

SB

105

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
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April 17, 2003

Honorable Peggy Wilson
Chair
House Health, Education, Social Services Committee
Alaska State Capitol, Rm. 104
Juneau, AK 99811

Dear Representative Wilson,

The Department of Health and Social Services respectfully requests a hearing in the Senate Finance Committee on CS Senate Bill 105(HES)am(efd fld) "An Act relating to eligibility requirements for medical assistance for certain children, pregnant women, and persons in a medical or intermediate care facility; and providing for an effective date."

This would "freeze" income levels for eligibility for Denali Kid Care and would "freeze" income levels for Medicaid under the special income limit for nursing homes and home and community based waiver services.

Under current law, income standards for these eligibility categories increase every year by the amount of cost-of-living adjustments to the Supplemental Security Income (SSI) program or the federal poverty guidelines for Alaska. This bill will eliminate these annual cost-of-living adjustments and put in statute fixed dollar income levels for these programs based on the SSI standard that became effective on January 1, 2003 or the federal poverty guideline for Alaska that became effective on April 1, 2003.

The Senate reduced these fixed income levels for the Denali Kid Care program at 175% of the federal poverty guideline. The Governor is committed to his position that the Denali Kid Care income eligibility limit be set at 200% and we have prepared an amendment for your consideration to make this change to SB 105. We are also including a draft fiscal note to match the proposed amendment. Setting this program income standard at 200% will allow the department to maintain current Medicaid benefits to over 26,000 beneficiaries while fixing levels to realize significant cost savings in subsequent years.

Pregnant women who establish eligibility before June 30, 2003 will remain eligible for nine months notwithstanding the passage of this legislation. Likewise, children who

establish eligibility before June 30, 2003 are protected for a period of 6 months under existing continuous eligibility rules.

A fiscal note on the CS SB105 (HES)am(efd fld) and a copy of the Governor's transmittal letter are included with this letter for your review.

Your favorable consideration of this request is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Robert Buttane". The signature is written in black ink and is positioned above the printed name.

Robert Buttane

Acting Assistant to the Commissioner

Cc: Representative Pete Kott
Speaker of the House

Mike Tibbles, Legislative Director
Office of the Governor

John Gaisford, Director
Division of Medical Assistance

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 17, 2003

SUBJECT: Whether a concurrent resolution is needed to authorize a change in the bill title (HCS CSSB 105(HES))

TO: Representative Peggy Wilson
Attn: Jean Ellis

FROM: Terri Lauterbach
Legislative Counsel *TMLauterbach*

Enclosed is a draft HCS for SB 105.

The bill title is different than the bill title passed by the Senate. However, this change to the title of the bill is merely a technical change (recognizing that a special effective date is in the HCS) and would not require a concurrent resolution to suspend the Uniform Rules regarding changes to the title of a bill in the second house. The Uniform Rules specifically exempt technical title changes from the rule against title changes in the second house. See, Rule 41(b), Uniform Rules of the Alaska State Legislature.

If I may be of further assistance, please advise.

TML:med
03-410.med

Enclosure

23-GS1128VH
Lauterbach
4/17/03

HOUSE CS FOR CS FOR SENATE BILL NO. 105(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to eligibility requirements for medical assistance for certain children,**
2 **pregnant women, and persons in a medical or intermediate care facility; and providing**
3 **for an effective date."**

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

5 *** Section 1. AS 47.07.020(b) is amended to read:**

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

9 (1) persons eligible for but not receiving assistance under any plan of
10 the state approved under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act,
11 Supplemental Security Income) or a federal program designated as the successor to the
12 aid to families with dependent children program;

13 (2) persons in a general hospital, skilled nursing facility, or
14 intermediate care facility, who, if they left the facility, would be eligible for assistance

1 under one of the federal programs specified in (1) of this subsection;

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

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

11 (5) persons under age 21 who are in an institution designated as an
12 intermediate care facility for the mentally retarded and who are financially eligible as
13 determined by the standards of the federal program designated as the successor to the
14 aid to families with dependent children program;

15 (6) persons in a medical or intermediate care facility whose income
16 while in the facility does not exceed \$1,656 a month [300 PERCENT OF THE
17 SUPPLEMENTAL SECURITY INCOME BENEFIT RATE UNDER 42 U.S.C. 1381
18 - 1383c (TITLE XVI, SOCIAL SECURITY ACT)] but who would not be eligible for
19 an optional state supplementary payment if they left the hospital or other facility;

20 (7) persons under age 21 who are receiving active treatment in a
21 psychiatric hospital and who are financially eligible as determined by the standards of
22 the federal program designated as the successor to the Aid to Families with Dependent
23 Children program;

24 (8) persons under age 21 and not covered under (a) of this section, who
25 would be eligible for benefits under the federal program designated as the successor to
26 the aid to families with dependent children program, except that they have the care and
27 support of both their natural and adoptive parents;

28 (9) pregnant women not covered under (a) of this section and who
29 meet the income and resource requirements of the federal program designated as the
30 successor to the aid to families with dependent children program;

31 (10) persons under age 21 not covered under (a) of this section who the

1 department has determined cannot be placed for adoption without medical assistance
2 because of a special need for medical or rehabilitative care and who the department
3 has determined are hard-to-place children eligible for subsidy under AS 25.23.190 -
4 25.23.220;

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

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

11 (B) the department has determined that

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

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

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

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

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

25 (12) disabled persons, as described in 42 U.S.C.
26 1396a(a)(10)(A)(ii)(XIII), who are in families whose income, as determined under
27 applicable federal regulations or guidelines, is less than 250 percent of the official
28 poverty line applicable to a family of that size according to the federal Office of
29 Management and Budget, and who, but for earnings in excess of the limit established
30 under 42 U.S.C. 1396d(q)(2)(B), would be considered to be individuals with respect to
31 whom a supplemental security income is being paid under 42 U.S.C. 1381 - 1383c; a

1 person eligible for assistance under this paragraph who is not eligible under another
2 provision of this section shall pay a premium or other cost-sharing charges according
3 to a sliding fee scale that is based on income as established by the department in
4 regulations;

5 (13) persons under age 19 who are not covered under (a) of this section
6 and whose household income does not exceed

7 (A) \$1,847 a month if the household consists of one person;

8 (B) \$2,489 a month if the household consists of two persons;

9 (C) \$3,130 a month if the household consists of three

10 persons;

11 (D) \$3,772 a month if the household consists of four

12 persons;

13 (E) \$4,414 a month if the household consists of five persons;

14 (F) \$5,055 a month if the household consists of six persons;

15 (G) \$5,697 a month if the household consists of seven

16 persons;

17 (H) \$6,339 a month if the household consists of eight

18 persons;

19 (I) \$6,339 a month, plus an additional \$642 a month for
20 each extra person above eight persons who is in the household if the
21 household consists of nine persons or more [200 PERCENT OF THE
22 FEDERAL POVERTY GUIDELINE AS DEFINED BY THE FEDERAL
23 OFFICE OF MANAGEMENT AND BUDGET AND REVISED UNDER 42
24 U.S.C. 9902(2)];

25 (14) pregnant women who are not covered under (a) of this section and
26 whose household income does not exceed

27 (A) \$2,489 a month if the household consists of two persons;

28 a pregnant woman in a household alone is considered to be a household of
29 two persons;

30 (B) \$3,130 a month if the household consists of three

31 persons;

1 (C) \$3,772 a month if the household consists of four
 2 persons;

3 (D) \$4,414 a month if the household consists of five persons;

4 (E) \$5,055 a month if the household consists of six persons;

5 (F) \$5,697 a month if the household consists of seven
 6 persons;

7 (G) \$6,339 a month if the household consists of eight
 8 persons;

9 (H) \$6,339 a month, plus an additional \$642 a month for
 10 each extra person above eight persons who is in the household if the
 11 household consists of nine persons or more [200 PERCENT OF THE
 12 FEDERAL POVERTY LINE AS DEFINED BY THE FEDERAL OFFICE OF
 13 MANAGEMENT AND BUDGET AND REVISED UNDER 42 U.S.C.
 14 9902(2)].

15 * Sec. 2. AS 47.07.042(d) is amended to read:

16 (d) In addition to the requirements established under (a) and (b) of this section,
 17 the department may require premiums or cost-sharing contributions from recipients
 18 who are eligible for benefits under AS 47.07.020(b)(13) and whose household income
 19 is greater than the applicable amount set out in (e) of this section [BETWEEN 150
 20 AND 200 PERCENT OF THE FEDERAL POVERTY GUIDELINE]. If the
 21 department requires premiums or cost-sharing contributions under this subsection, the
 22 department

23 (1) shall adopt in regulation a sliding scale for those premiums or
 24 contributions based on household income;

25 (2) may not exceed the maximums allowed under federal law; and

26 (3) shall implement a system by which the department or its designee
 27 collects those premiums or contributions.

28 * Sec. 3. AS 47.07.042 is amended by adding a new subsection to read:

29 (e) In (d) of this section, the term "applicable amount" means

30 (1) \$1,385 a month if the household consists of one person;

31 (2) \$1,867 a month if the household consists of two persons; a

1 pregnant woman in a household alone is considered to be a household of two persons;
2 (3) \$2,348 a month if the household consists of three persons;
3 (4) \$2,829 a month if the household consists of four persons;
4 (5) \$3,310 a month if the household consists of five persons;
5 (6) \$3,792 a month if the household consists of six persons;
6 (7) \$4,273 a month if the household consists of seven persons;
7 (8) \$4,754 a month if the household consists of eight persons;
8 (9) \$4,754 a month, plus an additional \$482 a month for each extra
9 person above eight persons who is in the household if the household consists of nine
10 persons or more.

11 * **Sec. 4.** This Act takes effect July 1, 2003.



ALPHA

☆
ALASKA PUBLIC HEALTH ASSOCIATION

Committed To Advancing Alaska's Public Health Since 1978

APR 22 2003

FAX regarding SB 105: Medicaid: Children/Pregnant Women/Facility

April 22, 2003

Dear Representative:

Senate Bill 105 Medicaid: Children/Pregnant Women/Facility is expected to be heard for the first time in (H)HESS today. On behalf of the Alaska Public Health Association, we urge you to fully restore the level of funding eligibility to 200% of the federal poverty guidelines, as the Governor requested.

SB 105 seeks to reduce eligibility in medical assistance programs, including Denali Kid Care and the Medicaid Choice Waiver Program, first by eliminating the cost of inflation adjustments in the federal poverty level rates, and if proposed amendments remain, reduces the eligibility further to 175% of the federal poverty level guidelines. With a stroke of a pen, SB 105 has a negative impact on the health of pregnant women and children in Alaska, not to mention others receiving medical assistance support.

From a public health perspective, any short term savings does not compare to the greater long term costs to the health of pregnant women and children.

Public health research on the health impact of uninsured children is noteworthy:

- Uninsured children who need medical and surgical care are 4 times more likely to go without the care they need than insured children with the same health needs. And when they do get care, they are sicker and more likely to be seen in the emergency room.
- Uninsured children are 4½ times more likely to do without needed prescriptions and eye glasses, and 5 times more likely to be unable to receive needed dental care.
- Uninsured children are 1 1/2 times more likely to arrive to kindergarten without their required immunizations. They're 8 times more likely to not have had well child check up.
- Uninsured pregnant women are less likely to receive prenatal care, placing them at risk to deliver early, low-birth weight babies; and at the greatest risk for fetal/maternal death.

We urge you to consider this issue from a different perspective. SB 105 is seeking to lower the enrollment in medical assistance programs by reducing eligibility. Yet the most effective approach the legislature can take is to assist employers and working families to get affordable health insurance, thereby reducing the number of pregnant women and children needing coverage by Denali Kid Care.

While there are many factors contributing to 1 in 5 Alaskans lacking health insurance coverage, one of the greatest barriers is access to affordable health insurance. A study by the Anchorage Access to Health Care Coalition released this fall indicates of the 16,000 adults in Anchorage who are uninsured – 71% are working adults, the majority in business with less than 10 employees. We need the legislature takes steps to join with businesses in addressing the issue of affordable health care insurance. Until then we urge you to keep the eligibility for the medical assistance programs at the full 200% of the federal poverty level to maximize the health of pregnant women and children, as well as those served by the Medicaid Choice Waiver Program.



Marie J. Lavigne, Executive Director Alaska Public Health Association

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LEAGUE OF WOMEN VOTERS OF ALASKA

RESOLUTION 03-02

**A RESOLUTION IN OPPOSITION TO SB 105 AND HB 172:
MEDICAID: CHILDREN/PREGNANT WOMEN/FACILITY**

WHEREAS, the League of Women Voters of Alaska believes that a basic level of quality health care at an affordable cost should be available to all U.S. residents; and

WHEREAS, SB 105 and HB 172 propose to freeze eligibility for Denali Kid Care by changing the program need standard from a percentage of the Federal Poverty Level to a fixed dollar amount, thus eliminating inflation proofing of eligibility levels which results in a larger percentage of children becoming ineligible for Medicaid; and

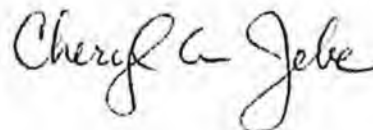
WHEREAS, uninsured children and uninsured pregnant women are less likely to receive timely and adequate health care and are placed at risk; and

WHEREAS, there is no affordable health care insurance available to small business where many uninsured people work; and

WHEREAS, other solutions are available, such as patient copayment; which can cut costs without cutting services,

THEREFORE, BE IT RESOLVED that the League of Women Voters of Alaska request the Alaska State Legislature vote against SB 105 and HB 172.

PASSED AND APPROVED by the delegates to the League of Women Voters 2003 Convention, Juneau, Alaska, this 13th day of April, 2003.



Cheryl Jebe, President
League of Women Voters of Alaska