.020(b)

ANCSA assets (income and cash dividends up to \$2,000, non-cash dividends from stock, land)

Alaska Permanent Fund Dividend

Veterans' benefits under 38 U.S.C. 1114

Compensation to federal retired and senior volunteers, foster grandparents, senior companions

Federal WWII restitution payments

Alaska victims' compensation payments

Real property being used as the primary residence of the Resident's spouse or dependent

Real and personal property not exceeding \$5,000 in value

Burial provisions for Resident, spouse, dependent consisting of: burial insurance, burial account of \$4,500 for each person, burial spaces

Burial provisions for Resident, spouse, dependent as determined sufficient by Dept. of Administration

Real and personal property (excluding prosthetic devices) under \$100,000 not being used as the primary abode of the Resident's spouse or dependent who is not residing in the Home

Not disregarded

The income of the Resident's spouse not living in the Home and, if the spouse's income is less than \$2,000/mo., so much of the Resident's income as will bring the spouse's income up to \$2,000/mo.

Not disregarded

A motor vehicle

Not disregarded

Federal Agent Orange Settlement Fund payments

Not disregarded

One or more life insurance policies

Not disregarded



REPRESENTATIVE ERIC CROFT

May 7, 1997

Sen. Bert Sharp, Co-Chair
Senate Finance Committee
Room 516, State Capitol
Juneau, Alaska 99801-1182

Dear Sen. ^{BERT} Sharp,

I received today from Pioneers of Alaska Grand Past President Bob Hufman a copy of the letter he sent to you regarding SB172/HB241.

I understand and appreciate Mr. Hufman's concern about losing flexibility to persuade the Dept. of Administration (DOA) to adopt more generous guidelines. However, I believe the House addressed that concern yesterday by adopting amendments which would establish floors, not ceilings. We did this by setting the amount the DOA must disregard when determining payment assistance, but allowing the DOA to disregard more by regulation.

Thus, HB241 provides security for Pioneers' Homes residents, who will have the comfort of knowing that certain amounts of their assets and incomes are protected. Yet, it will also allow the flexibility that Mr. Hufman desires.

In his letter, Mr. Hufman expresses concern about losing flexibility by placing proposed regulations in statute, but then goes on to suggest adding more proposed regulations. To add the provisions Mr. Hufman suggests might indeed reduce the flexibility about which he is concerned. Doing so would also slow the progress of HB241/SB172, probably ensuring that Pioneers' Home residents would not be able to enjoy in 1997 the security the legislation provides. Because rates will as of July 1 rise again—for some care by as much as 41%—I feel it's important to provide immediately what confidence and security we can.



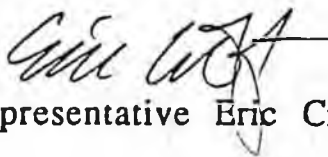
In drafting HB241, I worked closely with Director of Longevity Programs James Kohn, who was leery of placing regulations into statute because it would restrict DOA's flexibility. Before submitting my bill in the House, I confirmed that Mr. Kohn was comfortable with the amount of regulations and the particular regulations I was proposing for statute.

Placing more of the proposed regulations into statute is an issue which requires our careful consideration.

Regarding the extension of the look back period, I understand that the DOA proposes to extend that from 24 months to 36 months in order to conform with Medicaid procedures. This is a very complex matter which I believe is best left—at least for now—in the purview of the DOA.

Thank you for considering these issues and for your assistance in promoting greater dignity for Alaska's senior citizens in the Homes. Please don't hesitate to contact my office if you have any questions or concerns about HB241.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Croft", written in a cursive style.

Representative Eric Croft

Alaska State Legislature

SENATOR
BERT SHARP
DISTRICT P
CO-CHAIRMAN
SENATE FINANCE COMMITTEE
MEMBER
RESOURCE COMMITTEE



Senate

FAIRBANKS
DENALI BANK BUILDING
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SESSION ADDRESS:
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JUNEAU, ALASKA 99801-1182
(907) 465-3004/4921
FAX (907) 465-2070

MEMORANDUM

TO: SENATOR LYDA GREEN, CHAIR
SENATE STATE AFFAIRS COMMITTEE

FROM: SENATOR BERT SHARP, CO-CHAIR
SENATE FINANCE COMMITTEE *BMS*

SUBJ: HB-241

DATE: MAY 8, 1997

I STRONGLY URGE THAT HB-241 NOT GO FORWARD IN ITS PRESENT FORM.

PLEASE SEE LETTER ATTACHED FROM MR. HUFMAN. THE STATEWIDE PIONEER ORGANIZATION HAS SERIOUS CONCERNS AS TO SCOPE AND PRECEDENT ON THIS BILL.

PLEASE HOLD FOR FURTHER STUDY AND REVISION.

ATTACHMENT



REPRESENTING
GOLDEN HEART
OF ALASKA

GRAND IGLOO
PIONEERS OF ALASKA

ORGANIZED AUGUST 4, 1908



OFFICE OF GRAND PAST PRESIDENT

Senator Bert Sharp
State Capitol Building
Juneau, AK 99801-1182

May 7, 1997

Bert
Dear Senator Sharp:

I wish to comment on SB 172, a companion of HB 241 which recently passed the House.

The legislation, while well intentioned, may not be in our best interests. Once passed into law, we lose the flexibility to eventually persuade the Department of Administration to make changes beneficial to Pioneer Home residents. I am convinced that those in the House that co-sponsored this legislation are under the impression that they are doing a favor for the residents of the Homes so therefore we are reluctant to carry out a full blown opposition campaign.

In the event the Senate wishes to move forward on SB 172, please add a number of items from the proposed regulations that were not included in the House version, such as:

A motor vehicle.

Real and personal property not being used as the primary residence of the resident's spouse or dependent, with a value of not more than \$100,000; property necessitated by the resident's physical condition, such as a prosthetic device, is not subject to this value limitation.

If the spouse's income is less than \$2,000 a month, so much of the resident's income as will bring the spouse's income up to \$2,000 a month.

For a home resident without a spouse or dependent in the community: real and personal property with a value of not more than \$5,000, but property necessitated by the resident's physical condition, such as a prosthetic device, is not subject to this value limitation.

STATE CLAIM AGAINST ESTATE. Upon the death of a Pioneer's Home resident, or of a recipient of day care or respite services, a state claim for unpaid debt owed to the Pioneer's Home may be satisfied only out of the decedent's estate. The state will not pursue a claim to the extent that it will work undue hardship on the surviving

Page 2....Sen. Sharp, 5/7/97

spouse or dependent of the decedent. Heirlooms, partially exempt under AS 09.38.020 (in the Alaska Exemptions Act), are exempt from a Pioneer's Home claim by the state, without regard of value.

Further, we feel that the Administration change from 24 months to 36 months with regard to disposal of assets is excessive and prefer the 24 month look back period.

These items are significant and should be included in any legislation considered by the Senate. Thanks in advance for your assistance. I look forward to seeing you after the session.

With best regards,



Bob Huffman, chairman
Legislative & Govt. Affairs Committee
GRAND IGLOO PIONEERS OF ALASKA