

SB

4

HFIN

FILE

25-LS0056W.1
Mischel
6/25/07

AMENDMENT |

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEYER

TO: HCS CSSB 4(FIN), Draft Version "N"

1 Page 1, line 9, following "relief":

2 Insert "assistance"

3

4 Page 5, line 3:

5 Delete "ASSISTANCE"

6 Insert "PAYMENT PROGRAM"

7

8 Page 5, following line 8:

9 Insert a new bill section to read:

10 "A Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 TRANSITION: SENIOR BENEFITS PAYMENTS MADE DURING FISCAL YEAR
13 2008. The provisions of AS 47.45.301(c), enacted by sec. 3 of this Act, and AS 47.45.302(c),
14 enacted by sec. 3 of this Act, do not apply to payments made under AS 47.45.301 - 47.45.309,
15 enacted by sec. 3 of this Act, by the Department of Health and Social Services for the period
16 beginning August 1, 2007, and ending on the effective date of enactment by the Twenty-Fifth
17 Alaska State Legislature of an appropriation bill that makes an allocation under the public
18 assistance appropriation to fund the senior benefits payment program, but not later than
19 June 30, 2008."

20

21 Renumber the following bill section accordingly.

by Kelly

Conceptual Amend. 1

- ① Extend current program.
to June 30, 2011
- ② Eliminate prescription drug benefit
- ③ Change the name to Senior Benefit Program
- ④ Allow legal to make conforming changes.

PROGRAM	WHO'S ELIGIBLE	INCOME LIMIT	MONTHLY BENEFITS	ANNUAL BENEFITS
Adult Public Assistance Program furnishes financial assistance to needy aged, blind, and disabled persons and to help them attain self-support or self-care. Assets \$3,000	65 years old or older (5,000 people) or Meet SSI disability standards (11,700 people)	\$ 985 Individual \$1,482 Couple Assets counted: cash on hand, money in checking or savings accounts, certificates of deposit, stocks, bonds, IRAs, property not up for sale, and lump-sum payments.	\$287 a mo 06 Actual \$57,556,200 GF \$52,300,000	\$3,444
Senior Care Assets less than \$6,000	65 years old and 126.5% of federal poverty level (6,632)	\$ 1,345 Individual \$ 1,804 Couple	\$120 a mo	\$1,440
Food Stamps	65 years old and 125 to 168% of federal poverty level (2,648)	\$ 1,328 Individual \$ 1,788 Couple	\$122 a mo	\$1,464
Property Tax Exemption - \$160,000 reduction of property tax assessment	65 years old or widow/widower 60	NONE	\$286.67	\$3,200
Energy Assistance	144% of federal poverty level	\$ 1,531 Individual \$ 2,063 Couple	\$118 \$11,312,700	\$1,416
Assisted Living Medicaid Waiver*	Meet SSI disability standards	Low end level of care High end level of care	\$4,710 \$7,560	\$56,520 \$90,720
Personal Care Attendants*	Meet SSI disability standards		\$2,784	\$33,408
Federal Income Tax Break - additional IRS personal exemption on 1040	65 years of age	NONE	Single Married	\$1,350 \$2,000
Sales Tax Exemption	65 years of age	NONE	***	***

* Based on average rates allowed by Senior & Disabilities Services per client

** Based on 44.3% of PCA'S \$83,542,500 being seniors and 44.3% of 2,500 participants in PCA program

JUN-26-2007 TUE 11:10 AM ANCHORAGE L10
Distributed by Representative Chenault

FAX NO. 307 269 0229

P. 01/02

DEPARTMENT OF HEALTH AND SOCIAL SERVICES BILL ANALYSIS

Updated 6/01/07

	Current SeniorCare Program	SB 9048B 148 Governor's SeniorCare Proposal	SB 4 Senior Benefits Payment Program	HB 198 AK Senior Benefits Program																																
SeniorCare Monthly Payment	Cash - \$120 / month Prescription Drug - \$670 / year	Cash - \$120 / Month	Up to 100% Poverty - \$175/Month 100-135% Poverty - \$150/Month 135-150% Poverty - \$100/Month	Up to 75% Poverty - \$250/Month 75-100% Poverty - \$175/Month 100-175% Poverty - \$125/Month																																
SeniorCare Annual Income Limit	Cash Income Limit 135% 2005 AK FPG <ul style="list-style-type: none"> • \$18,133 for individuals • \$21,641 for couples Asset Limits <ul style="list-style-type: none"> • \$6,000 Individual • \$9,000 Couple Prescription Drug Income Limit 175% 2005 AK FPG <ul style="list-style-type: none"> • \$20,913 for individuals • \$28,053 for couples Asset Limits <ul style="list-style-type: none"> • \$10,000 Individual • \$100,000 Couple 	Cash Income Limit 135% 2007 AK FPG <ul style="list-style-type: none"> • \$17,240 Individual • \$23,112 Couple (135% of 2007 Alaska FPG. Income limits will increase each year to keep pace with annual increases in federal poverty guidelines for Alaska.) Asset Limits <ul style="list-style-type: none"> • \$6,000 Individual • \$9,000 Couple Prescription Drug Benefit Ended	Cash Income Threshold <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2007</th> <th></th> <th></th> </tr> <tr> <th>HH</th> <th>AK FPG</th> <th>135%</th> <th>150%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$12,770</td> <td>\$17,240</td> <td>\$19,155</td> </tr> <tr> <td>2</td> <td>17,120</td> <td>\$23,112</td> <td>\$25,680</td> </tr> </tbody> </table> HH = Household Income limits increase annually to keep pace with FPG annual increases NO Asset test per sponsor Prescription Drug Benefit Ended		2007			HH	AK FPG	135%	150%	1	\$12,770	\$17,240	\$19,155	2	17,120	\$23,112	\$25,680	Cash Income Threshold <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th></th> <th>2007 AK FPG</th> <th></th> </tr> <tr> <th>HH</th> <th>75%</th> <th></th> <th>175%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$9,577</td> <td>\$12,770</td> <td>\$22,348</td> </tr> <tr> <td>2</td> <td>\$12,840</td> <td>17,120</td> <td>\$29,960</td> </tr> </tbody> </table> HH = Household Income limits increase annually to keep pace with FPG annual increases. NO Asset test per sponsor Prescription Drug Benefit Ended			2007 AK FPG		HH	75%		175%	1	\$9,577	\$12,770	\$22,348	2	\$12,840	17,120	\$29,960
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1	\$9,577	\$12,770	\$22,348																																	
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FY08 Estimate Avg No Caseload	SC Cash: 7,043 Prescription Drug: 140	SC Cash: 7,343	SC Cash: 8,800 Seniors	SC Cash: 10,700 Seniors																																
FY08 Estimate Benefit Only No Admin Incl	Benefit Only SC Cash - \$10,141.9 Prescription Drug - \$93.8	Benefit Only SC Cash - \$10,573.9	Benefit Only SC Cash: \$16,645.8	Benefit Only SC Cash: \$19,410.0																																
Sunset Date	June 30, 2007	June 30, 2012	June 30, 2011	June 30, 2011																																

AMENDMENT 2

OFFERED IN THE HOUSE
TO: HCS CS SB 4 (FIN)

BY REPRESENTATIVE HAWKER

1 Page 3, line 6

2 Delete "150"

3 Insert "175"

4

5 Page 3, line 15-23

6 Delete all material

7 Insert:

8 (b) An eligible individual shall receive a monthly cash assistance payment
9 beginning on August 1, 2007, or on the effective date of this Act, whichever is later,
10 as follows:

11 (1) \$250 if the individual's household income does not exceed 75
12 percent of the federal poverty guidelines for Alaska;

13 (2) \$175 if the individual's household income does not exceed 100
14 percent but is above 75 percent of the federal poverty guidelines for Alaska;

15 (3) \$125 if the individual's household income does not exceed 175
16 percent but is above 100 percent of the federal poverty guidelines for Alaska."
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25-LS0056\N.3
Mischel
6/26/07

AMENDMENT 3

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: HCS CSSB 4(FIN), Draft Version "N"

1 Page 1, line 14:

2 Delete "47.45.302(c)"

3 Insert "47.45.302(d)"

4

5 Page 3, following line 23:

6 Insert a new subsection to read:

7 "(c) Beginning July 1, 2008, the commissioner of health and social services
8 may annually compound and adjust the monthly cash assistance payment amount
9 provided in (b) of this section. An adjustment made by the commissioner under this
10 subsection may not exceed an amount compounded and adjusted by the Consumer
11 Price Index for all urban consumers for the Anchorage metropolitan area compiled by
12 the Bureau of Labor Statistics, United States Department of Labor. The index for
13 January 2007 is the reference base index, and the dollar amounts change on October 1
14 of each year. The commissioner may make the adjustment under this subsection only
15 to the extent sufficient funding is available to pay for the adjustment for that fiscal
16 year."

17

18 Reletter the following subsection accordingly.

ALASKA STATE LEGISLATURE HOUSE FINANCE COMMITTEE

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Sectional Analysis

House Finance Committee Substitute for SB 4 Version 25-LS0056\N

“An Act relating to cash assistance for seniors; establishing the senior benefits payment program; and providing for an effective date.”

Section 1: Legislative Intent Section

Clarifies the intent of the Legislature in regards to how the Senior Benefit Payment Program, as enacted by Section 3, will be funded. It is the intent of the Legislature that the Senior Benefit Payment Program be funded under the FY 08 Public Assistance appropriation as a General Relief allocation until the second session of the 25th Legislature convenes and passes an appropriation bill that creates a new allocation under the Public Assistance appropriation. Provides that the ability of the department to reduce or eliminate cash benefits when appropriations are not sufficient to meet the demands of the program does not apply to appropriations and the program in FY 08.

Section 2: Amends AS 09.38.015

Amends the “Property Exempt without Limitation” under the Alaska Exemption Act to include benefits received under the Alaska Senior Benefits Payment Program.

Section 3: Establishes the Alaska Senior Benefits Payment Program

Provides that the Department of Health and Social Services (DHSS) will adopt regulations to implement the program and gives DHSS the authority to reduce or eliminate cash benefits when appropriations are insufficient to meet the demands of the program.

Establishes eligibility for cash assistance under the Senior Benefits Payment Program: an individual must be 65 years of age, an Alaska resident, have a household income that does not exceed 150% of the annual federal poverty line for Alaska, and has not received a longevity bonus payment for the period of time in which the individual is applying for the cash assistance under the Senior Benefits Payment Program. Allows individuals who received \$120 a month, under the former Senior Care Program, to apply to the department on an abbreviated form.

Provides that eligible individuals will receive monthly cash assistance payments under the Senior Benefits Payment Program beginning August 1, 2007.

Creates a graduated cash assistance program based on income and the federal poverty guidelines for Alaska:

\$175 a month if household income does not exceed 100% of the federal poverty guideline adjusted for Alaska;

\$150 a month if household income does not exceed 135% but is greater than 100% of the federal poverty guideline adjusted for Alaska;

\$100 a month if household income does not exceed 150% but is greater than 135% of the federal poverty guideline adjusted for Alaska.

Provides that individuals are not eligible to receive cash assistance payments under the Senior Benefits Payment Program while they are absent from the state, unless they are absent in order to receive medical treatment, accompanying a relative receiving medical treatment, or other absence that is less than 30 consecutive days in length.

Provides that an individual who receives cash assistance payments under the Senior Benefits Payment Program is liable to DHSS for the value of the assistance if the benefits are improperly paid to the individual and the payment was based on inaccurate or incomplete information provided to DHSS by the individual.

Section 4: Program Sunset

Repeals the Senior Benefits Payment Program, effective June 30, 2011.

Section 5: Applicability Section

Provides that an individual who receives cash assistance or a prescription drug benefit under the emergency regulations adopted by DHSS cannot receive a benefit under the senior benefits cash assistance program enacted under Section 3, simultaneously.

Section 6: Effective Date

This Act takes effect immediately.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCS CSSB4 (FIN) Version (D)
 () Publish Date: _____
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction): _____
 Title RELATING TO SENIOR BENEFITS PAYMENT PROGRAM

RDU Public Assistance
 Component General Relief Assistance

Sponsor OLSON
 Requester HOUSE (FIN)

Component No. 221

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	421.9	460.2	460.2	460.2		
Travel	8.9	9.7	9.7	9.7		
Contractual	218.9	169.7	169.7	169.7		
Supplies	49.9	43.5	43.5	43.5		
Equipment						
Land & Structures						
Grants & Claims	15,258.7	16,862.2	17,081.4	17,305.5		
Miscellaneous						
TOTAL OPERATING	15,958.3	17,545.3	17,764.5	17,988.6	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES (0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15,958.3	17,545.3	17,764.5	17,988.6		
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	15,958.3	17,545.3	17,764.5	17,988.6	0.0	0.0

Estimate of any current year (FY2007) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	6	6	6	6		
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The current program serves low-income seniors age 65 and above, and provides a cash benefit of \$120 or a prescription drug benefit for payment of premiums and deductible for prescription drug insurance. Nearly 7,000 seniors receive the cash benefit and about 140 receive the prescription drug benefit. The current program freezes the income level at 135% of 2005 federal poverty guidelines for Alaska and includes an asset test.

Prepared by: Ellie Fitzjarrald, Director Phone 465-5847
 Division: Public Assistance Date/Time 06/22/2007
 Approved by: Karloun Jackson, Commissioner Date 06/25/2007
 Agency: Department of Health and Social Services

FISCAL NOTE

FN #

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION
(cont. from page 1)

This Legislation

- * Eliminates the Prescription Drug benefit component of the program.
- * Provides for continuation of cash benefits to seniors from August 1, 2007 to June 30, 2011.
- * Allows for annual adjustment of the federal poverty guidelines for Alaska.
- * Sets the maximum income eligibility level to 150% of the federal poverty guideline for Alaska (adjusted annually).
- * Sets the payment at one of three amounts that depend on the person or couple's income level:
 - * \$175 if household income is less than 100% of poverty
 - * \$150 if household income is between 100% and 135% of poverty, and
 - * \$100 if household income is between 135% and 150% of poverty.

Legislative Fiscal Intent

The department will be temporarily transferring funds from the Adult Public Assistance program to the General Relief Assistance program in order to continue to pay benefits to seniors. As a result, the Adult Public Assistance program will run out of funds in March 2008, and the department will need to request a supplemental appropriation when the Legislature convenes in 2008.

Benefit Cost Assumptions

- * This fiscal note assumes the sponsor's intent that there will not be an asset test to qualify for the program.
- * In FY08, the department estimates an average of 7,043 seniors who currently qualify for the cash benefit will continue to qualify for the new senior benefits program.
- * The department estimates an additional 300 seniors will qualify for the new program under the higher income limits. This represents the number of seniors who became ineligible for the program due to the income limits frozen at 2005 levels.
- * The department estimates an additional 300 seniors will qualify for the new program due to the elimination of the asset test. Currently approximately 4% of program applicants are denied due to assets. Note: Information about senior assets is not available to the department. Costs associated with this provision will need to be reevaluated as we gain experience with the new program.

FISCAL NOTE

FN #

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION
(cont. from page 2)

* The department estimates an additional 380 seniors will be served annually for every 5% increment increase above 100% of poverty.

The tables below display the 2007 poverty guidelines for Alaska for a single person or a couple, the projected caseload size at each level of poverty in FY 2008, and the estimated cost of benefits (benefits only) at an estimated annual caseload growth of 1.3%.

2007 Federal Poverty Guidelines for Alaska			
Household	100%	135%	150%
1	\$12,770	\$17,240	\$19,155
2	\$17,120	\$23,112	\$25,680

Poverty Level	FY08 Estimated Caseload	Benefit	FY08 Estimated Benefit Cost
< 100%	5,000	\$175	\$10,500.0
100 - 135%	2,643	\$150	\$4,757.4
135 - 150%	1,157	\$100	\$1,388.4
Total Caseload	8,800	Total Cost	\$16,645.8

Fiscal Year	Total Estimated Caseload	Total Estimated Benefit
FY08*	8,800	\$ 15,258.7
FY09	8,914	\$ 16,862.2
FY10	9,030	\$ 17,081.4
FY11	9,148	\$ 17,305.5

* FY08 estimate only reflects 11 months of benefits

Administrative Costs Assumptions

* The four positions currently administering the program will continue to administer the program: 1 Administrative Clerk II (Range 8); 2 Eligibility Technician I's (Range 14), and 1 Eligibility Technician III Lead Worker (Range 15). Two additional Eligibility Technician positions (Range 14) will be necessary to manage the increased caseload. All of these positions are responsible for the initial and ongoing determination of eligibility, processing claims, and serving as a liaison with the Social Security Administration to facilitate recipient enrollment in Medicare Part D.

FISCAL NOTE
FN #

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION
(cont. from page 3)

- * Modifications to DPA's Eligibility Information System (EIS) are necessary to facilitate the issuance of three different payments depending on household income. These changes are estimated to take three months for programming and testing.
- * In July 2007, DPA will begin notifying seniors about the new program. Current program recipients will be mailed an abbreviated form for completion and informed of the need to apply for the new program. DPA will begin accepting applications in July. In some cases, retroactive supplemental payments will be issued.

FY08 Administrative Costs (11 months): \$699.6

- Personal Services (6 positions): \$421.9
- Travel (to support employee training, marketing, outreach): \$8.9
- Contractual: \$218.9
 - Information Technology, telecommunication, postage, printing, and building & building lease costs): \$118.9
 - Outreach to inform seniors of the program's availability and benefits and to make referrals to other programs as appropriate: \$40.0
 - EIS Computer Programming Modifications: \$60.0 (one time cost for FY08)
- Supplies: \$49.9
 - Training materials and office supplies: \$39.9
 - Desktop computer, printer and station for two new positions: \$10.0 (one-time cost for FY08)

FY09 - FY11 Administrative Costs: \$683.1 per year

- Personal Services (6 positions): \$460.2
- Travel (to support employee training, marketing, outreach): \$9.7
- Contractual: \$169.7
 - Information technology, telecommunication, postage, printing, & building lease costs): \$129.7
 - Outreach to inform seniors of the program's availability and benefits, and to make referrals to other programs as appropriate: \$40.0
- Supplies (training materials and office supplies): \$43.5

All costs for the senior benefits program are eliminated in FY2012 to reflect the sunset of the program June 30, 2011.

Adopted 6/26/07

25-LS0056(N)
Mischel
6/25/07

**HOUSE CS FOR CS FOR SENATE BILL NO. 4(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA**

TWENTY-FIFTH LEGISLATURE - FIRST SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATORS OLSON, Wielechowski, Elton, Kookesh, Ellis

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to cash assistance for seniors; establishing the senior benefits payment**
2 **program; and providing for an effective date."**

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

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **LEGISLATIVE INTENT.** It is the intent of the legislature that

7 (1) the Alaska senior benefits payment program established under
8 AS 47.45.301, as enacted by sec. 3 of this Act, be funded under the fiscal year 2008 public
9 assistance appropriation as a general relief allocation until the Second Regular Session of the
10 Twenty-Fifth Alaska State Legislature convenes, passes an appropriation bill that creates a
11 new allocation under the public assistance appropriation, and the appropriation bill becomes
12 law; and

13 (2) during the period described in (1) of this section, the program pay the full
14 authorized benefit, notwithstanding AS 47.45.301(c) and 47.45.302(c), as enacted by sec. 3 of

1 this Act.

2 * Sec. 2. AS 09.38.015(a) is amended to read:

3 (a) An individual is entitled to exemption of the following property:

4 (1) a burial plot for the individual and the individual's family;

5 (2) health aids reasonably necessary to enable the individual or a
6 dependent to work or to sustain health;

7 (3) benefits paid or payable for medical, surgical, or hospital care to
8 the extent they are or will be used to pay for the care;

9 (4) an award under AS 18.67 (Violent Crimes Compensation Board) or
10 a crime victim's reparations act of another jurisdiction;

11 (5) benefits paid or payable as a longevity bonus under AS 47.45;

12 (6) compensation or benefits paid or payable and exempt under federal
13 law;

14 (7) liquor licenses granted under AS 04;

15 (8) tuition credit or savings accounts under a higher education savings
16 account established under AS 14.40.802 or an advance college tuition savings contract
17 authorized under AS 14.40.809(a);

18 (9) a permanent fund dividend to the extent allowed under
19 AS 43.23.065;

20 (10) benefits paid or payable as a senior care benefit under
21 AS 47.45.300 - 47.45.390;

22 (11) benefits paid or payable under AS 47.45.301 - 47.45.309.

23 * Sec. 3. AS 47.45 is amended by adding new sections to read:

24 **Sec. 47.45.301. Alaska senior benefits payment program.** (a) The Alaska
25 senior benefits payment program is established in the Department of Health and Social
26 Services to provide cash benefits as far as practicable under appropriations provided
27 by law.

28 (b) The department shall administer the program and adopt regulations under
29 AS 44.62 to carry out the purposes of the program.

30 (c) If the department estimates that appropriations for the program are
31 insufficient to meet the demands of the program in a fiscal year, the department may

1 reduce or eliminate the cash benefit available to recipients.

2 **Sec. 47.45.302. Cash assistance benefit.** (a) An individual is eligible for a
3 cash assistance benefit under the program if the individual

4 (1) is 65 years of age or older;

5 (2) is a resident of the state;

6 (3) has a household income that does not exceed 150 percent of the
7 annual federal poverty line for Alaska, as determined by the United States Department
8 of Health and Human Services and revised under 42 U.S.C. 9902(2);

9 (4) has not received a longevity bonus payment under AS 47.45.010 -
10 47.45.160 for the same period; and

11 (5) applies on a form provided by the department; the department may
12 use an abbreviated form for an individual who received a payment under an assistance
13 program for seniors that paid \$120 a month and was administered by the department
14 on or before the effective date of this section.

15 (b) An eligible individual shall receive a monthly cash assistance payment
16 beginning on August 1, 2007, or on the effective date of this Act, whichever is later, as
17 follows:

18 (1) \$175 if the individual's household income does not exceed 100
19 percent of the federal poverty line for Alaska;

20 (2) \$150 if the individual's household income does not exceed 135
21 percent but is above 100 percent of the federal poverty line for Alaska;

22 (3) \$100 if the individual's household income does not exceed 150
23 percent but is above 135 percent of the federal poverty line for Alaska.

24 (c) Cash assistance provided under this section is subject to appropriation.

25 **Sec. 47.45.304. Continuation of benefits.** An eligible individual who leaves
26 the state may not receive a cash benefit under AS 47.45.302 during the absence unless
27 the individual's absence is temporary and is for one of the following reasons:

28 (1) to receive medical treatment for the individual;

29 (2) to accompany the individual's family member who is receiving
30 medical treatment outside the state; or

31 (3) for a vacation, business trip, or other absence of less than 30

1 consecutive days, unless the individual has applied for and received a time extension
2 from the department for special circumstances.

3 **Sec. 47.45.306. Appeal rights.** An individual who receives a determination
4 from the department that denies, limits, or modifies a cash benefit under AS 47.45.301
5 - 47.45.309, other than a determination under AS 47.45.301(c) to reduce or eliminate
6 benefits, may request a hearing before the department under regulations adopted by
7 the department.

8 **Sec. 47.45.308. Ability to recover or recoup improper assistance or**
9 **benefits.** An individual is liable to the department for the value of assistance or
10 benefits improperly paid to the individual under AS 47.45.302 or former AS 47.45.310
11 or 47.45.320 if the improper payment was based on inaccurate or incomplete
12 information provided by the individual. In a civil action brought by the state to recover
13 from the individual the value of assistance or benefits improperly paid under
14 AS 47.45.302 or former AS 47.45.310 or 47.45.320, the state may recover from the
15 individual the costs of investigation and prosecution of the civil action, including
16 attorney fees as determined under court rules.

17 **Sec. 47.45.309. Definitions.** In AS 47.45.301 - 47.45.309,

18 (1) "department" means the Department of Health and Social Services;

19 (2) "eligible individual" means an individual who meets the
20 requirements of AS 47.45.301 - 47.45.309 and regulations adopted under those
21 statutes for eligibility for the program;

22 (3) "family member" means a person who is

23 (A) legally related to an eligible individual through marriage or
24 guardianship; or

25 (B) an eligible individual's sibling, parent, grandparent, son,
26 daughter, grandson, granddaughter, uncle, aunt, niece, nephew, or first cousin;

27 (4) "program" means the senior benefits payment program established
28 in AS 47.45.301 - 47.45.309;

29 (5) "resident" has the meaning given in AS 47.25.430(a).

30 * **Sec. 4.** AS 09.38.015(a)(11); AS 47.45.301, 47.45.302, 47.45.304, 47.45.306, 47.45.308,
31 and 47.45.309 are repealed June 30, 2011.

1 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 APPLICABILITY: SENIOR BENEFIT ASSISTANCE. In addition to meeting the
4 eligibility requirements under AS 47.45.302 and 47.45.304, a person may not receive cash
5 assistance under the senior benefits payment program enacted by sec. 3 of this Act if the
6 person is receiving cash assistance or a prescription drug benefit under a separate senior
7 benefit program established by the Department of Health and Social Services under 7 AAC
8 47.575 - 7 AAC 47.590).

9 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

Adopted

25-LS0056N.1
Mischel
6/25/07

AMENDMENT |

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEYER

TO: HCS CSSB 4(FIN), Draft Version "N"

1 Page 1, line 9, following "relief":

2 Insert "assistance"

3

4 Page 5, line 3:

5 Delete "ASSISTANCE"

6 Insert "PAYMENT PROGRAM"

7

8 Page 5, following line 8:

9 Insert a new bill section to read:

10 "§ Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 TRANSITION: SENIOR BENEFITS PAYMENTS MADE DURING FISCAL YEAR
13 2008. The provisions of AS 47.45.301(c), enacted by sec. 3 of this Act, and AS 47.45.302(c),
14 enacted by sec. 3 of this Act, do not apply to payments made under AS 47.45.301 - 47.45.309,
15 enacted by sec. 3 of this Act, by the Department of Health and Social Services for the period
16 beginning August 1, 2007, and ending on the effective date of enactment by the Twenty-Fifth
17 Alaska State Legislature of an appropriation bill that makes an allocation under the public
18 assistance appropriation to fund the senior benefits payment program, but not later than
19 June 30, 2008."

20

21 Renumber the following bill section accordingly.

by Kelly

Conceptual Amend. 1

- ① Extend current program.
to June 30, 2011
- ② Eliminate prescription drug
benefit
- ③ Change the name to Senior
Benefit Program
- ④ Allow legal to make
confirming changes.

AMENDMENT 2

OFFERED IN THE HOUSE
TO: HCS CS SB 4 (FIN)

BY REPRESENTATIVE HAWKER

1 Page 3, line 6

2 Delete "150"

3 Insert "175"

4

5 Page 3, line 15-23

6 Delete all material

7 Insert:

8 (b) An eligible individual shall receive a monthly cash assistance payment
9 beginning on August 1, 2007, or on the effective date of this Act, whichever is later,
10 as follows:

11 (1) \$250 if the individual's household income does not exceed 75
12 percent of the federal poverty guidelines for Alaska;

13 (2) \$175 if the individual's household income does not exceed 100
14 percent but is above 75 percent of the federal poverty guidelines for Alaska;

15 (3) \$125 if the individual's household income does not exceed 175
16 percent but is above 100 percent of the federal poverty guidelines for Alaska."

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6/25/2007

4:36:55 PM

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCS CSS84(FIN) (HB198)
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: General Relief Assistance

Revision Date/Time (Note if correction):
 Title: RELATING TO SENIOR ASSISTANCE

Sponsor: OLSON

Requester: HOUSE (FIN)

Component No. .221

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	421.9	480.2	460.2	460.2		
Travel	8.9	9.7	9.7	9.7		
Contractual	218.9	189.7	189.7	169.7		
Supplies	49.9	43.5	43.5	43.5		
Equipment						
Land & Structures						
Grants & Claims	17,792.5	19,662.3	19,917.9	20,176.9		
Miscellaneous						
TOTAL OPERATING	18,492.1	20,345.4	20,601.0	20,860.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES (0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	18,492.1	20,345.4	20,601.0	20,860.0		
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	18,492.1	20,345.4	20,601.0	20,860.0	0.0	0.0

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	6	6	6	6		
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The current program serves low-income seniors age 65 and above, and provides a cash benefit of \$120 or a prescription drug benefit for payment of premiums and deductible for prescription drug insurance. Nearly 7,000 seniors receive the cash benefit and about 140 receive the prescription drug benefit. The current program freezes the income level at 135% of 2005 federal poverty guidelines for Alaska and includes an asset test.

Prepared by: Ellie Fitzjarrald, Director
 Division: Public Assistance
 Approved by: Karlaen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone: 465-5847
 Date/Time: 06/22/2007
 Date: 06/22/2007

To Amendment
2

FISCAL NOTE

FN #

**STATE OF ALASKA
2007 LEGISLATIVE SESSION****ANALYSIS CONTINUATION**

(Cont. from page 1)

This Legislation

- * Eliminates the Prescription Drug benefit component of the program.
- * Provides cash benefits to seniors from August 1, 2007 until June 30, 2011.
- * Allows for annual adjustment of the federal poverty guideline for Alaska.
- * Sets the maximum income limit to 175% of the federal poverty guidelines for Alaska.
- * Sets the payment at one of three amounts that depend on the person or couple's income level:
 - \$250 if the senior's income is less than 75% of poverty;
 - \$175 if the senior's income is between 75% and 100% of poverty; and
 - \$125 if the senior's income is between 100% and 175% of poverty.

Legislative Fiscal Intent

The department will be temporarily transferring funds from the Adult Public Assistance program to the General Relief Assistance program in order to continue to pay benefits to seniors. As a result, the Adult Public Assistance program will run out of funds in February 2008, and the department will need to request a supplemental appropriation when the Legislature convenes in 2008.

Benefit Cost Assumptions

- * It assumes the sponsor's intent that there will not be an asset test to qualify for the program.
- * In FY08, the department estimates an average of 7,043 seniors who currently qualify for the cash benefit will continue to qualify for the new senior benefit program.
- * The department estimates an additional 300 seniors will qualify for the new program under the higher income limits. This represents the number of seniors who became ineligible for the program due to the income limits frozen at 2005 levels.
- * The department estimates an additional 300 seniors will qualify for the new program due to the elimination of the asset test. Currently approximately 4% of program applicants are denied due to assets. Note: Information about senior assets is not available to the department. Costs associated with this provision will need to be reevaluated as we gain experience with the new program.

FISCAL NOTE

FN#

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

ANALYSIS CONTINUATION

(cont. from page 2)

* The department estimates an additional 380 seniors will be served annually for every 5% increment increase above 100% of poverty.

The tables below display the 2007 poverty guidelines for Alaska for a single person or a couple, the projected caseload size at each level of poverty in FY2008, and the estimated cost of benefits (benefits only) at an estimated annual caseload growth of 1.3%.

2007 Federal Poverty Guidelines for Alaska			
Household	75%	100%	175%
1	\$9,577	\$12,770	\$22,347
2	\$12,840	\$17,120	\$29,960

Percent of Poverty	FY 08 Estimated Caseload	Benefit Amount	FY 08 Estimated Benefit Cost
Up to 75%	400	\$ 250	\$ 1,200.0
75% to 100%	4,600	\$ 175	\$ 9,660.0
100% to 175%	5,700	\$ 125	\$ 8,550.0
Total	10,700		\$ 19,410.0

Fiscal Year	Estimated Caseload	Estimated Annual Benefit Cost
FY08*	10,700	\$ 17,792.5
FY09	10,839	\$ 19,662.3
FY10	10,980	\$ 19,917.9
FY11	11,123	\$ 20,176.9

* FY08 estimate only reflects 11 months of benefits

Administrative Costs Assumptions

* The four positions currently administering the program will continue to administer the program: 1 Administrative Clerk II (Range 8); 2 Eligibility Technician I's (Range 14), and 1 Eligibility Technician III Lead Worker (Range 15). Two additional Eligibility Technician positions (Range 14) will be necessary to manage the increased caseload. All of these positions are responsible for the initial and ongoing determination of eligibility, processing claims, and serving as a liaison with the Social Security Administration to facilitate recipient enrollment in Medicare Part D.

FISCAL NOTE

FN#

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

(cont. from page 3)

- * Modifications to DPA's Eligibility Information System (EIS) are necessary to facilitate the issuance of three different payments depending on household income. These changes are estimated to take three months for programming and testing.
- * In July 2007, DPA will begin notifying seniors about the new program. Current program recipients will be mailed an abbreviated form for completion and informed of the need to apply for the new program. DPA will begin accepting applications in July. In some cases, retroactive supplemental payments will be issued.

FY08 Administrative Costs (for 11 months): \$699.6

- * Personal Services (6 positions): \$421.9
- * Travel (to support employee training, marketing, outreach): \$8.9
- * Contractual: \$218.9
 - Information technology, telecommunication, postage, printing, and building lease costs): \$118.9
 - Outreach to inform seniors of the program's availability and benefits and to make referrals to other programs as appropriate: \$40.0
 - EIS Computer Programming Modifications \$60.0 (one time cost for FY08)
- * Supplies: \$49.9
 - Training materials and office supplies: \$39.9
 - Desktop computer, printer and work station for two new positions: \$10.0 (one-time cost for FY08)

FY09 - FY11 Administrative Costs: \$683.1 per year

- * Personal Services (6 positions): \$460.2
- * Travel (to support employee training, marketing, outreach): \$9.7
- * Contractual: \$169.7
 - Information technology, telecommunication, postage, printing, and building lease costs): \$129.7
 - Outreach to inform seniors of the program's availability and benefits, and to make referrals to other programs as appropriate: \$40.0
- * Supplies: \$43.5

All costs for the senior benefit program are eliminated in FY 2012 to reflect the sunset of the program June 30, 2011.

25-LS0056\N.3
Mischel
6/26/07

AMENDMENT 3

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: HCS CSSB 4(FIN), Draft Version "N"

1 Page 1, line 14:

2 Delete "47.45.302(c)"

3 Insert "47.45.302(d)"

4

5 Page 3, following line 23:

6 Insert a new subsection to read:

7 "(c) Beginning July 1, 2008, the commissioner of health and social services
8 may annually compound and adjust the monthly cash assistance payment amount
9 provided in (b) of this section. An adjustment made by the commissioner under this
10 subsection may not exceed an amount compounded and adjusted by the Consumer
11 Price Index for all urban consumers for the Anchorage metropolitan area compiled by
12 the Bureau of Labor Statistics, United States Department of Labor. The index for
13 January 2007 is the reference base index, and the dollar amounts change on October 1
14 of each year. The commissioner may make the adjustment under this subsection only
15 to the extent sufficient funding is available to pay for the adjustment for that fiscal
16 year."

17

18 Reletter the following subsection accordingly.

not
adopted

HOUSE CS FOR CS FOR SENATE BILL NO. 4()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS OLSON, Wielechowski, Elton, Kookesh, Ellis

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the cash assistance benefit program for seniors under the senior care
2 program and increasing the benefit amount; amending medical income eligibility
3 provisions for persons under 19 years of age and for pregnant women; and providing for
4 an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. AS 09.38.015(a) is amended to read:

7 (a) An individual is entitled to exemption of the following property:

8 (1) a burial plot for the individual and the individual's family;

9 (2) health aids reasonably necessary to enable the individual or a
10 dependent to work or to sustain health;

11 (3) benefits paid or payable for medical, surgical, or hospital care to
12 the extent they are or will be used to pay for the care;

13 (4) an award under AS 18.67 (Violent Crimes Compensation Board) or
14 a crime victim's reparations act of another jurisdiction;

- 1 (5) benefits paid or payable as a longevity bonus under AS 47.45;
2 (6) compensation or benefits paid or payable and exempt under federal
3 law;
4 (7) liquor licenses granted under AS 04;
5 (8) tuition credit or savings accounts under a higher education savings
6 account established under AS 14.40.802 or an advance college tuition savings contract
7 authorized under AS 14.40.809(a);
8 (9) a permanent fund dividend to the extent allowed under
9 AS 43.23.065;
10 (10) benefits paid or payable as a senior benefits [CARE] benefit
11 under AS 47.45.300 - 47.45.390.

12 * Sec. 2. AS 37.05.146(c)(80) is amended to read:

- 13 (80) the Alaska senior benefits [SENIOR CARE] fund
14 (AS 47.45.360);

15 * Sec. 3. AS 47.07.020(b) is amended to read:

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

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

23 (2) persons in a general hospital, skilled nursing facility, or
24 intermediate care facility, who, if they left the facility, would be eligible for assistance
25 under one of the federal programs specified in (1) of this subsection;

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

29 (4) aged, blind, or disabled persons, who, because they do not meet
30 income and resources requirements, do not receive supplemental security income
31 under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act), and who do not

1 receive a mandatory state supplement, but who are eligible, or would be eligible if
2 they were not in a skilled nursing facility or intermediate care facility to receive an
3 optional state supplementary payment;

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

8 (6) persons in a medical or intermediate care facility whose income
9 while in the facility does not exceed \$1,656 a month but who would not be eligible for
10 an optional state supplementary payment if they left the hospital or other facility;

11 (7) persons under 21 years of age who are receiving active treatment in
12 a psychiatric hospital and who are financially eligible as determined by the standards
13 of the federal program designated as the successor to the aid to families with
14 dependent children program;

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

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

22 (10) persons under 21 years of age not covered under (a) of this section
23 who the department has determined cannot be placed for adoption without medical
24 assistance because of a special need for medical or rehabilitative care and who the
25 department has determined are hard-to-place children eligible for subsidy under
26 AS 25.23.190 - 25.23.210;

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

31 (A) they are 18 years of age or younger and qualify as disabled

1 individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

2 (B) the department has determined that

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

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

7 (iii) the estimated amount that would be spent for
8 medical assistance for their individual care outside an institution is not
9 greater than the estimated amount that would otherwise be expended
10 individually for medical assistance within an appropriate institution;

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

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

16 (12) disabled persons, as described in 42 U.S.C.
17 1396a(a)(10)(A)(ii)(XIII), who are in families whose income, as determined under
18 applicable federal regulations or guidelines, is less than 250 percent of the official
19 poverty line applicable to a family of that size according to the federal office of
20 management and budget, and who, but for earnings in excess of the limit established
21 under 42 U.S.C. 1396d(q)(2)(B), would be considered to be individuals with respect to
22 whom a supplemental security income is being paid under 42 U.S.C. 1381 - 1383c; a
23 person eligible for assistance under this paragraph who is not eligible under another
24 provision of this section shall pay a premium or other cost-sharing charges according
25 to a sliding fee scale that is based on income as established by the department in
26 regulations;

27 (13) persons under 19 years of age who are not covered under (a) of
28 this section and whose household income does not exceed 175 percent of the federal
29 poverty line for Alaska set by the United States Department of Health and
30 Human Services and revised under 42 U.S.C. 9902(2)

31 [(A) \$1,635 A MONTH IF THE HOUSEHOLD CONSISTS

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OF ONE PERSON;

(B) \$2,208 A MONTH IF THE HOUSEHOLD CONSISTS OF TWO PERSONS;

(C) \$2,782 A MONTH IF THE HOUSEHOLD CONSISTS OF THREE PERSONS;

(D) \$3,355 A MONTH IF THE HOUSEHOLD CONSISTS OF FOUR PERSONS;

(E) \$3,928 A MONTH IF THE HOUSEHOLD CONSISTS OF FIVE PERSONS;

(F) \$4,501 A MONTH IF THE HOUSEHOLD CONSISTS OF SIX PERSONS;

(G) \$5,074 A MONTH IF THE HOUSEHOLD CONSISTS OF SEVEN PERSONS;

(H) \$5,647 A MONTH IF THE HOUSEHOLD CONSISTS OF EIGHT PERSONS;

(I) \$5,647 A MONTH, PLUS AN ADDITIONAL \$574 A MONTH FOR EACH EXTRA PERSON ABOVE EIGHT PERSONS WHO IS IN THE HOUSEHOLD IF THE HOUSEHOLD CONSISTS OF NINE PERSONS OR MORE];

(14) pregnant women who are not covered under (a) of this section and whose household income does not exceed 175 percent of the federal poverty guideline for Alaska set by the United States Department of Health and Human Services

[(A) \$2,208 A MONTH IF THE HOUSEHOLD CONSISTS OF TWO PERSONS;

(B) \$2,782 A MONTH IF THE HOUSEHOLD CONSISTS OF THREE PERSONS;

(C) \$3,355 A MONTH IF THE HOUSEHOLD CONSISTS OF FOUR PERSONS;

(D) \$3,928 A MONTH IF THE HOUSEHOLD CONSISTS OF FIVE PERSONS;

1 (E) \$4,501 A MONTH IF THE HOUSEHOLD CONSISTS OF
2 SIX PERSONS;

3 (F) \$5,074 A MONTH IF THE HOUSEHOLD CONSISTS OF
4 SEVEN PERSONS;

5 (G) \$5,647 A MONTH IF THE HOUSEHOLD CONSISTS OF
6 EIGHT PERSONS;

7 (H) \$5,647 A MONTH, PLUS AN ADDITIONAL \$574 A
8 MONTH FOR EACH EXTRA PERSON ABOVE EIGHT PERSONS WHO
9 IS IN THE HOUSEHOLD IF THE HOUSEHOLD CONSISTS OF NINE
10 PERSONS OR MORE];

11 (15) persons who have been diagnosed with breast or cervical cancer
12 and who are eligible for coverage under 42 U.S.C. 1396a(a)(10)(A)(ii)(XVIII).

13 * **Sec. 4.** AS 47.45.300 is repealed and reenacted to read:

14 **Sec. 47.45.300. Alaska senior benefits payment program.** (a) The Alaska
15 senior benefits payment program is established in the Department of Health and Social
16 Services to provide cash benefits as far as practicable under appropriations provided
17 by law.

18 (b) The department shall administer the program and adopt regulations under
19 AS 44.62 to carry out the purposes of the program.

20 (c) If the department estimates that appropriations for the program are
21 insufficient to meet the demands of the program in a fiscal year, the department may
22 reduce or eliminate the cash benefit available to recipients.

23 * **Sec. 5.** AS 47.45.310 is repealed and reenacted to read:

24 **Sec. 47.45.310. Cash assistance benefit.** (a) An individual is eligible for a
25 cash assistance benefit under the program if the individual

26 (1) is 65 years of age or older;

27 (2) is a resident of the state;

28 (3) has a household income that does not exceed 150 percent of the
29 annual federal poverty guidelines for Alaska, as determined by the United States
30 Department of Health and Human Services and revised under 42 U.S.C. 9902(2);

31 (4) has not received a longevity bonus payment under AS 47.45.010 -

1 47.45.160 for the same period; and

2 (5) applies on a form provided by the department; the department may
3 use an abbreviated form for an individual who received a payment under an assistance
4 program for seniors that paid \$120 a month and was administered by the department
5 on or before the effective date of this section.

6 (b) An eligible individual shall receive a monthly cash assistance payment as
7 follows:

8 (1) \$175 if the individual's household income does not exceed 100
9 percent of the federal poverty guidelines for Alaska;

10 (2) \$150 if the individual's household income does not exceed 135
11 percent but is above 100 percent of the federal poverty guidelines for Alaska;

12 (3) \$100 if the individual's household income does not exceed 150
13 percent but is above 135 percent of the federal poverty guidelines for Alaska.

14 (c) Cash assistance provided under this section is subject to appropriation.

15 * Sec. 6. AS 47.45.330 is amended to read:

16 **Sec. 47.45.330. Continuation of benefits.** An eligible individual who leaves
17 the state may not receive a cash [ASSISTANCE] benefit under AS 47.45.310 [OR
18 PRESCRIPTION DRUG BENEFIT UNDER AS 47.45.320] during the absence unless
19 the individual's absence is temporary and is for one of the following reasons:

20 (1) to receive medical treatment for the individual;

21 (2) to accompany the individual's family member who is receiving
22 medical treatment outside the state; or

23 (3) for a vacation, business trip, or other absence of less than 30
24 consecutive days, unless the individual has applied for and received a time extension
25 from the department for special circumstances.

26 * Sec. 7. AS 47.45.340 is amended to read:

27 **Sec. 47.45.340. Appeal rights.** An individual who receives a determination
28 from the department that denies, limits, or modifies a cash [ASSISTANCE] benefit
29 [OR PRESCRIPTION DRUG BENEFIT] under AS 47.45.300 - 47.45.390, other than
30 a determination under AS 47.45.300(c) to reduce or eliminate benefits, may request a
31 hearing before the department under regulations adopted by the department.

1 * Sec. 8. AS 47.45.350 is amended to read:

2 **Sec. 47.45.350. Ability to recover or recoup improper assistance benefits.**

3 An individual is liable to the department for the value of assistance or benefits
4 improperly paid to the person under AS 47.45.310 or former AS 47.45.320
5 [47.45.320] if the improper payment was based on inaccurate or incomplete
6 information provided by the individual. In a civil action brought by the state to recover
7 from the individual the value of assistance or benefits improperly paid under
8 AS 47.45.310 or former AS 47.45.320 [47.45.320], the state may recover from the
9 individual the costs of investigation and prosecution of the civil action, including
10 attorney fees as determined under court rules.

11 * Sec. 9. AS 47.45.360 is repealed and reenacted to read:

12 **Sec. 47.45.360. Alaska senior benefits fund.** The Alaska senior benefits fund
13 is established as an account in the general fund. The fund shall be used by the
14 commissioner of health and social services to pay for costs incurred in the provision of
15 senior services under AS 47.45.300 - 47.45.390. The fund consists of

- 16 (1) money in the former senior care fund established in sec. 2, ch. 89,
17 SLA 2005;
- 18 (2) appropriations to the Alaska senior benefits fund; and
- 19 (3) any appropriation of interest earned on money in the Alaska senior
20 benefits fund.

21 * Sec. 10. AS 47.45.390(2) is amended to read:

22 (2) "eligible individual" means an individual who meets the
23 requirements of AS 47.45.310 [OR 47.45.320] and regulations adopted under that
24 statute [THOSE STATUTES] for eligibility for the program;

25 * Sec. 11. Section 4, ch. 89, SLA 2005, is repealed and reenacted to read:

26 Sec. 4. AS 47.45.320 is repealed on June 30, 2007.

27 * Sec. 12. AS 09.38.015(a)(10); AS 37.05.146(e)(80); AS 47.45.300, 47.45.310, 47.45.330,
28 47.45.340, 47.45.350, 47.45.360, and 47.45.390 are repealed June 30, 2011.

29 * Sec. 13. Section 9, ch. 89, SLA 2005, is repealed.

30 * Sec. 14. The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 RETROACTIVITY AND REVIVAL. If secs. 1, 2, and 4 - 13 of this Act take effect
2 after June 30, 2007,

3 (1) AS 47.45.300 - 47.45.390, as amended by this Act, and secs. 11 and 13 of
4 this Act, are retroactive to June 30, 2007; and

5 (2) AS 47.45.300, 47.45.310, 47.45.330, 47.45.340, 47.45.350, 47.45.360, and
6 47.45.390, as amended by this Act, are revived.

7 * Sec. 15. Section 14 of this Act takes effect immediately under AS 01.10.070(c).

8 * Sec. 16. Except as provided in sec. 15 of this Act, this Act takes effect June 30, 2007.

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Anchorage Daily News

Print Page

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Cash aid for elderly in flux**DEBATE: Longevity bonus plays different roles in House, Senate bills.**By ANNE SUTTON
The Associated Press*(Published: April 11, 2007)*

JUNEAU -- A measure to provide monthly cash payments to needy seniors was yanked from the floor of the Alaska House on Tuesday while a similar bill breezed through the Senate.

The House bill would have eliminated the long-standing senior longevity bonus -- which hasn't been funded in years -- by erasing it from state statutes. The Senate bill did not address the longevity bonus.

Both the House and Senate measures would create a beefed-up cash assistance program for Alaska's low-income elderly.

The more generous of the two is the Alaska Senior Assistance Program, proposed by Rep. Mike Hawker, R-Anchorage. His bill would provide monthly cash payments ranging from \$125 to \$250 to any senior whose income does not exceed 175 percent of the federal poverty level, or \$1,635 a month for a one-person household.

But the trade-off, according to Hawker, was the elimination of the longevity bonus.

Hawker argued that the bonus discriminated against low-income seniors who do not qualify for it while it provided cash payments to many wealthy seniors who did not need it.

"We have ability to be far more generous today in taking care of the needs of our lowest income seniors when we no longer make them compete for funding with the wealthiest, most privileged Alaskans," Hawker said.

The longevity bonus was created in 1972 to provide elderly Alaskans an incentive to continue living in the state. Enrollment for the program was closed in 1996. Gov. Frank Murkowski cut the funding four years ago.

Supporters of the longevity bonus said it was a promise made to Alaska's seniors that was cruelly and unfairly broken.

Rep. Les Gara, D-Anchorage, said many seniors who counted on the money were not the wealthiest Alaskans.

"It is money for seniors who are having difficulty making ends meet, who won't be helped by the senior care plan," Gara said. "And I don't relish having to vote in a way that pits one group of seniors against another group of seniors."

An amendment to keep the longevity bonus on the books passed the House 20-17. House Speaker John Harris, R-Valdez, then sent Hawker's bill back to the Rules Committee.

Gov. Sarah Palin's legislative liaison, John Bitney, told reporters later that the governor hoped to see Hawker's bill move forward with the amendment. Palin during her election campaign pledged to try to reinstate the longevity bonus.

"With the amendment passing, it was a good bill and I think it was the internal politics of the House majority that led to the bill be pulled back," Bitney said.

As the floor session ended, Hawker loudly declared his bill was dead. But the AARP of Alaska, which supported Hawker's bill, continued to hold out hope.

"We just celebrated Easter, I'm hoping for a resurrection now," said executive director Pat Luby.

The Senate bill passed 14-2.

Both the House and Senate measures also contain provisions to raise the level of funding for the Denali KidCare program, a Medicaid program run by the Alaska Department of Health and Social Services.

The measures are House Bill 198 and Senate Bill 4.

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Lawmakers work to bring back bonus

Assistance plan for needy seniors advances as well

Democrats in the state House of Representatives won an unusual floor fight Tuesday as they united to symic an attempt to kill the state's longevity bonus program.

House Minority Leader Beth Kerttula, D-Juneau, urged her colleagues to keep the program for Alaska's pioneers alive.

"It was a very real promise, which people relied on," she said.

The House on Tuesday considered a bill to re-authorize a popular senior assistance program, sponsored by Mike Hawker, R-Anchorage, that would provide payments for poor seniors. A Senate bill, sponsored by Sen. Donny Olson, D-Nome, would do the same thing.

Hawker's House bill, however, also included a controversial repeal of the longevity bonus program, which has been on the books but not funded in recent years.

The bonus was ended by former Gov. Frank Murkowski, but many candidates last year campaigned on bringing it back. They included Kerttula and Gov. Sarah Palin.

The bonus would provide cash payments of as much as \$250 a month for the estimated 12,000 to 13,000 Alaskans now at least 75 years old who would qualify.

When Hawker's bill came to the House floor, it presented bonus supporters with an unpleasant choice: If they chose to support senior assistance, it would come at the cost of killing the longevity bonus.

Democrats objected to killing that program, and they were joined by some prominent Republicans, including Palin.

"The governor supports bringing back funding for the longevity bonus," said John Bitney, Palin's legislative affairs director.

Another key Republican supporting the longevity bonus, Rep. Bob Lynn of

Anchorage, proposed amending Hawker's senior assistance bill to remove the repeal of the longevity bonus statutes.

"We were supporting the amendment to leave those statutes in place" in hopes the Legislature will later approve funding, Bitney said.

Most Republicans sided with Hawker, but enough supported the longevity bonus that the amendment preserving it passed 20-17 despite Republican control of the body. While Republicans voted 15-8 against the amendment, Democrats voted 12-2 for it.

When the amendment passed, the House leadership gave the bill a new referral, to the Rules Committee, instead of taking the full bill to a vote without the longevity bonus.

The Rules Committee is often referred to in the Capitol as "the place where bills go to die."

Even for those who supported the longevity bonus, it was a tough vote.

Rep. Andrea Doll, D-Juneau, supported the amendment but said she supported both senior assistance and the longevity bonus.

If forced to, she said, she'd go for the one that that was most needed by poor people.

"If I had to choose, I'd choose the greater good," she said, meaning the senior assistance program.

Later Tuesday, the Senate adopted Olson's senior assistance bill, with no attempt to kill the longevity bonus. Rep. Gabrielle LeDoux, R-Kodiak, supported the amendment and said she expects the Senate's senior assistance bill will be how the program now gets funded.

"That's coming over," she said. "That might be the final vehicle for this, instead of Rep. Hawker's bill."

The Senate easily approved its bill, despite opposition from Sen. Gene Therriault, R-North Pole, leader of the Senate Republican minority. He said the bill spent too much, expanded the current senior assistance program and allowed inflation adjustments as well.

"It seems like there is a whole lot of inflating in here when we are heading into deficit very soon," he said.

Olson said re-authorization of the program, scheduled to end this year, was only a modest cost over the current year.

The senior assistance program approved by the Senate is expected to cost about \$20 million next year, Olson said. Bitney said the governor's proposed

longevity bonus would cost about \$30 million next year.

• Pat Forgey can be reached at patrick.forgey@juneauempire.com.

Click here to return to story:

http://www.juneauempire.com/stories/041107/loc_20070411021.shtml

Good afternoon, my name is Anna Winters and I am manager of Swan Lake Senior Center in Sitka Alaska.

For the month of May we served 1,256 meals that include congregate and home-delivered meals to the seniors of Sitka. This is their main meal of the day and some can pay the suggested donation of \$4 a meal and others cannot afford to.

We also provided our seniors with 1,486 rides for the month of May at a suggested donation of \$1.50 for each ride. Some of the seniors are able to pay the suggested donation and others cannot.

At least 50 percent of them or better—are on the Senior Care program which helps them pay for groceries, lights, home heating fuel, telephone, medications and medical care.

Many seniors have to choose which one is most important, their medication or heat, and have to choose between the two.

The Senior Care program allows them a little freedom in choosing the way they live their lives which meets their daily basic needs just for survival.

We feel here at the senior center that our seniors need to be taken care and be able to live independently as long as possible and should not have to choose between medication that keeps them in good health or heat that keeps them warm.

The seniors here in Sitka would not be able to leave their homes or have a good meal with friends if it was not for the money they receive from the Senior Care Program.

They have no financial margin and the Senior Care Program is essential for them to stay in their home. The alternative for being independent is more costly to the state by far.

We would like you to consider making this a permanent program for the seniors of Alaska that need the help and give them a sense of freedom and the ability to live independently as long as possible.

Anna Winters
Swan Lake Senior Center
Sitka, Alaska
99835

6/6/07

To: House Finance Committee

Re: Financial help to most needy of needy seniors of Alaska

James E. Fisher
From: James E. Fisher, 45600 King Drive, Soldotna, AK
398-8692 or 262-9590

I urge enactment of legislation to provide the neediest of Alaskan senior citizens financial assistance, not less than \$120 per month which has been available to those low income Alaskans, until neither SB 4 nor HB 198 were enacted by the recently adjourned Legislature.

The proposed assistance should be not less than that in SB 4 – but hopefully more since such basic costs as heat and electricity are increasing dramatically.

As a long time member of the Board of Directors of the Kenai Peninsula Food Bank I understand that food assistance now available, i.e., food stamps, commodities, etc., to the neediest of the needy for food frequently does not last for the entire month –and those very low income people can not get assistance for heat and lights from us.

Recently there have been reports of members of Congress attempting to live on a diet provided only by food stamps – to be surprised how the food provided by that resource is meager. While not starvation rations, the people attempting to follow such a restricted diet have lost weight rapidly.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030
FAX: (907) 465-3068

DATE: June 4, 2007

TO: Commissioner Karleen Jackson

FROM: Sherry Hill, Legislative Liaison *SH*
Janet Clarke, Assistant Commissioner
Ellie Fitzjarrald, Public Assistance Director

CC: John Bitney, Governor's Office, Legislative Director
Mike Tibbles, Governor's Office, Chief of Staff
Karen Rehfeld, OMB Director
Anna Kim, Special Assistant

SUBJECT: Options for continuing senior benefits to low income seniors enrolled in SeniorCare June 4, 2007 DRAFT proposal

The SeniorCare program expires on June 30, 2007. Options for continuing to provide a benefit to low income Alaska seniors, both near term and long term, are identified below.

Near Term: continue benefits for one month

For July, 2007, the Department of Health and Social Services (DHSS) will pay the same benefits as currently available under SeniorCare using the statutory authority of the General Relief Program. In early June emergency regulations will be issued permitting the General Relief Program to make such payments, calling this component the Senior Benefits Program.

Emergency regulations are in place for 120 days. With the Legislature calling a special session late June, and passing legislation with an effective date of August 1, 2008, the issue will be resolved for FY 08, and beyond.

July Senior Benefit funding: Because DHSS had reserved funds for a pending settlement of a class action lawsuit, the Adult Public Assistance (APA) program is expected to have enough of a surplus in FY 07 to pay for July benefits to seniors currently enrolled in SeniorCare. The payments would be made under the General Relief Program, if emergency regulations are in place. A payment to seniors, intended for July, can be made in late June to allow the department to use these excess FY 07 funds.

Long Term: continue benefits through the Senior Benefits Program

Two options have been identified for long term legislative solutions to continue a program to benefit seniors under a Senior Benefits Program. Any of the options described would require new regulations, legislation and an appropriation. Either version of this option is a simple, straightforward solution which could be resolved in the special session.

6/4/07

FY08 Funding: If there is no appropriation bill passed at the time of this legislation, the Department would borrow FY 08 funds from the Adult Public Assistance program to pay benefits until the Legislature can solidify a financial solution through a supplemental budget request. As a surplus in APA for FY 08 is not anticipated, the Legislature would need to pass a supplemental budget to repay the APA program by funding the Senior Benefits Program, in the regular session.

Either option would require legislative intent language and an agreement to be in place for the legislature to support DHSS submitting a supplemental budget request to make the program funding whole.

Legislative options:

- 1) Continue benefits to seniors with a new Senior Benefits Program under separate statutory authority, either with the fixed \$120/month benefit to those seniors under 135 percent of the Federal Poverty Level (as the Governor proposed in HB148/SB90) or a stair-stepped benefit to those seniors under 150 percent of the Federal Poverty Level (as proposed in Senate Bill 4) – see attached table with options outlined.

This option requires legislation to create a new statutory framework for a separate program. However, Senate Bill 4 is the legislation under consideration, and it can be amended to suit the Legislature.

The Department of Health and Social Services, Office of Management and Budget, and Legislative Finance are researching whether this option would allow the Department to transfer funds from Adult Public Assistance to temporarily fund this program, which does not exist in the appropriation structure.

- 2) If the Department is unable to transfer funds from APA to a senior benefit program that does not exist in the appropriation structure, then we suggest that the legislature create the Senior Benefits Program under the statutory authority of the General Relief Program. The benefit options are the same as the first option – either with the fixed \$120/month benefit to those seniors under 135 percent of the Federal Poverty Level (as the Governor proposed in HB148/SB90) or a stair-stepped benefit to those seniors under 150 percent of the Federal Poverty Level (as proposed in Senate Bill 4) – see attached table with options outlined.

This option requires legislation to update the General Relief statutory framework, especially if the benefit paid is more than \$120 per month. However, Senate Bill 4 is the legislation under consideration, and it can be amended to suit the Legislature.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES BILL ANALYSIS
Updated 6/01/07

	Current SeniorCare Program	SB 90/HB 148 Governor's SeniorCare Proposal	SB 4 Senior Benefits Payment Program	HB 198 Ak Senior Benefits Program																								
SeniorCare Monthly Payment	Cash - \$120 / month Prescription Drug - \$670 / year	Cash - \$120 / Month	Up to 100% Poverty - \$175/Month 100-135% Poverty - \$150/Month 135-150% Poverty - \$100/Month	Up to 75% Poverty - \$250/Month 75-100% Poverty - \$175/Month 100-175% Poverty - \$125/Month																								
SeniorCare Annual Income Limit FPG = Federal Poverty Guidelines	Cash Income Limit 135% 2005 AK FPG <ul style="list-style-type: none"> \$16,133 for individuals \$21,641 for couples Asset Limits <ul style="list-style-type: none"> \$6,000 Individual \$9,000 Couple Prescription Drug Income Limit 175% 2005 AK FPG <ul style="list-style-type: none"> \$20,913 for individuals \$28,053 for couples Asset Limits <ul style="list-style-type: none"> \$50,000 Individual \$100,000 Couple 	Cash Income Limit 135% 2007 AK FPG <ul style="list-style-type: none"> \$17,240 Individual \$23,112 Couple (135% of 2007 Alaska FPG. Income limits will increase each year to keep pace with annual increases in federal poverty guidelines for Alaska.) Asset Limits <ul style="list-style-type: none"> \$6,000 Individual \$9,000 Couple Prescription Drug Benefit Ended	Cash Income Threshold <table border="1"> <thead> <tr> <th>HH</th> <th>2007 AK FPG</th> <th>135%</th> <th>150%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$12,770</td> <td>\$17,240</td> <td>\$19,155</td> </tr> <tr> <td>2</td> <td>17,120</td> <td>\$23,112</td> <td>\$25,680</td> </tr> </tbody> </table> HH = Household Income limits increase annually to keep pace with FPG annual increases NO Asset test per sponsor Prescription Drug Benefit Ended	HH	2007 AK FPG	135%	150%	1	\$12,770	\$17,240	\$19,155	2	17,120	\$23,112	\$25,680	Cash Income Threshold <table border="1"> <thead> <tr> <th>HH</th> <th>75%</th> <th>2007 AK FPG</th> <th>175%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$9,577</td> <td>\$12,770</td> <td>\$22,348</td> </tr> <tr> <td>2</td> <td>\$12,840</td> <td>17,120</td> <td>\$29,960</td> </tr> </tbody> </table> HH = Household Income limits increase annually to keep pace with FPG annual increases NO Asset test per sponsor Prescription Drug Benefit Ended	HH	75%	2007 AK FPG	175%	1	\$9,577	\$12,770	\$22,348	2	\$12,840	17,120	\$29,960
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FY08 Estimate Avg No Caseld	SC Cash: 7,043 Prescription Drug: 140	SC Cash: 7,343	SC Cash: 8,800 Seniors	SC Cash: 10,700 Seniors																								
FY08 Estimate Benefit Only No Admin Incl	Benefit Only SC Cash - \$10,141.9 Prescription Drug - \$93.8	Benefit Only SC Cash - \$10,573.9	Benefit Only SC Cash: \$16,645.8	Benefit Only SC Cash: \$19,410.0																								
Sunset Date	June 30, 2007	June 30, 2012	June 30, 2011	June 30, 2011																								



February 19, 2007

The Honorable Bettye Davis, Chair
Senate Health, Education and Social Services Committee
Alaska State Capitol, Room 30
Juneau, AK 99801-1182

RE: SB 4 (Olson)—Support

Dear Chair Davis:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Health, Education and Social Services Committee to support SB 4, authored by Senator Donald Olson.

SB 4 will extend the SeniorCare Program beyond the sunset date of June 30, 2007 and will increase the monthly cash benefit from \$120 to \$150.

Approximately 7,000 older Alaskans participate in the SeniorCare program. The majority of them were too young to be eligible for the former Longevity Bonus. The majority of new enrollees to SeniorCare have just turned 65. They were low income when they were 64 and are now eligible for SeniorCare to help them cope with the daily costs of living in Alaska and help them remain in our state as they get older. These are not wealthy individuals. The assets test for SeniorCare is \$6,000 for an individual and \$9,000 for a couple. In order to receive the monthly stipend an individual's income must be below \$16,133 annually or \$21,641 for a couple. These income limits were set at 135% of the federal poverty level for 2005. They have not increased since SeniorCare was inaugurated. Because of the flat dollar amount, some eligible seniors are knocked off SeniorCare each year when they receive their Social Security COLA.

We applaud Senator Olson's leadership on this bill, particularly his recommendation of an increase from \$120 to \$150. We hope you and your Committee colleagues would also consider working with Senator Olson to bring the eligibility cap to include increases in

the federal poverty level. This would move the eligibility level from \$16,133 for a single to \$17,240 and for a couple from \$21,641 to \$23,112.


AARP also recommends consideration of lifting the assets cap beyond the \$6,000 single/\$9,000 couple levels. Older persons tend to save for retirement, including burial expenses. Research tells us that even very low income older persons try to save something each month and many older Alaskans, although we would consider them low income, will try to save enough that they pass the assets cap.

AARP recommends an "AYE" vote on SB 4.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,



Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Senator Joe Thomas
Senator John Cowdery
Senator Kim Elton
Senator Fred Dyson
Senator Donald Olson



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SENIOR ASSISTANCE CLEARS SENATE, STALLS IN HOUSE



JUNEAU, Alaska (AP) - A measure to provide monthly cash payments to needy seniors was yanked from the floor of the Alaska House Tuesday while a similar bill breezed through the Senate.

The biggest difference between the two is that House Bill 198 would eliminate the long-standing senior longevity bonus for good by erasing it from state statutes.

Senate Bill 4 did not address the longevity bonus.

Both the House and Senate measures would create a beefed-up cash assistance program for Alaska's low-income elderly.

The more generous of the two, the Alaska Senior Assistance Program as proposed in the House, would provide monthly cash payments ranging from \$125 to \$250.

But the bill was pulled from the floor after supporters of the longevity bonus successfully amended the bill to keep it on the books.

The Senate bill passed 14-2.

Both the House and Senate measures also contain provisions to raise the level of funding for the Denali KidCare program, a Medicaid program run by the Alaska Department of Health and Social Services.

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Story Created: Apr 11, 2007 at 3:37 AM AKDT

Story Updated: Apr 11, 2007 at 3:40 AM AKDT

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IMMEDIATE CARE



VIEWER POLL

If the election were today, who would have your vote for President of the United States?

- Joe Biden (D)
- Hillary Clinton (D)
- John Edwards (D)
- Rudy Giuliani (R)
- Mike Gravel (I)
- John McCain (R)
- Barack Obama (D)
- Mitt Romney (R)
- Tom Tancredo (R)
- Tommy Thompson (R)

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TONIGHT ON ABC



GEORGE LOPEZ 7:00



ACCORDING TO JIM 8:00



LUST 9:00



ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON



ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

Sponsor Statement Senate Bill 4

Senior Care Program

SB 4 does three things to the Senior Care Program. It extends the program's sunset date to June 30, 2011; removes the underutilized prescription drug benefit; and increases the monthly cash benefit based on their income related to the federal poverty level guidelines adjusted for Alaska. Monthly payments are:

- \$175 per month if the individual's household income does not exceed 100 percent of the federal poverty guidelines for Alaska
- \$150 per month if the individual's household income does not exceed 135 but is above 100 percent of the federal poverty guidelines for Alaska
- \$100 per month if the individual's household income does not exceed 150 but is above 135 percent of the federal poverty guidelines for Alaska

The Senior Care Program is strictly a needs based program. No Asset Test will be in place.

SB 4 covers eligible seniors who may have been part of the Longevity Bonus Program prior to its funding being eliminated, as well as individuals who meet the eligibility criteria. The Department of Health and Social Services estimates that the Senior Care Program currently serves approximately 7,000 seniors with financial assistance. The Department estimates an additional 1,800 seniors will qualify for Senior Care under SB 4. The Senior Care Program would run concurrently, but not in addition to any Longevity Bonus Program that may be redeveloped. An individual who is receiving a Longevity Bonus payment is not eligible for the benefits of the Senior Care Program.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES BILL ANALYSIS 4/10/07

	Current SeniorCare Program	SB 90/HB 148 Governor's SeniorCare Proposal	SB 4 Senior Care Program	HB 198 Ak Senior Benefits Program																								
SeniorCare Monthly Payment	Cash - \$120 / month Prescription Drug - \$670 / year	Cash - \$120 / Month	Up to 100% Poverty - \$175/Month 100-135% Poverty - \$150/Month 135-150% Poverty - \$100/Month	Up to 75% Poverty - \$250/Month 75-100% Poverty - \$175/Month 100-175% Poverty - \$125/Month																								
SeniorCare Annual Income Limit	Cash <i>Income Limit 135% 2005 AK FPG</i> • \$16,133 for individuals • \$21,641 for couples <i>Asset Limits</i> • \$6,000 Individual • \$9,000 Couple Prescription Drug <i>Income Limit 135% 2005 AK FPG</i> • \$20,913 for individuals • \$28,053 for couples <i>Asset Limits</i> • \$50,000 Individual • \$100,000 Couple	Cash <i>Income Limit 135% 2007 AK FPG</i> • \$17,240 Individual • \$23,112 Couple (135% of 2007 Alaska FPG. Income limits will increase each year to keep pace with annual increases in federal poverty guidelines for Alaska.) <i>Asset Limits</i> • \$6,000 Individual • \$9,000 Couple Prescription Drug Benefit Ended	Cash <i>Income Threshold</i> <table border="1"> <thead> <tr> <th>H</th> <th>2007 AK FPG</th> <th>135%</th> <th>150%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$12,770</td> <td>\$17,240</td> <td>\$19,155</td> </tr> <tr> <td>2</td> <td>17,120</td> <td>\$23,112</td> <td>\$25,680</td> </tr> </tbody> </table> <i>HH = Household</i> Income limits increase annually to keep pace with FPG annual increases NO Asset test per sponsor Prescription Drug Benefit Ended	H	2007 AK FPG	135%	150%	1	\$12,770	\$17,240	\$19,155	2	17,120	\$23,112	\$25,680	Cash <i>Income Threshold</i> <table border="1"> <thead> <tr> <th>H</th> <th>75%</th> <th>2007 AK FPG</th> <th>175%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$9,577</td> <td>\$12,770</td> <td>\$22,348</td> </tr> <tr> <td>2</td> <td>\$12,840</td> <td>17,120</td> <td>\$29,960</td> </tr> </tbody> </table> <i>HH = Household</i> Income limits increase annually to keep pace with FPG annual increases. NO Asset test per sponsor Prescription Drug Benefit Ended	H	75%	2007 AK FPG	175%	1	\$9,577	\$12,770	\$22,348	2	\$12,840	17,120	\$29,960
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2	\$12,840	17,120	\$29,960																									
Dual Eligibility SC and ALB	Yes	No	Sponsor indicated not intended to provide dual eligibility	Not addressed and not intended																								
FY08 Estimate Avg Mo Caseld	SC Cash: 7,043 Prescription Drug: 140	SC Cash: 5,040 Assumes ALB authorized	SC Cash: 8,800 Seniors	SC Cash: 10,700 Seniors																								
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Sunset Date	June 30, 2007	June 30, 2012	June 30, 2011	June 30, 2011																								
Denali KidCare			Resets upper income limit for DKC pregnant women and uninsured children under SCHIP to 175% of current FPG for Alaska.	Resets upper income limit for DKC pregnant women and uninsured children under SCHIP to 175% of current FPG for Alaska.																								
FY08 Estimate Avg Mo Caseld			DKC: 218 Pregnant women and 1,277 Children	DKC: 218 Pregnant women and 1,277 Children																								
FY08 Estimate Benefit Only No Admin Incl			Benefit Only DKC GF \$762.6 Fed Receipts \$1,888.7	Benefit Only DKC GF \$762.6 Fed Receipts \$1,888.7																								

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSSB 4(FIN) am
 (S) Publish Date: 4/5/07
 Dept. Affected: Health & Social Services
 RDU: Behavioral Health
 Component: Behavioral Hlth Medicaid Svcs

Revision Date/Time (Note if correction):
 Title: RELATING TO SENIOR CARE

Sponsor: OLSON
 Requester: SENATE (FIN)

Component No. 2660

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	455.9	495.1	537.6	583.9	634.1	688.6
Miscellaneous						
TOTAL OPERATING	455.9	495.1	537.6	583.9	634.1	688.6
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
1002 Federal Receipts	311.1	327.2	353.0	383.4	416.4	452.2
1003 GF Match	144.8	167.9	184.6	200.5	217.7	236.4
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	455.9	495.1	537.6	583.9	634.1	688.6

Estimate of any current year (FY2007) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 CS SB 4 (FIN) Am, partially reverses the September 2003 legislation that reduced and froze Medicaid income eligibility standards for children and pregnant women whose eligibility is managed through the Denali KidCare (DKC) office. Prior to implementation of the 2003 legislation, Medicaid was available to children and pregnant women with incomes up to 200% of the prevailing Federal Poverty Guideline (FPG) for Alaska. Effective September 2003, the income standard

Prepared by: Sherry Hill, Special Assistant Phone 465-1618
 Division: Office of the Commissioner Date/Time 04/04/2007
 Approved by: Karleen Jackson, Commissioner Date 04/04/2007
 Agency: Department of Health and Social Services

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

was set in statute at what was equivalent to 175% of the FPG for 2003. Currently, the effective income standard for women and children enrolled in these categories is about 154%, almost a 50 point drop in the income standard of August 2003. This bill restores the income eligibility standard for children and pregnant women to 175% of the prevailing FPG, effective June 30, 2007.

Between 2003 and 2006, the number of children enrolled in the affected income category dropped by 2,553 individuals and the number of pregnant women enrolled in the affected income category dropped by 436 individuals. This fiscal analysis assumes that the additional enrollment in SFY 2008 due to SB 4 will be equal to about half that number of people (218 pregnant women and 1277 children). We assume that most people eligible to enroll under the higher income standard will do so by the end of SFY 2008.

Costs projections incorporate 8.6% annual growth (Long Term Forecast of Medicaid Enrollment and Spending in Alaska: 2005-2025, DHSS, updated for 2006). That growth rate allows for 5% medical inflation (Anchorage CPI, medical care component) and annual growth in the FPG. The proportion of enrollees that use services (participation) is expected to remain the same throughout the projection period.

Fund source calculations for each component are based on the percentages of costs reimbursed as IHS, Title XIX, Family Planning, or SCHIP in 2006 for the affected groups, and the federal medical assistance percentages (FMAPs) anticipated for the year projected. Children affected by this legislation are included in the State Children's Health Insurance Program (SCHIP) and costs for their Medicaid services would normally be matched at an enhanced rate. Because SCHIP funding is no longer enough to cover all of that program's expenses, the formula for

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

federal reimbursement was adjusted to allow only one quarter of SCHIP matching per year, with the remaining three quarters defaulting to the lower Title XIX rate.

The 2008 projection was calculated as the projected cost to reinstate half the number of enrollees dropped between 2003 and 2006. Cost to reinstate was inflated by 5% per year between 2006 and 2008 so that the cost to reinstate was in 2008 dollars. The 2009-2013 projections are based on the 2008 projection after implementation of SB 4, plus 8.6% annual growth. The expenditure for each division was determined based on that division's share of expenses for the affected eligibility subtypes in 2006. Behavioral Health Medicaid Services paid for 23.3% of the costs for affected children in SFY 2006. They paid for less than 0.1% of the costs for pregnant women affected by this legislation.

If half the number of people that lost Medicaid eligibility due to the 2003 legislation regain eligibility in 2008, Behavioral Health Medicaid Services might expect to pay Medicaid expenses for an additional 113 recipients.

FISCAL NOTE # 3 ATTACHMENT

BILL NO. CSSB 4(FIN) am

CS SB 4 (FIN) am						
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
SENIOR BENEFIT PROGRAM						
Caseload	8,800	8,914	9,030	9,148		
Annual Benefit Cost	\$16,645.8	\$16,862.2	\$17,081.4	\$17,305.5		
Estimated Administration Costs	\$753.1	\$683.1	\$683.1	\$683.1		
Total Cost Senior Benefit Prgm	\$17,398.9	\$17,545.3	\$17,764.5	\$17,988.6	\$0.0	\$0.0
DENALI KID CARE						
Additional Children Served	1277	1302	1328	1355	1382	1410
Additional Pregnant Women Served	218	223	227	232	236	241
	1495	1525	1555	1587	1618	1651
Annual Medicaid program costs	2651.3	2879.3	3126.9	3395.9	3687.9	4005
Annual Administrative Costs	\$40.2	\$76.0	\$76.0	\$76.0	\$76.0	\$76.0
Total Denali Kid Care Costs	\$2,691.5	\$2,955.3	\$3,202.9	\$3,471.9	\$3,763.9	\$4,081.0
Federal Share	\$1,907.4	\$2,030.4	\$2,189.9	\$2,375.2	\$2,576.4	\$2,795.0
General Fund Share	\$783.5	\$923.8	\$1,011.9	\$1,095.6	\$1,186.4	\$1,284.9
Inter/Agency Funds	0.6	1.1	1.1	1.1	1.1	1.1
TOTAL COSTS OF CS SB 4 am	\$20,090.4	\$20,500.6	\$20,967.4	\$21,460.5	\$3,763.9	\$4,081.0
Gen Fund costs of CS SB 4 am	\$18,182.4	\$18,469.1	\$18,776.4	\$19,084.2	\$1,186.4	\$1,284.9

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSSB 4(FIN) am
 (S) Publish Date: 4/5/07
 Dept. Affected: Health & Social Services
 RDU: Health Care Services
 Component: Medicaid Services

Revision Date/Time (Note If correction):
 Title: RELATING TO SENIOR CARE

Sponsor: OLSON
 Requester: SENATE (FIN)

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,195.4	2,384.2	2,589.3	2,812.0	3,053.8	3,316.4
Miscellaneous						
TOTAL OPERATING	2,195.4	2,384.2	2,589.3	2,812.0	3,053.8	3,316.4

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	1,577.6	1,667.8	1,801.5	1,956.4	2,124.6	2,307.4
1003 GF Match	617.8	716.4	787.8	855.6	929.2	1,009.0
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	2,195.4	2,384.2	2,589.3	2,812.0	3,053.8	3,316.4

Estimate of any current year (FY2007) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CS SB 4 (FIN) Am partially reverses the September 2003 legislation that reduced and froze Medicaid income eligibility standards for children and pregnant women whose eligibility is managed through the Denali KidCare (DKC) office. Prior to implementation of the 2003 legislation, Medicaid was available to children and pregnant women with incomes up to 200% of the prevailing Federal Poverty Guideline (FPG) for Alaska. Effective September 2003, the income (continued)

Prepared by: Sherry Hill, Special Assistant Phone 465-1618
 Division: Office of the Commissioner Date/Time 04/04/2007
 Approved by: Karleen Jackson, Commissioner Date 04/04/2007
 Agency: Department of Health and Social Services

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

standard was set in statute at what was equivalent to 175% of the FPG for 2003. Currently, the effective income standard for women and children enrolled in these categories is about 154%, almost a 50 point drop from the income standard of August 2003. This bill restores the income eligibility standard for children and pregnant women to 175% of the prevailing FPG, effective June 30, 2007.

Between 2003 and 2006, the number of children enrolled in the affected income category dropped by 2,553 individuals and the number of pregnant women enrolled in the affected income category dropped by 436 individuals. This fiscal analysis assumes that the additional enrollment in SFY 2008 due to SB 4 will be equal to about half that number of people (218 pregnant women and 1277 children). We assume that most people eligible to enroll under the higher income standard will do so by the end of SFY 2008.

Costs projections incorporate 8.6% annual growth (Long Term Forecast of Medicaid Enrollment and Spending in Alaska: 2005-2025, DHSS, updated for 2006). That growth rate allows for 5% medical inflation (Anchorage CPI, medical care component) and annual growth in the FPG. The proportion of enrollees that use services (participation) is expected to remain the same throughout the projection period.

Fund source calculations for each component are based on the percentages of costs reimbursed as IHS, Title XIX, Family Planning, or SCHIP in 2006 for the affected groups, and the federal medical assistance percentages (FMAPs) anticipated for the year projected. Children affected by this legislation are included in the State Children's Health Insurance Program (SCHIP) and costs for their Medicaid services would normally be matched at an enhanced rate. Because SCHIP funding is no longer enough to cover all of that program's expenses, the formula for (continued)

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

federal reimbursement was adjusted to allow only one quarter of SCHIP matching per year, with the remaining three quarters defaulting to the lower Title XIX rate.

The 2008 projection was calculated as the projected cost to reinstate half the number of enrollees dropped between 2003 and 2006. Cost to reinstate was inflated by 5% per year between 2006 and 2008 so that the cost to reinstate was in 2008 dollars. The 2009-2013 projections are based on the 2008 projection after implementation of SB 4, plus 8.6% annual growth. The expenditure for each division was determined based on that division's share of expenses for the affected eligibility subtypes in 2006. Health Care Services paid for 99.9% of the costs for affected pregnant women and 76.0% of the costs for affected children.

For each component, the recipient count represents the number of enrolled persons using Medicaid services managed by that component during the period. If half the number of people that lost Medicaid eligibility due to the 2003 legislation regain eligibility in 2008, Health Care Services might expect to pay Medicaid expenses for an additional 1,132 recipients.

FISCAL NOTE # 4 ATTACHMENT

BILL NO. CSSB 4(FIN) am

CS SB 4 (FIN) am						
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
SENIOR BENEFIT PROGRAM						
Caseload	8,800	8,914	9,030	9,148		
Annual Benefit Cost	\$16,645.8	\$16,862.2	\$17,081.4	\$17,305.5		
Estimated Administration Costs	\$753.1	\$683.1	\$683.1	\$683.1		
Total Cost Senior Benefit Prgm	\$17,398.9	\$17,545.3	\$17,764.5	\$17,988.6	\$0.0	\$0.0
DENALI KID CARE						
Additional Children Served	1277	1302	1328	1355	1382	1410
Additional Pregnant Women Served	218	223	227	232	236	241
	1495	1525	1555	1587	1618	1651
Annual Medicaid program costs	2651.3	2879.3	3126.9	3395.9	3687.9	4005
Annual Administrative Costs	\$40.2	\$76.0	\$76.0	\$76.0	\$76.0	\$76.0
Total Denali Kid Care Costs	\$2,691.5	\$2,955.3	\$3,202.9	\$3,471.9	\$3,763.9	\$4,081.0
Federal Share	\$1,907.4	\$2,030.4	\$2,189.9	\$2,375.2	\$2,576.4	\$2,795.0
General Fund Share	\$783.5	\$923.8	\$1,011.9	\$1,095.6	\$1,186.4	\$1,284.9
Inter/Agency Funds	0.6	1.1	1.1	1.1	1.1	1.1
TOTAL COSTS OF CS SB 4 am	\$20,090.4	\$20,500.6	\$20,967.4	\$21,460.5	\$3,763.9	\$4,081.0
Gen Fund costs of CS SB 4 am	\$18,182.4	\$18,469.1	\$18,776.4	\$19,084.2	\$1,186.4	\$1,284.9

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 5
 Bill Version: CSSB 4(FIN) am
 (S) Publish Date: 4/5/07
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: Public Assistance Field Svcs

Revision Date/Time (Note if correction):
 Title: RELATING TO SENIOR CARE

Sponsor: OLSON
 Requester: SENATE (FIN)

Component No. 236

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	33.6	67.2	67.2	67.2	67.2	67.2
Travel						
Contractual	4.4	8.8	8.8	8.8	8.8	8.8
Supplies	2.2					
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	40.2	76.0	76.0	76.0	76.0	76.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	18.7	35.4	35.4	35.4	35.4	35.4
1003 GF Match	16.5	31.1	31.1	31.1	31.1	31.1
1004 GF	4.4	8.4	8.4	8.4	8.4	8.4
1037 GF/Mental Health						
Other(Inter-Agency Receipts)	0.6	1.1	1.1	1.1	1.1	1.1
Other(Specify Type-do not abbreviate)						
TOTAL	40.2	76.0	76.0	76.0	76.0	76.0

Estimate of any current year (FY2007) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 CS SB 4 (FIN) Am changes AS 47.07.020(b) to reset the upper income limit for Denali KidCare (DKC) pregnant women and uninsured children under the Title XXI State Children's Health Insurance Program (SCHIP) to 175% of the prevailing federal poverty guideline (FPG) for Alaska. Currently, the qualifying income limit for these children and pregnant women is set in statute at 175% of the 2003 FPG (effectively, about 154% of the current FPG). This fiscal note represents the administrative costs for the eligibility determinations for medical assistance coverage for pregnant women and children.
 The eligibility decision includes determining eligibility based on the household's size and monthly income at the time of application, acting on changes in a household's circumstances that are reported during the period of eligibility, and re-examining a household's eligibility every six months.

Prepared by: Sherry Hill, Special Assistant Phone 465-1618
 Division: Office of the Commissioner Date/Time: 04/04/2007
 Approved by: Karleen Jackson, Commissioner Date: 03/04/2007
 Agency: Department of Health and Social Services

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Assumptions:

We assume that 218 pregnant women and 1277 children will enroll in Medicaid if the qualifying income limit is revised to 175% FPG, and that implementation will begin January 1, 2008. We estimate one additional Eligibility Technician I (Range 14) position will be needed for six months to manage this additional work in FY 08. This position will be needed for 12 months in the following fiscal years.

Total FY08 Administrative Costs:

Personal Services: One Eligibility Technician I Range 14 at a cost of \$33.6, including benefits, for six months.

Contractual: for office space, phones, and supplies will be \$4,400 for six months.

Additional Equipment/Supply: A one time cost of \$2,200 for a desktop computer, software, printer, and work station will be needed for the new position.

Total Administrative Costs FY09 through FY13

Personal Services: One Eligibility Technician I Range 14 at a cost of \$67.2, including benefits, for 12 months.

Contractual: Annual costs for office space, phones, and supplies will be \$8,800.

FISCAL NOTE # 5 ATTACHMENT

BILL NO. CSSB 4(FIN) am

CS SB 4 (FIN) am						
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
SENIOR BENEFIT PROGRAM						
Caseload	8,800	8,914	9,030	9,148		
Annual Benefit Cost	\$16,645.8	\$16,862.2	\$17,081.4	\$17,305.5		
Estimated Administration Costs	<u>\$753.1</u>	<u>\$683.1</u>	<u>\$683.1</u>	<u>\$683.1</u>		
Total Cost Senior Benefit Prgm	\$17,398.9	\$17,545.3	\$17,764.5	\$17,988.6	\$0.0	\$0.0
DENALI KID CARE						
Additional Children Served	1277	1302	1328	1355	1382	1410
Additional Pregnant Women Served	<u>218</u>	<u>223</u>	<u>227</u>	<u>232</u>	<u>236</u>	<u>241</u>
	1495	1525	1555	1587	1618	1651
Annual Medicaid program costs	2651.3	2879.3	3126.9	3395.9	3687.9	4005
Annual Administrative Costs	\$40.2	\$76.0	\$76.0	\$76.0	\$76.0	\$76.0
Total Denali Kid Care Costs	\$2,691.5	\$2,955.3	\$3,202.9	\$3,471.9	\$3,763.9	\$4,081.0
Federal Share	\$1,907.4	\$2,030.4	\$2,189.9	\$2,375.2	\$2,576.4	\$2,795.0
General Fund Share	\$783.5	\$923.8	\$1,011.9	\$1,095.6	\$1,186.4	\$1,284.9
Inter/Agency Funds	0.6	1.1	1.1	1.1	1.1	1.1
TOTAL COSTS OF CS SB 4 am	\$20,090.4	\$20,500.6	\$20,967.4	\$21,460.5	\$3,763.9	\$4,081.0
Gen Fund costs of CS SB 4 am	\$18,182.4	\$18,469.1	\$18,776.4	\$19,084.2	\$1,186.4	\$1,284.9

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 6
 Bill Version: CSSB 4(FIN) am
 (S) Publish Date: 4/5/07
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: SeniorCare

Revision Date/Time (Note if correction):
 Title: RELATING TO SENIOR CARE

Sponsor: OLSON

Requester: SENATE (FIN)

Component No. 2760

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	460.2	460.2	460.2	460.2		
Travel	9.7	9.7	9.7	9.7		
Contractual	229.7	169.7	169.7	169.7		
Supplies	53.5	43.5	43.5	43.5		
Equipment						
Land & Structures						
Grants & Claims	16,645.8	16,862.2	17,081.4	17,305.5		
Miscellaneous						
TOTAL OPERATING	17,398.9	17,545.3	17,764.5	17,988.6	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	17,398.9	17,545.3	17,764.5	17,988.6		
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	17,398.9	17,545.3	17,764.5	17,988.6	0.0	0.0

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	6	6	6	6		
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The current Senior Care program helps low-income seniors over age 65 remain independent in the community by providing an income supplement of \$120 per month to help meet their basic needs, such as food and housing. Nearly 7,000 seniors are currently receiving financial help from the Senior Care program and about 140 are receiving help in paying for the premium and deductibles of prescription drug insurance through the prescription drug program.

This amendment:

- Provides for continuation of the SeniorCare cash benefit until June 30, 2011.

Prepared by: Sherry Hill, Special Assistant
 Division: Office of the Commissioner
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone: 465-1618
 Date/Time: 04/04/2007
 Date: 04/04/2007

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

(cont. from page 1)

- Sets the maximum income eligibility level to 150% of the federal poverty guideline for Alaska (adjusted annually).
- Sets the payment at one of three amounts that depend on the person or couple's income level:
 - * \$175 if household income is less than 100% of poverty
 - * \$150 if household income is between 100% and 135% of poverty, and
 - * \$100 if household income is between 135% and 150% of poverty.

Benefit Costs

Assumptions:

The fiscal note assumes reauthorization of the Senior Care cash benefit and elimination of the drug benefit. It also assumes:

- The sponsor's intent that there is no asset test.
- If the ALB funded, seniors will choose either ALB or Senior Care.
- Seniors who qualify for the ALB will not qualify for Senior Care.
- We assume that the payment amount will vary depending on the household's income level.
- In FY08, the department estimates an average of 7,043 seniors who currently qualify for the Senior Care cash benefit will continue to qualify for Senior Care.
- * The department estimates an additional 300 seniors will qualify with the higher income limits. This represents the number of seniors who became ineligible for the Senior Care program due to the income limits frozen at 2005 levels.
- The department estimates an additional 300 seniors will qualify for the new program due to the elimination of the asset test. Currently approximately 4% of SeniorCare applicants are denied due to assets. Note: Information about senior assets is not available to the department. Costs associated with this provision will need to be reevaluated as we gain experience with the new program.
- The department estimates an additional 380 seniors will be served annually for every 5% increment increase above 100% of poverty.

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION
(cont. from page 2)

The tables below display the 2007 poverty guidelines for Alaska for a single person or a couple, the projected caseload size at each level of poverty in FY 2008, and the estimated cost of benefits (benefits only) at an estimated annual caseload growth of 1.3%.

Household	2007 AK Guidelines	135%	150%
1	\$12,770	\$17,240	\$19,155
2	\$17,120	\$23,112	\$ 25,680

Poverty Level	FY08 Estimated Caseload	Benefit	FY08 Estimated Benefit Cost
< 100%	5,000	\$175	\$10,500.0
100 - 135%	2,643	\$150	\$4,757.4
135 - 150%	1,157	\$100	\$1,388.4
Total Caseload	8,800	Total Cost	\$16,645.8

Fiscal Year	Total Estimated Caseload	Total Estimated Benefit
FY08	8,800	\$ 16,645.8
FY09	8,914	\$ 16,862.2
FY10	9,030	\$ 17,081.4
FY11	9,148	\$ 17,303.5

Administrative Costs

Assumptions:

- * The four positions currently administering the Senior Care program will continue to administer the program: 1 Administrative Clerk II (Range 8); 4 Eligibility Technician I's (Range 14), and 1 Eligibility Technician III Lead Worker (Range 15). An additional two positions will be necessary to manage the increased caseload. These positions are responsible for the initial and ongoing determination of eligibility, processing claims, and serving as a liaison with the Social Security Administration to facilitate recipient enrollment in Medicare Part D.

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

(cont. from page 3)

- * In May 2007, DPA will begin notifying seniors about the new program. Current SeniorCare recipients will be mailed an abbreviated form for completion and informed of the need to apply for the new program. DPA will begin accepting applications in May; however, higher payment levels may be delayed until system modifications are completed, which may be October 2007.
- * Modifications to DPA's Eligibility Information System (EIS) are necessary to facilitate the issuance of three different payments depending on household income. These changes are estimated to take three months of programming and testing.

Total FY08 Administrative Costs: \$753.1

- Personal Services (6 positions): \$460.2
- Travel (to support employee training, marketing, outreach): 9.7
- Contractual (for information technology, telecommunication, postage, printing, & building lease costs): \$129.7
 - Outreach to inform seniors of the program's availability and benefits, and to make referrals to other programs as appropriate: \$40.0
 - EIS Computer Programming Modifications \$60.0 (one time cost for FY08)
- Supplies (training materials and office supplies): \$43.5
- Additional Equipment/Supply: Desktop computer, printer and station for two new positions: \$10.0 (one time cost for FY08)

All costs are eliminated in FY2012 to reflect the sunset of the program.

FISCAL NOTE # 6 ATTACHMENT

BILL NO. CSSB 4(FIN) am

CS SB 4 (FIN) am						
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
SENIOR BENEFIT PROGRAM						
Caseload	8,800	8,914	9,030	9,148		
Annual Benefit Cost	\$16,645.8	\$16,862.2	\$17,081.4	\$17,305.5		
Estimated Administration Costs	<u>\$753.1</u>	<u>\$683.1</u>	<u>\$683.1</u>	<u>\$683.1</u>		
Total Cost Senior Benefit Prgm	\$17,398.9	\$17,545.3	\$17,764.5	\$17,988.6	\$0.0	\$0.0
DENALI KID CARE						
Additional Children Served	1277	1302	1328	1355	1382	1410
Additional Pregnant Women Served	<u>218</u>	<u>223</u>	<u>227</u>	<u>232</u>	<u>236</u>	<u>241</u>
	1495	1525	1555	1587	1618	1651
Annual Medicaid program costs	2651.3	2879.3	3126.9	3395.9	3687.9	4005
Annual Administrative Costs	\$40.2	\$76.0	\$76.0	\$76.0	\$76.0	\$76.0
Total Denali Kid Care Costs	\$2,691.5	\$2,955.3	\$3,202.9	\$3,471.9	\$3,763.9	\$4,081.0
Federal Share	\$1,907.4	\$2,030.4	\$2,189.9	\$2,375.2	\$2,576.4	\$2,795.0
General Fund Share	\$783.5	\$923.8	\$1,011.9	\$1,095.6	\$1,186.4	\$1,284.9
Inter/Agency Funds	0.6	1.1	1.1	1.1	1.1	1.1
TOTAL COSTS OF CS SB 4 am	\$20,090.4	\$20,500.6	\$20,967.4	\$21,460.5	\$3,763.9	\$4,081.0
Gen Fund costs of CS SB 4 am	\$18,182.4	\$18,469.1	\$18,776.4	\$19,084.2	\$1,186.4	\$1,284.9

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

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January 31, 2007

Senator Donald Olson
State Capital, Room 514
Juneau, AK 99801-1182

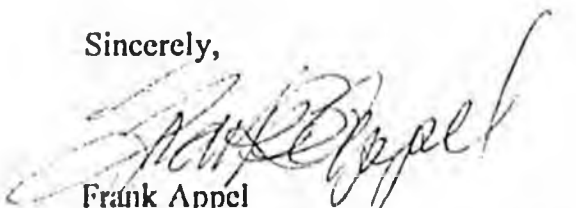
Dear Senator Olson,

The Alaska Commission on Aging supports Senate Bill No. 4 for the extension of the senior care program and the increasing of the benefit amount. We believe the senior care program provides an important and needed financial safety net for low income seniors. It helps over 7,000 seniors meet the costs of basic necessities such as housing, food and medication.

During our recent Legislative Advocacy Teleconference, two amendments were suggested. Participants felt that the asset levels were too low, especially for the cash benefit qualification criteria. Many seniors above the current level are still living in meager circumstances and at significant risk to exhaust their savings if financial emergencies occur. Secondly, participants recommended that if the program does not have a near-term sunset date, inflation proofing be added to the legislation.

Thank you for sponsoring this legislation and your consideration of these suggestions.

Sincerely,


Frank Appel
Chair, Alaska Commission on Aging


Denise Daniello
Executive Director, ACoA