

SB

247



Alaska State Legislature

Senator Loren Leman
District G - Republican

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Sponsor Statement for CSSB 247 (FIN) Veterans' Eligibility for Longevity Bonus

An Act relating to eligibility of certain veterans for longevity bonus payments; and providing for an effective date.

Updated: March 29, 2000 by Marie Cook, Staff Aide to Senator Loren Leman.

Senate Bill 247 restores the eligibility of certain veterans who are being cared for in nursing homes to receive longevity bonus payments.

Under AS 47.45.070, a person who resides in a nursing home can receive the longevity bonus only if "the costs of care of the person at the nursing home are paid for entirely from private sources." As a result, persons living in nursing homes receiving veterans' benefits are denied longevity bonus payments. Veterans' benefits are federal benefits earned by those who have served our country in the armed forces. It is not fair to include veterans' benefits in the same category as needs-based state benefits such as Medicaid, the receipt of which disqualifies a nursing home patient from receiving longevity bonus payments.

SB 247 amends the eligibility criteria for nursing home patients, to allow the cost of care to be paid for from private sources, veterans' benefits, or a combination of private sources and veterans' benefits. Those veterans disqualified under the existing statute will be permitted to reapply for qualification for bonus payments beginning July 1, 2000. Eligible veterans who reapply will receive the longevity monthly bonus that they would have received had they not been disqualified. The longevity bonus payments are prospective from the time of re-qualification.

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[| Top | Senator Leman's Page |](#)

(7)

HOUSE COMMITTEE REPORT

Date Referred to Committee: March 30, 2000

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/6/00

The STATE AFFAIRS Committee considered:

CSSB 247(FIN)

CS FOR SENATE BILL NO. 247(FIN)

VETERANS' ELIGIBILITY FOR LONGEVITY BONUS

"An Act relating to eligibility of certain persons who receive veterans' benefits for longevity bonus payments; and providing for an effective date."

recommends it be replaced with the following committee substitute _____ 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) _____

fiscal note(s) ADMIN

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Shannette James</i>	<input checked="" type="checkbox"/>			
<i>John Swalley</i>	<input checked="" type="checkbox"/>			
<i>Ben Kentner</i>	<input checked="" type="checkbox"/>			
<i>Joseph [unclear]</i>	<input checked="" type="checkbox"/>			
<i>Scott [unclear]</i>	<input checked="" type="checkbox"/>			

CHAIR'S SIGNATURE *Shannette James*

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE



Division of Legislative Finance

P.O. Box 113200
Juneau, AK 99811-3200
(907) 465-3795
FAX (907) 465-1327

MEMORANDUM

DATE: February 2, 2000
TO: Senator Loren Leman
FROM: *ldw* Danith Watts, Legislative Fiscal Analyst
SUBJ: Longevity Bonus Legislation Fiscal Impact

The following information is provided in response to your inquiry regarding potential legislation and the relationship of veterans residing in Alaska nursing homes and longevity bonus eligibility. Sources for information include Health Facilities Licensing & Certification (Health & Social Services), Longevity Programs (Administration), and the Director of Administrative Services for H&SS. Numbers are taken from the December 1999 census received by the certification office. (A list of Alaska's nursing homes and the veteran information by location is attached for your information [Attachments A and B]).

Total numbers of Alaska nursing homes: 15
Total number of beds statewide: 717
Total number of Veterans reported: 7 (or less than 1% of the total beds)
Specific locations with count:

Denali Center, Fairbanks	1
Providence Extended Care Center, Anchorage	5
Sitka Community Hospital (Long Term Care), Sitka	1

Without a specific analysis by individual (probably with each person's release of confidential information), it is difficult to ascertain the overall impact of legislation allowing veterans' the opportunity to receive monthly longevity bonus checks. The pure dollars expended from the system to seven individuals would range from \$21,000 down to \$8,400 annually or less dependent upon the individuals involved (monthly benefits ranging from \$100 - \$250). Since the longevity bonus program is being phased out and is closed to new applicants, a case by case analysis would have to be formulated to determine the exact figure.

There is another side to this potential legislation that you may have already considered but the issue arose in my conversations with H&SS and Administration. The receipt of a monthly longevity bonus check would impact a recipient's eligibility for funding in Medicare, Medicaid, or General Relief programs. The ALB Hold Harmless program in H&SS (originally designed by protect Supplemental Security Income eligibility) may cover a change contemplated for veterans in nursing homes, but a statutory revision may be necessary to cover all of the bases.

Attachments as noted.

cc: Marie Cook, Staff Assistant to Senator Leman

Robert F. NESVICK
 2500 FORAKER DR.
 ANCHORAGE AK 99517
 Phone 907-243-6308
 Feb. 28, 2000

Senator Loren Leman
 State Office Building
 JUNEAU AK FAX # 907-465-3810

Re: The state statute that addresses a recipient of the Longevity Bonus receiving the monthly bonus while admitted to either a long term care facility or nursing home for one or more days:

As a disabled veteran I strongly object to this action when the V.A. is paying the entire cost of admission. Although the V.A. is not a private source it is federally funded and does not rely on state resources.

Veterans receiving service connected disability payments should not have to forfeit their monthly Longevity Bonus when admitted for a service connected disability.

Thank You

Robert F. Nesvick

Incl 1 ATCh

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION
DIVISION OF ALASKA LONGEVITY PROGRAMS

*Pioneers' Homes & Advisory Board
Longevity Bonus*

Tony Knowles, Governor

PO Box 110211
Juneau, AK 99811-0211
Phone: (907)465-4400
FAX (907)465-4108
(907)465-8886

March 6, 2000

The Honorable Jerry Ward
Chair
Senate State Affairs Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Mr. Chair:

This past Thursday at a hearing of your committee you requested that I provide to you the number of Alaska Longevity Bonus recipients who are temporarily disqualified for the Bonus since they are receiving Medicare benefits in skilled nursing care facilities.


As of this date there are 159 Bonus recipients who are disqualified by statute for the Bonus since they are presently receiving Medicare benefits in skilled nursing care facilities.

Since the percentage of Medicare residents in Alaska's skilled nursing care facilities appears to remain fairly constant, this number could be used as a monthly norm.

If the Bonus was paid to this group the cost to the state could be as much as \$477.0 per year.

I hope that this information is helpful. Please contact me if I can provide any further information.

Sincerely,


James L. Kohn
Director

cc: Robert Poe, Jr
Alison Elgee

Post-It® Fax Note 7671		Date	# of pages
To	Sen Lorenna Offg	From	James L. Kohn
ATTN:	Marie	Co.	
Phone #		Phone #	
Fax #		Fax #	

Sheet1

Facility	Medicaid
Heritage Place	40
Mary Conrad Center	32
Petersburg Gen Hospital	12
Providence Extended Care Unit	164
Wrangell General Hospital	1
Wesley Rehab Center	31
St. Ann's	0
Denali Care Center	0
Central Peninsula General	1
Cordova Community Medical	7
South Peninsula Hospital	21
Ketchikan General Extended Car	7
Quyana (Norton Sound) Care	14
TOTAL:	330

- Bonus Recipients receiving VA benefits for skilled nursing care and ineligible for the bonus.

date of birth	city	zip	age
1/26/23	Anchorage	99509	77
8/14/18	Homer	99603	82
5/1/17	Fairbanks	99701	83
3/19/19	Fairbanks	99707	81
7/17/23	Delta Jct	99737	77
11/10/24	Ketchikan	99901	76
12/1/25	Wasilla	99654	75

Post-It Fax Note	7671	Date	# of pages 2
To <i>Sen. Lemmon's Office</i>		From <i>Jim Kohn</i>	
Co./Dept. <i>NAIIE</i>		Co.	
Phone #		Phone #	
Fax #		Fax #	

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Deliveries to: 129 6th St., Rm. 325

MEMORANDUM

March 21, 2000

SUBJECT: Longevity bonus payments for certain nursing home residents that are receiving veterans' benefits (SB 247)

TO: Senator Loren Leman

FROM: Tamara Brandt Cook
Director *TBC*

Under existing law a person who resides in a nursing home is not qualified for a longevity bonus payment unless the costs of nursing home care are paid for entirely from private sources. (AS 47.45.070(a)(2) and(c)). SB 247 will also permit persons whose nursing home care is paid for from veterans' benefits, or a combination of veterans' benefits and private sources to qualify for longevity bonus payments. You ask whether this change which would permit some persons in nursing homes who receive veterans' benefits to also receive longevity bonus payments would give other nursing home residents, such as Medicaid recipients, a cause of action against the state.

The only cause of action that I can think of would be based on equal protection, asserting that the state is improperly discriminating in favor of persons who receive veterans' benefits. The first step in equal protection analysis is to determine the nature of the interest impaired by the challenged enactment, in this case, receipt of longevity bonus payments. The right to receive a longevity bonus payment is merely an economic interest entitled only to minimum protection under Alaska's equal protection analysis. (*Maggard v. Sipe*, Superior Court, Third Judicial District, Case No. 3AN-94-03935 CI, Order dated June 6, 1996; *State v. Anthony*, 810 P.2d 155 (Alaska 1991)) To survive challenge the state need only show that extending the benefit to people who receive veterans' benefits serves a legitimate purpose.

There is an obvious purpose in extending special benefits to veterans and their dependents--to encourage people to serve in the military. There are a great many state programs that already single out veterans' for special treatment. (AS 09.25.121, providing certain public records to veterans without charge; AS 16.05.341, free hunting and sport fishing licenses for disabled veterans; AS 18.55.330, veterans' preference in certain housing projects; AS 26.15. housing loans for veterans; AS 26.10.080, veterans' death gratuity; AS 28.10.421, special rates for vehicle registration; AS 29.45.030(e)-(i), property tax exemption for disabled veterans; AS 38.05.067, veterans' preference in purchase of residential land; AS 38.05.940, land discount for veterans; AS 39.25.159, state employment preference for veterans; AS 41.21.026(d), free state park campsite permit for disabled veterans)

Senator Loren Leman

March 21, 2000

Page 2

I believe that extending eligibility for longevity bonus payments to individuals who pay for nursing home costs with veterans' benefits while not extending that eligibility to all other nursing home residents would survive an equal protection challenge.

You also question whether other nursing home residents would have standing to bring suit. There is no reason to expect standing to be a problem, since these potential plaintiffs clearly have an interest that is adversely affected. (Trustees for Alaska v. State, 736 P.2d 324 (Alaska 1987) cert. denied, 486 U.S. 1032 (1988))

TBC:jdr

00-116.jdr

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Senator Loren Leman

TO: Representative Jeannette James, Chairman
House State Affairs Committee

FROM: Senator Loren Leman
Sponsor

DATE: March 30, 2000

RE: Request For Hearing - Senate Bill 247: Veterans' Eligibility For Longevity Bonus

Please schedule SB 247: "regarding eligibility of veterans for longevity bonus payments" for a hearing in the House State Affairs Committee at your earliest convenience.

SB 247 allows veterans who qualified to receive a monthly longevity bonus payment under AS 47.45.010 before January 1, 1997, but were later disqualified under AS 47.45.070 to reapply for qualification for bonus payments. AS 47.45.070 declares that a person who resides in a nursing home can receive the longevity bonus only if "the costs of care of the person at the nursing home are paid for entirely from private sources." SB 247 changes the language allowing the cost of care to be paid for from private sources, veterans' benefits, or a combination of private sources and veterans' benefits.

This bill affects six veterans currently in skilled nursing facilities.

I have attached to this memo a copy of the legislation and sponsor statement.

*Jeannette -
This bill passed the Senate by
a 20-0 vote yesterday.
Thanks,
Loren*

FISCAL NOTE

No. 1
Bill Version: CS5B247(STA)

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. (S) Publish Date: 3/20/00

Revision Date/Time (Note If correction)		Dept. Affected	Administration
Title	<u>Veteran's Eligibility for Longevity Bonus</u>	BRU	<u>Alaska Longevity Programs</u>
Sponsor	<u>Senator Leman</u>	Component	<u>Longevity Bonus</u>
Requester	<u>(S) STA</u>	Component No.	<u>26</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	12.0	12.0	12.0	12.0	12.0	12.0
Miscellaneous						
TOTAL OPERATING	12.0	12.0	12.0	12.0	12.0	12.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	12.0	12.0	12.0	12.0	12.0	12.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	12.0	12.0	12.0	12.0	12.0	12.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

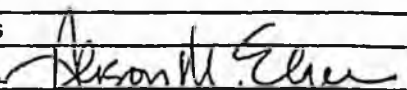
ANALYSIS: (Attach a separate page if necessary)

This bill allows a longevity bonus recipient who is also a veteran to remain eligible and receive the longevity bonus while residing in an Alaska skilled nursing facility if the veteran's care is paid for by veterans' benefits or a combination of private sources and veterans' benefits.

During the past calendar year, 2/99 through 1/00, an average number of 4* veterans were disqualified from the longevity bonus program due to residence in an Alaska skilled nursing facility during which time the care was paid for by veterans' benefits.

If each of the disqualified veterans normally received the maximum longevity bonus of \$250.00, the cost to the state in an average year would be \$12.0

*Average number is 3.6 rounded up to 4

Prepared by:	<u>Jim Kohn</u>	Phone	<u>465-2159</u>
Division	<u>Alaska Longevity Programs</u>	Date/Time	
Approved by	<u>Commissioner Robert Poe, Jr.</u> 	Date	<u>2/28/00</u> <u>2/28/00</u>
Agency	<u>Department of Administration</u>		

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