

SB

40

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/7/99

FURTHER: _____

4/12/99

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 4/12/99

Finance Committee considered SENATE BILL NO. 40

"An Act relating to eligibility for the longevity bonus; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>[Handwritten signature]</i>		✓	
		<i>[Handwritten signature]</i>		✓	
		<i>[Handwritten signature]</i>	X		
		<i>[Handwritten signature]</i>		✓	
		<i>[Handwritten signature]</i>	✓		
		<i>[Handwritten signature]</i>	✓		
Co-Chair: <i>[Handwritten signature]</i>	✓	Co-Chair: <i>[Handwritten signature]</i>			
Co-Chair: <i>[Handwritten signature]</i>	✓	Co-Chair: <i>[Handwritten signature]</i>			

(As part of balanced budget plan)

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):

Department	Date	Zero	Fiscal
Admin/Longevity Bonus	1/5/99		(4,100.0)
DHSS/Public Assist.	1/8/99		(1,589.3)
DHSS/Med. Assist.	1/8/99	0	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

STATE OF ALASKA
1999 LEGISLATIVE SESSION

REPORTED ON
8/2 4/12/99

NO. ✓
Bill Ver. in: SB 40
(S) Publish Date: 1/21/99

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
Title: Eligibility for Longevity Bonus BRU: Medical Assistance
Sponsor: Rules Component: Medicaid ALB Hold Harmless
Requestor: Governor COMPONENT SERIAL NO. 231
See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY1999) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Federal law currently permits the Alaska Medicaid program to disregard the Alaska Longevity Bonus, under most circumstances, when determining client income. Under federal law, Medicaid cannot disregard the Bonus when determining eligibility for Medicaid categories that use the income standard for residents of institutions. This legislation will not change the requirement that the Alaska Medicaid program count this income when determining eligibility for these Medicaid categories. Therefore, Medical Assistance will continue to spend small amounts of funds on the ALB Hold Harmless program.

Prepared by: Jon Sherwood Phone: 465-3355
Division: Medical Assistance Date/Time: 1/7/99 11:05 AM
Approved by Commissioner: Karen Perdue, Commissioner Date: 1/8/99
Agency: Department of Health & Social Services

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STATE OF ALASKA
1999 LEGISLATIVE SESSION

NO. 2
Bill Version: SB 40
REPORTED BY: 4/12/99
(S) Publish Date: 1/21/99

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
Title: Eligibility for Longevity Bonus BRU: Public Assistance
Sponsor: Ruies Component: OAA-ALB Hold Harmless
Requestor: Governor COMPONENT SERIAL NO. 223
See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)
MISCELLANEOUS						
TOTAL OPERATING	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)

Estimate of any current year (FY1999) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Federal law governing the administration of the Supplemental Security Income (SSI) program allows SSI to exclude state-funded, need-based payments from consideration when determining eligibility for federal SSI benefits. This legislation changes the treatment of Longevity Bonus payments by SSI. Currently, ALB payments made to an individual who first qualified for the bonus after September, 1985 are treated as countable income in SSI eligibility calculations. Under AS 47.45.122, the ALB hold harmless program replaces public assistance, SSI, and Medicaid benefits that are denied because federal law requires that bonus payments be counted as income.

This legislation will establish the Alaska Longevity Bonus (ALB) as a need-based program. SSI will be allowed to disregard ALB payments from income when determining eligibility and benefits and eliminates the need for Alaska Longevity Bonus Hold Harmless (ALB/HH) funds to replace lost SSI benefits.

Prepared by: Jim Nordlund Phone: 465-2680
Division: [Signature] Date/Time: 1/6/99 11:05 AM
Approved by Commissioner: Karen Perdue, Commissioner Date: 1/8/99
Agency: Department of Health & Social Services

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ANALYSIS (cont.):

Because of the SSI program's retrospective budgeting process, this legislation will not affect ongoing SSI recipients until the benefit month of September 1999. Therefore the decrease in ALB/HH expenditures for FY98 only reflects 10 months for FY00.

Under existing state law, no new individuals will be eligible for ALB payments after December 31, 1996. Accordingly, the need for ALB/HH funds will decrease each year while Old Age expenditures would increase by the same amount. ALB/HH expenditures are anticipated to decrease each year after FY00 by about 3 percent a year.

The need for Medicaid ALB hold harmless payments remains, because the federal Medicaid program rules continue to require that the bonus payments be treated as income for some individuals.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

No. 1
 Bill Version: SB 40
 (S) Publish Date: 1/21/99

4/12/99

Revision Date: _____
 Title: "An Act relating to the eligibility for longevity bonus..."
 Sponsor: Rules
 Requestor: Governor

Department Affected: Administration
 BRU: Longevity Bonus
 Component: Longevity Bonus Grants
 COMPONENT SERIAL NO. 26

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES	150.0	150.0	150.0	150.0	150.0	150.0
TRAVEL						
CONTRACTUAL	350.0	100.0	100.0	100.0	100.0	100.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(4,600.0)	(4,338.0)	(4,059.4)	(3,782.9)	(3,503.2)	(3,224.1)
MISCELLANEOUS						
TOTAL OPERATING	(4,100.0)	(4,088.0)	(3,809.4)	(3,532.9)	(3,253.2)	(2,974.1)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(4,100.0)	(4,088.0)	(3,809.4)	(3,532.9)	(3,253.2)	(2,974.1)
1037 GF/Mental Health						
OTHER						
TOTAL	(4,100.0)	(4,088.0)	(3,809.4)	(3,532.9)	(3,253.2)	(2,974.1)

Estimate of any current year (FY 98) cost: \$ 0.0

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill would limit eligibility for the Longevity Bonus Program to those seniors whose income does not exceed \$60.0 for a single person or \$80.0 for a couple. Anyone with income exceeding those amounts would be suspended from the program, but could requalify if their income status changed. Although the amount of savings anticipated from this bill is an estimate, because income data is not collected on bonus recipients at this time, it is expected that the income maximum will reduce program grant costs by approximately 8% each year. However, if this estimate is too high, the program would then need a supplemental appropriation to cover the difference.

The impact of administering the program with these changes would depend on the details worked out regarding the verification of income. The program would probably need additional staff or contract resources to process income verifications, resolve disputes, process appeals, investigate suspected fraud, write detailed regulations and modify the Longevity Bonus computer program.

Prepared by: James L. Kohn, Director
 Division: Alaska Longevity Programs

Phone: (907) 465-2159
 Date: 1/4/99

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 1/5/99

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SENATE FINANCE COMMITTEE

SIGN-IN

SB 40-LONGEVITY BONUS ELIGIBILITY

NAME: RALPH C. HURT Sub./Bill No: 40

Co./Dept./Title: SELF Phone: 364-2701

Address: 2616 DOUGLAS HWY #205 JUNEAU, AK Zip: 99801

Do you wish to testify? Yes No Respond to Questions

NAME: Mary Lou Menden Sub./Bill No: 40

Co./Dept./Title: Pioneers of Ak Phone: 586-2568

Address: 805 Gold Belt Zip: 99801

Do you wish to testify? ~~Yes~~ No Respond to Questions

NAME: JANE KLACKINSON Sub./Bill No: 40

Co./Dept./Title: PIONEERS OF AK Phone: 364-3415

Address: 2666 DOUGLAS HWY JUNEAU Zip: 99801

Do you wish to testify? Yes No Respond to Questions

NAME: Alison Elgee Sub./Bill No: SB40

Co./Dept./Title: Dep. Comm Phone: 465-2200

Address: DOA Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: Marie Harlin Sub./Bill No: 40

Co./Dept./Title: NARFE Phone: 6-3637

Address: 415 Willoughby # 506 Zip: 99801

Do you wish to testify? Yes No Respond to Questions Juror

NAME: JEFF JESSEE / Ex D.R. Sub./Bill No: 40

Co./Dept./Title: MENTAL HEALTH TRUST AUTHORITY Phone: 269-7960

Address: 550 W. 7th Ave Zip: 99501

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions