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SENIOR

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1/26/05 #1

Senior CARE

Comparison of Qualifications and Benefits

Beginning January 2006

Qualifications

SeniorCare Cash Assistance

SeniorCare Prescription Drug Assistance

- ➔ Up to 135% of Poverty Level
- ➔ Annual Income below
\$15,708 Single
\$21,084 Couple
- ➔ Liquid Assets below
\$6,000 Single
\$9,000 Couple

- ➔ Up to 300% of Poverty Level
- ➔ Annual Income below
\$34,890 Single
\$46,830 Couple
- ➔ Liquid Assets below
\$50,000 Single
\$100,000 Couple

SeniorCare Benefit January 2006

- ➔ \$120 a month cash assistance (up to \$1,440 annual)

- ➔ \$670 Annual Medicare/Comparable Insurance Prescription Drug Premiums and Deductible

Medicare Benefit January 2006

- ➔ Annual Medicare Premiums and deductible covered \$670
- ➔ Full prescription drug coverage Medicare Part D

- ➔ Standard Medicare Part D, prescription drug coverage

Seniors Served (Total 17,000)

- ➔ 7,000

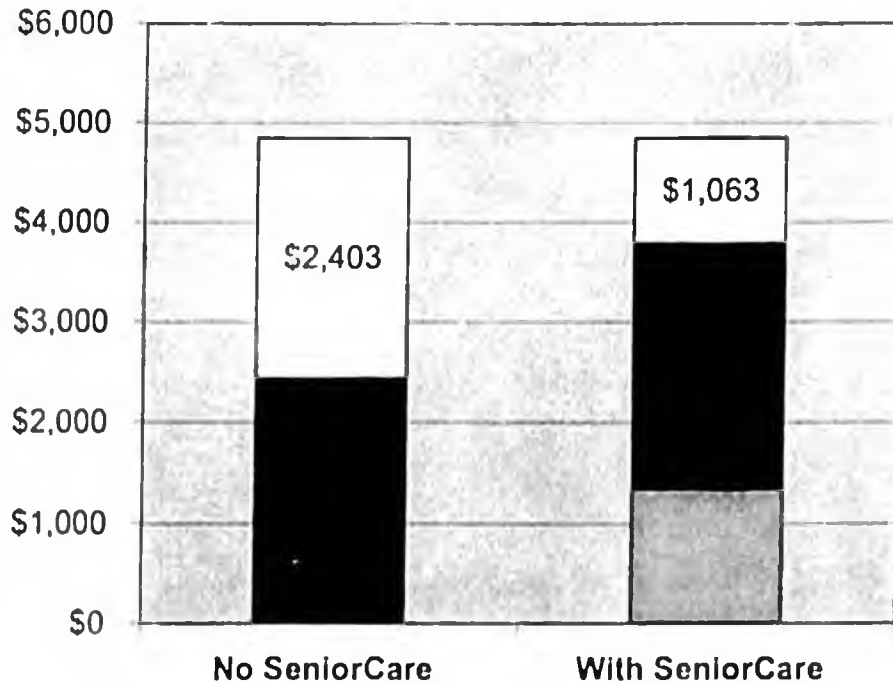
- ➔ 10,000

Senior CARE

Examples of Savings with SeniorCare

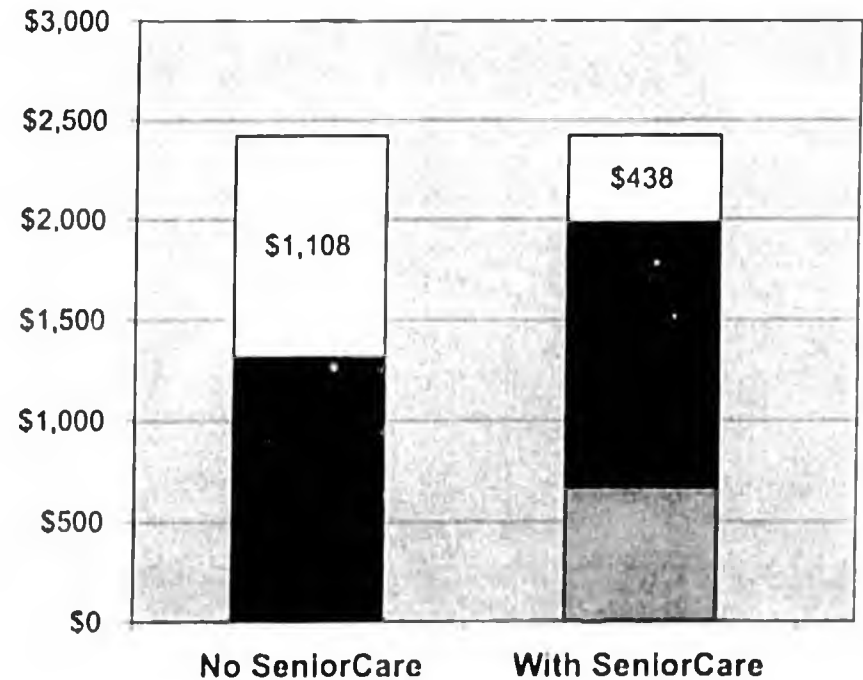
Bill, age 70 and Janet, age 68 With and without SeniorCare

Bill and Janet are married, and have an annual income of \$42,000 with \$70,000 of savings in an IRA retirement account. Bill spends \$2,500 annually for prescription drugs, Janet spends \$1,500.
Bill and Janet will save \$1340 annually under SeniorCare.



Mary, age 85 With and without SeniorCare

Mary lives alone, has \$30,000 annual income and \$45,000 in the bank. She spends \$2,000 for prescription drugs each year.
Mary will save \$670 annually under SeniorCare.

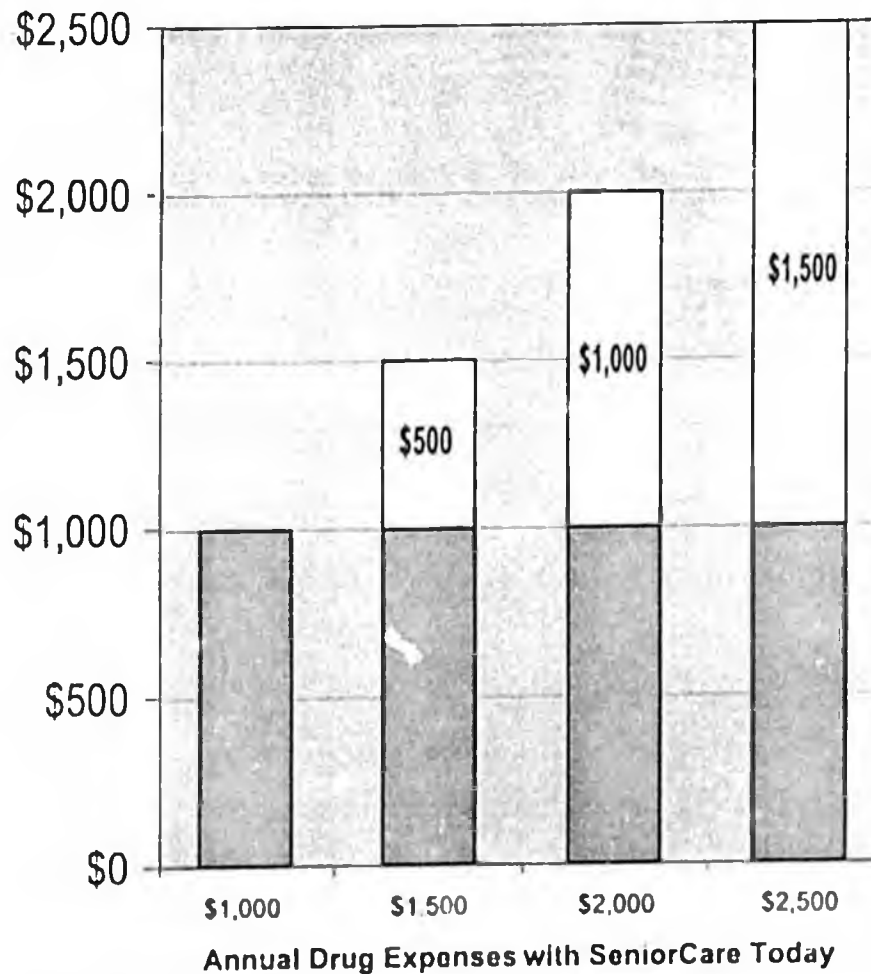


SeniorCare Benefit
 Medicare Drug Benefit
 Individual Out-of-Pocket

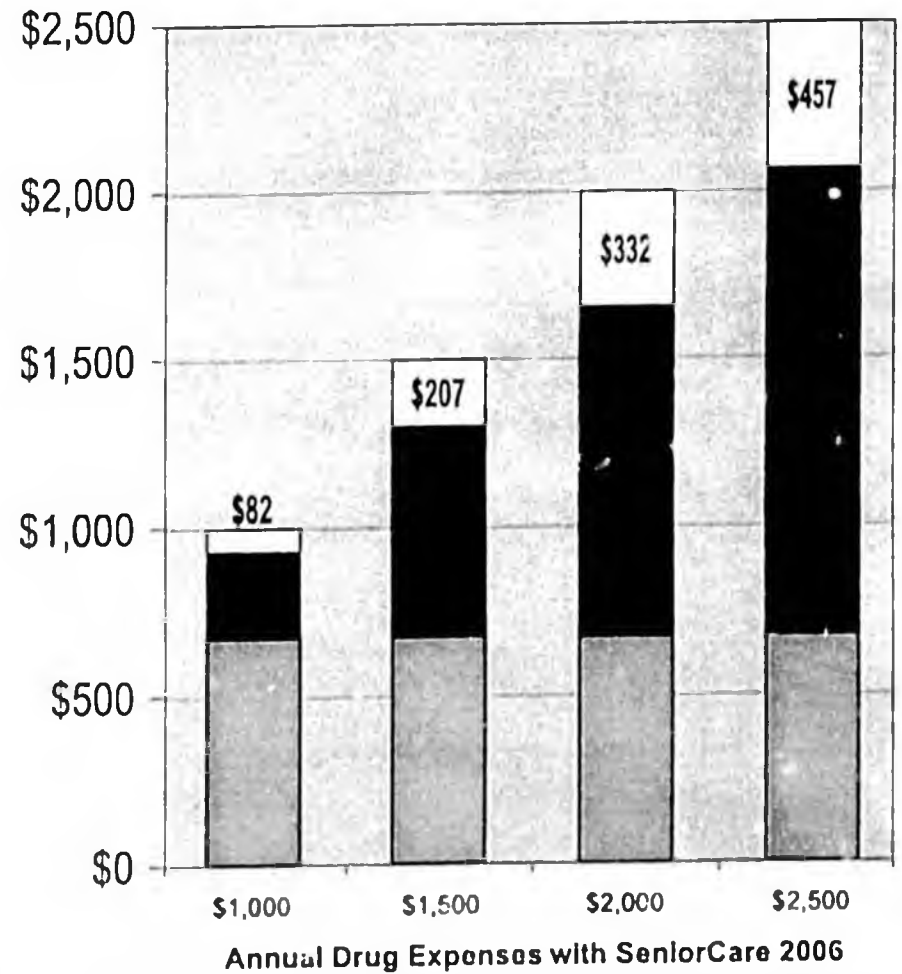


Strengthening and Improving Drug Coverage for Alaska Seniors

Old SeniorCare Prescription Drug Benefit



New SeniorCare Prescription Drug Benefit



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NEWS RELEASE



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SeniorCare proposals for FY06

ISSUES

- Alaska's growing senior population is facing increased healthcare costs, including costly prescription drugs and dental care.
- Currently, Alaska's SeniorCare program, which provides cash or a prescription drug subsidy for low-income seniors until full federal Medicare drug coverage becomes available Jan. 1, 2006, will end on that date. Almost 7,000 low-income Alaska seniors currently receive the cash assistance.
- The SeniorCare drug benefit currently covers seniors whose income is 150 percent or less of the federal poverty level.
- Medicaid dental coverage currently provides solely emergency dental care for Medicaid recipients aged 21 or older.
- The number of vulnerable adults in Alaska that need protective services is increasing.

MAJOR GOALS

- Integrate state benefits for low-income seniors with available federal funds to provide the most cost-effective coverage available.
- Improve the dental health of adult Alaskans, leading to better overall health and well-being.
- Provide better protection for Alaska's most vulnerable adults.

SeniorCare Proposal

- Continue the SeniorCare cash benefit beyond Jan. 1, 2006, for seniors with incomes below 135 percent of the federal poverty level.
- Change the SeniorCare drug benefit to cover Medicare Part D or comparable insurance prescription drug premiums and deductibles for Alaska seniors with incomes up to 300 percent of the poverty level.
- Beginning Jan. 1, 2006, seniors with annual incomes between 135 and 300 percent of the federal poverty level will qualify for assistance with prescription drug premiums and deductibles up to \$670 a year.

- Over 40 percent of Alaska seniors, about 17,000 out of 41,000, are estimated to be eligible in 2006 for SeniorCare under the new proposal. With these changes to SeniorCare, and the federal changes to Medicare, virtually all Alaska seniors will have access to a prescription drug plan.
- Due to funds remaining from the Legislature's generous \$26.1 million appropriation last year for SeniorCare for FY06, an appropriation of less than \$500,000 is needed to cover the cost of the new SeniorCare program for FY06. In future years, the proposed changes to SeniorCare would cost the State of Alaska about \$16.5 million annually.

Adult Dental Proposal

- Expand the range of adult dental services allowed under the Medicaid program to allow a more complete level of adult dental services.
- Provide for preventative or restorative adult dental services, as much as \$1,150 in dental care per client each year.
 - Services provided would include exams, cleaning, tooth restoration or extraction, or upper and lower full denture.
- About 41,000 low-income Alaskans would be eligible for the expanded Medicaid dental benefit, including seniors, people with disabilities, and adults on the Alaska Temporary Assistance for Needy Families (TANF) program.
- Expanding the dental program will cost nearly \$3.2 million, of which federal Medicaid will cover 66 percent of the expenses, the Alaska Mental Health Trust will cover 12.5 percent, and the state general fund would cover the remaining 21.5 percent.

Adult Protective Services Proposal

- Add a full-time position to help with Adult Protective Services investigations.
- Increase General Relief Assistance funding by \$750,000.
- Meet the immediate, basic needs of Alaskans facing extreme financial crisis.
- Designed as a last resort for financially eligible individuals and families who have exhausted all other possible resources.
- Adult Protective Services (APS) staff investigates claims of harm to vulnerable adults throughout Alaska. The APS staff is comprised of social workers trained to investigate allegations of abandonment, abuse, exploitation, neglect and self-neglect, and take corrective actions. These actions include providing information about assisted living services and referrals to community resources, protective placement and relocation for the vulnerable adult, guardianship or conservatorship counseling and training to community resources about what services are needed and how to provide them.

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Governor Proposes More Services for Seniors
Enhances SeniorCare, Adult Protective Services, Medicaid Adult Dental

(Anchorage) – Alaska's needy seniors would receive continued prescription drug benefits or cash support, expanded coverage of dental services, additional funds for General Relief Assistance and increased staffing at Adult Protective Services, under Governor Frank H. Murkowski's proposal to expand his SeniorCare program.

"Alaska's seniors testified to the Legislature that ending the SeniorCare program in 2006 would create a hardship," Murkowski said in announcing his package of legislative and budget proposals at the Anchorage Senior Center today. "We listened and we're responding. With these changes to SeniorCare, and the federal changes to Medicare, all Alaska seniors will have access to a prescription drug plan of one kind or another."

Enacted earlier this year, Governor Murkowski's SeniorCare initiative provides an array of services for low-income seniors until full federal Medicare drug coverage becomes available Jan. 1, 2006. The governor's proposal would continue the SeniorCare cash benefit beyond Jan. 1, 2006 for seniors with incomes below 135 percent of the federal poverty level. It would also change the SeniorCare drug benefit to cover Medicare Part D or comparable insurance prescription drug premiums and deductibles for Alaska seniors with incomes up to 300 percent of the federal poverty level.

"The new prescription drug coverage under Medicare requires beneficiaries to pay premium and deductible expenses out of pocket. Our proposal would help cover those costs," said Joel Gilbertson, commissioner of Health and Social Services. "The result is a combination of state and federal benefits that provide better prescription drug coverage for Alaska seniors." SeniorCare would cover up to about \$670 per person, which will fully fund seniors' prescription drug premiums and deductible costs next year, he said.

According to federal poverty level guidelines for 2004, a senior would qualify for the \$120 monthly cash assistance if he or she earns less than \$15,708 annually, or if living with a spouse, earns less than \$21,084. To qualify, liquid assets of \$6,000 for an individual and \$9,000 for a couple are considered in the overall needs test, which is an increase from the current SeniorCare standards.

Additionally, beginning January 1, 2006, seniors with annual incomes between 135 percent and 300 percent of the federal poverty level will qualify for the assistance with prescription drug premiums and deductibles up to \$670 a year. To qualify, seniors must have an annual income less than \$34,890 for an individual, or \$46,830 for a couple, and liquid assets of \$50,000 or less for individuals, or \$100,000 per couple. The federal poverty guidelines will be updated in early 2005, so the income levels may change at that time.

Over 40 percent of Alaska seniors, about 17,000 out of 41,000, are estimated to be eligible in 2006 for SeniorCare under the new proposal.

Enrollment in Medicare Part D will not be mandatory. While many Medicare beneficiaries will enroll in Part D, some individuals, especially those with drug coverage under retirement benefits, will choose not to.

Last year the Legislature generously appropriated \$26.3 million to the SeniorCare fund, and the balance is available to help the program in FY06, Gilbertson said. There have been fewer seniors participating in the plan than anticipated, leaving the fund with an estimated balance of nearly \$7.8 million for January 2006. Therefore, an appropriation of less than \$500,000 is needed to cover the cost of the new SeniorCare program for FY06. In future years, the proposed changes to SeniorCare would cost the State of Alaska about \$16.5 million annually.

Under the governor's proposal, an individual would have to be enrolled in Medicare Part D, Medigap or some comparable prescription drug coverage that has separate premiums or deductibles for prescription drugs in order to qualify for the SeniorCare drug program. Indian Health Service beneficiaries would be eligible for the SeniorCare drug program if they are enrolled in one of those programs.

Federal regulations implementing Medicare Part D have been proposed but not finalized. The proposed changes to the SeniorCare drug program will ultimately depend on the provisions of the final regulations, which are expected in early 2005.

Since its implementation in April 2004, SeniorCare has offered eligible Alaska seniors (currently up to 135 percent of the poverty level, and not receiving comprehensive Medicaid prescription drug coverage) an option to receive \$120 per month cash assistance up to \$1,440 annually, or a \$1,600 annual prescription drug subsidy. Seniors between 135 percent and 150 percent of the poverty level receive a prescription drug benefit of \$1,000 a year. Currently, 6829 are enrolled in SeniorCare, half of whom did not receive the longevity bonus. As of early December, 58 of those Alaska seniors use the drug benefit, and 6771 receive the cash benefit.

SeniorCare also provides statewide senior information, resource and referral services for all Alaska seniors through the Senior Information Office's statewide toll free number and Web site. The SeniorCare Senior Information Office began operating in spring of this year.

Murkowski will also propose legislation in January to expand the range of adult dental services allowed under the Medicaid program to allow a more complete level of adult dental services, he said. Currently, Alaska only provides emergency dental care for Medicaid recipients aged 21 or older. Murkowski's proposal would provide for preventative or restorative adult dental services, as much as \$1,150 in dental care per client each year. Services provided would include exams, cleaning, tooth restoration or extraction, or upper or lower full denture.

About 41,000 low-income Alaskans would be eligible for the expanded Medicaid dental benefit, including seniors, people with disabilities, and adults on the Alaska Temporary Assistance for Needy Families (TANF) program. Expanding the dental program will cost nearly \$3.2 million, of which federal Medicaid will cover 66 percent of the expenses, the Alaska Mental Health Trust will cover 12.5 percent, and the state general fund would cover the remaining 21.5 percent.

In addition, the Governor's FY06 legislative budget proposal will include adding a full-time staff person to help with Adult Protective Services investigations and an increase of \$750,000 for General Relief Assistance. This assistance program meets the immediate, basic needs of Alaskans facing extreme financial crisis. It is designed to be used as a last resort for financially eligible individuals and families who have exhausted all other possible resources.

Murkowski will propose the new legislation and budget in the upcoming Legislative session beginning in January. It will need to be passed by the Alaska Legislature before its benefits will be realized.

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