

**HB**

**148**

SARAH PALIN  
GOVERNOR  
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

P.O. Box 110001  
JUNEAU, ALASKA 99811-0001  
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February 20, 2007

The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the senior care program.

The bill would extend the sunset date of the existing senior care program from June 30, 2007, to June 30, 2012, to allow continuation of program benefits to needy seniors.

This bill also would make two changes to the eligibility requirements for the program. First, the income limitation would be altered. The current income standards are "frozen" by setting eligibility at a specific monetary amount in state law that was equal to 135 percent of the 2005 federal poverty income guidelines. The 2005 limits have caused some seniors to become ineligible for the program because of cost-of-living adjustments that are made to retirement and pension income, such as Social Security benefits, which are not automatically adjusted under the current statutory language. The change made by the bill would result in income standards that are flexible enough to correspond to changing federal poverty guidelines. Second, the bill would provide that an individual who is receiving a longevity bonus payment would not be eligible for benefits under the senior care program. It is my intent to see the longevity bonus program reinstated in the Fiscal Year 2008 budget for those qualifying seniors who were prematurely cut from the program in the Fiscal Year 2004 budget. However, seniors who qualify for the longevity bonus will have to decide whether to obtain assistance from one or the other program.

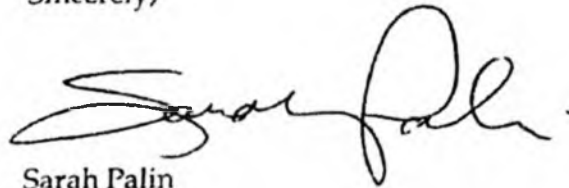
The Department of Health and Social Services has found that there is only low-level usage of the prescription drug option, despite extensive outreach efforts encouraging seniors to enroll. Additionally, survey information indicates that many

The Honorable John Harris  
February 20, 2007  
Page 2

seniors have other health insurance coverage available. Because of these factors, the bill also would eliminate the prescription drug benefit portion of the program.

The senior care program finances important benefits for needy older Alaskans, to help them meet basic necessities, including food and housing. I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin", written in a cursive style.

Sarah Palin  
Governor

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 148  
 ( H ) Publish Date: 2/21/07  
 Dept. Affected: Health & Social Services  
 RDU Public Assistance  
 Component SeniorCare

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

Sponsor (RLS) BY REQUEST OF THE GOVERNOR  
 Requester GOVERNOR

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						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	( 5,377.2 )	( 5,282.2 )	( 5,187.1 )	( 5,090.6 )	( 4,992.7 )	( 12,634.8 )
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>( 5,377.2 )</b>	<b>( 5,282.2 )</b>	<b>( 5,187.1 )</b>	<b>( 5,090.6 )</b>	<b>( 4,992.7 )</b>	<b>( 12,634.8 )</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (0)</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	( 2,994.4 )	( 2,899.4 )	( 2,804.3 )	( 2,707.8 )	( 2,609.9 )	( 10,252.0 )
1037 GF/Mental Health						
11189 Senior Care	( 2,382.8 )	( 2,382.8 )	( 2,382.8 )	( 2,382.8 )	( 2,382.8 )	( 2,382.8 )
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>( 5,377.2 )</b>	<b>( 5,282.2 )</b>	<b>( 5,187.1 )</b>	<b>( 5,090.6 )</b>	<b>( 4,992.7 )</b>	<b>( 12,634.8 )</b>

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)

The Senior Care program helps low-income seniors over age 65 remain independent in the community by providing an income supplement to help meet their basic needs, such as food and housing. This bill authorizes the continuation of the Senior Care program for an additional five years from July 1, 2007 through June 30, 2012. It eliminates the program's prescription drug benefit, of which there has been very low use, and changes the program's income eligibility standards. Currently, the amount of annual income seniors can have to qualify for the program is limited to 135 percent of the 2005 federal poverty guidelines for Alaska. This bill increases the income limits each year to keep pace with the annual increases in the federal poverty guidelines for Alaska and the modest cost-of-living adjustments given to senior's income such as Social Security retirement benefits.

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

Phone 465-5847  
 Date/Time 02/12/2007  
 Date 02/20/2007

STATE OF ALASKA  
 2007 LEGISLATIVE SESSION

**ANALYSIS CONTINUATION**

**Assumptions**

- \* The Alaska Longevity Bonus (ALB) Program will be reopened and funded in FY08. Some seniors who formerly received the ALB will choose to get ALB and not be eligible for Senior Care.
- \* The income qualifying standards for the Senior Care program will be tied to 135% of the annual Federal Poverty Guidelines for Alaska, which increase each year.
- \* In FY08, an additional 300 seniors will qualify for Senior Care under the higher income limits.
- \* 2,303 former ALB recipients will choose to get ALB in FY08, and become ineligible for Senior Care.
- \* For FY09 through FY12, the number of seniors receiving help from the Senior Care Program will grow at a rate of 1.3%/year (based on 6-year average rate of growth in the old age component of APA program).

FY	Caseload	1.3% Growth	Revised Caseload	Less ALB	Total	Cost Total x 120 x 12
FY08*	7,343		7,343	(2,303)	5,040	\$7,257.6
FY09	5,040	66	5,106		5,106	\$7,352.6
FY10	5,106	66	5,172		5,172	\$7,447.7
FY11	5,172	67	5,239		5,239	\$7,544.2
FY12	5,239	68	5,307		5,307	\$7,642.1

The FY08 Governor's budget for the Senior Care component grants line is \$12,634.8. The projected cost for FY08 with the proposed changes is \$7,257.6 (see above), for an anticipated savings of \$5,377.2 in FY08. The projected savings in future years is calculated from the FY08 Governor's budget funding level and does not represent additional savings in future years, but rather indicates increasing costs each year due to additional recipients.

**Administration**

There are no additional administrative costs for operating the Senior Care Program. These costs are included in the Governor's FY08 budget.

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: HB148-DHSS-DPA-REV-03-08-0  
 Bill Version: HB 148  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): March 8, 2007  
 Title REAUTHORIZE SENIOR CARE

Dept. Affected: Health & Social Services  
 RDU Public Assistance  
 Component SeniorCare

Sponsor (RLS) BY REQUEST OF THE GOVERNOR  
 Requester HOUSE (HES)

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	308.7	308.7	308.7	308.7	308.7	
Travel	6.5	6.5	6.5	6.5	6.5	
Contractual	126.5	126.5	126.5	126.5	126.5	
Supplies	29.0	29.0	29.0	29.0	29.0	
Equipment						
Land & Structures						
Grants & Claims	10,573.9	10,711.4	10,850.6	10,991.7	11,134.6	
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>11,044.6</b>	<b>11,182.1</b>	<b>11,321.3</b>	<b>11,462.4</b>	<b>11,605.3</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES (0)</b>						

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	11,044.6	11,182.1	11,321.3	11,462.4	11,605.3	
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>11,044.6</b>	<b>11,182.1</b>	<b>11,321.3</b>	<b>11,462.4</b>	<b>11,605.3</b>	<b>0.0</b>

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	4	4	4	4	4	4
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill authorizes the continuation of the SeniorCare program for an additional five years from July 1, 2007 through June 30, 2012. It continues to provide a cash benefit to eligible seniors age 65 or older. It eliminates the program's prescription drug benefit, which has seen low usage, and changes the program's income eligibility standards. The bill increases the income level to 135% of the federal poverty guideline that is adjusted each year. The current program freezes the income level at 135% of the federal poverty guideline for 2005.

(continued)

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

Phone 465-5847  
 Date/Time 03/08/2007  
 Date 03/09/2007

FISCAL NOTE  
FN #

STATE OF ALASKA  
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

**Benefit Costs**

This fiscal note assumes the SeniorCare program is reauthorized effective July 1, 2007 and includes the increase in the income limit to 135% of the federal poverty level for 2007. We assume that in the first year 300 additional individuals will become eligible for SeniorCare due to this increase. The table below displays the projected caseload including 1.3% annual growth and cost of benefits.

Caseload Cost Projections for SeniorCare				
FY	Caseload	1.3% Growth	Revised Caseload	Cost Total x 120 x 12
FY08	7343		7343	\$10,573.9
FY09	7343	95	7438	\$10,711.4
FY10	7438	97	7535	\$10,850.6
FY11	7535	98	7633	\$10,991.7
FY12	7633	99	7732	\$11,134.6

**Administrative Costs**

We assume that the four positions currently administering the SeniorCare program will continue. They include 1 Administrative Clerk II (Range 8); 2 Eligibility Technician I's (Range 14), and 1 Eligibility Technician III Lead Worker (Range 15). 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. Below are the costs associated with these positions:

Personal Services (4 positions): \$308.7

Travel (to support employee training, marketing, outreach): \$6.5

Contractual (for information technology, telecommunication, postage, printing, and building lease costs): \$86.5

Additional Contractual to provide 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): \$29.0

All costs will be zeroed out on June 30, 2012 (FY2013) to reflect the sunset of the program.

State of Alaska  
**DEPARTMENT OF HEALTH & SOCIAL SERVICES**

**Sarah Palin, Governor**

**Karleen Jackson**  
Commissioner  
P.O. Box 110601  
Juneau, Alaska 99811-0601

**FACT SHEET**



**Sherry Hill**  
Communications Officer  
/Legislative Liaison  
907-465-1618

FAX: 907-465-3068  
[www.hss.state.ak.us](http://www.hss.state.ak.us)

February 21, 2007

## SeniorCare Program

### Governor Sarah Palin's 2007 legislation:

- **Extend the SeniorCare program for 5 years:** Governor Palin's legislation will continue the \$120 SeniorCare monthly cash supplement for low-income seniors for five years — through June 30, 2012. This provides continued income support to low income seniors and will allow time to evaluate the fiscal impact of SeniorCare, and potentially the continued phase out of the Alaska Longevity Bonus program.
- **Change the income eligibility:** Governor Palin's legislation ties the eligibility to 135 percent of the annual federal poverty income guidelines for Alaska. This would set the program qualifications in 2007 at an income of \$17,240 for a single senior and \$23,112 for a couple. The asset qualification requirements would remain the same: these seniors can qualify with liquid assets of up to \$6,000 for an individual and \$9,000 for a couple.

Currently, the program's eligibility is frozen at 135 percent of the 2005 federal poverty level. The 2005 limits have caused some seniors to become ineligible for the program because of cost of living adjustments that are given to retirement and pension income, such as Social Security benefits.

- **Eligible seniors will be provided a choice between enrolling in SeniorCare or the Alaska Longevity Bonus:** If seniors receiving SeniorCare previously received the Alaska Longevity Bonus, they will have a choice between receiving SeniorCare or the Alaska Longevity Bonus, should the Longevity Bonus be funded by the Alaska legislature.
  - DHSS estimates that if the Alaska Longevity Bonus program is reinstated, that about 5,000 Alaska seniors will continue to receive SeniorCare, the remainder would choose to receive the Longevity Bonus.
- **End the Prescription Drug Benefit.** The SeniorCare prescription drug payment assistance, which has had very small enrollment, will end. A recent survey by the Department of Health and Social Services found that many seniors have other insurance coverage.

In January 2006, the SeniorCare program expanded with the Prescription Drug Payment Assistance component aimed at helping qualified seniors pay insurance premiums and deductibles. The program was expected to serve 4,000 seniors but never topped the 200 mark. In December 2006, DHSS surveyed seniors about SeniorCare. The survey found many seniors have other insurance coverage. DHSS estimates one-third of the prescription drug program beneficiaries are former Alaska Longevity Bonus recipients who would be able to reapply for the Alaska Longevity Bonus if it is reinstated.

### **SeniorCare History**

- In 2003, the SeniorCare program began offering \$120 monthly cash assistance to low-income seniors. Last year the SeniorCare Cash program served about 7,000 out of about 45,000 senior Alaskans.
- The current eligibility level for SeniorCare is frozen at 135 percent of 2005 poverty levels (\$16,133/single, \$17,240/couple). Some seniors have become ineligible for the program as cost-of-living adjustments cause retirement and pension income, such as Social Security benefits, to rise with the federal poverty level.

Contact:        Jeff Kasper, (907) 465-8194, Cell (907) 321-3158  
                     Sarana Schell, (907) 269-8041, Cell (907) 240-7462

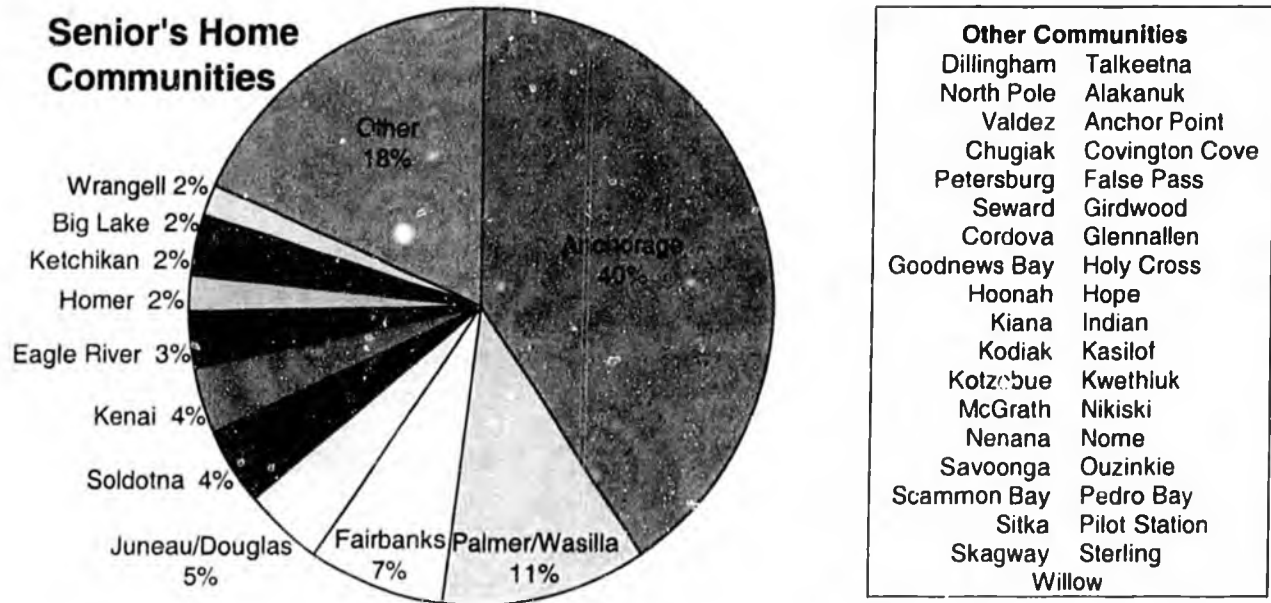
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## SeniorCare Program Proposal Comparison

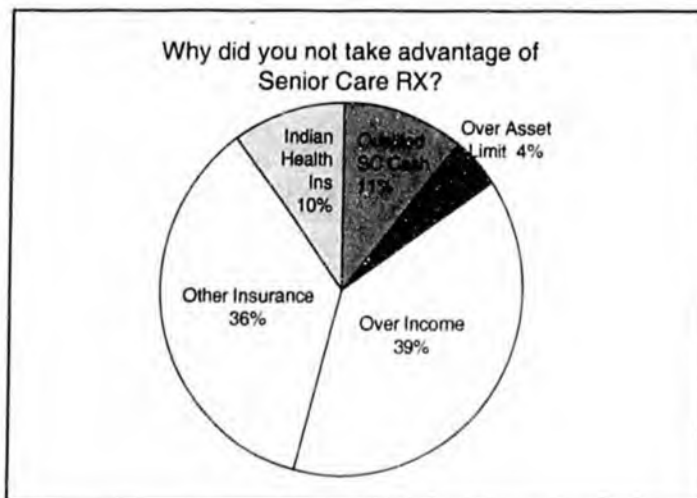
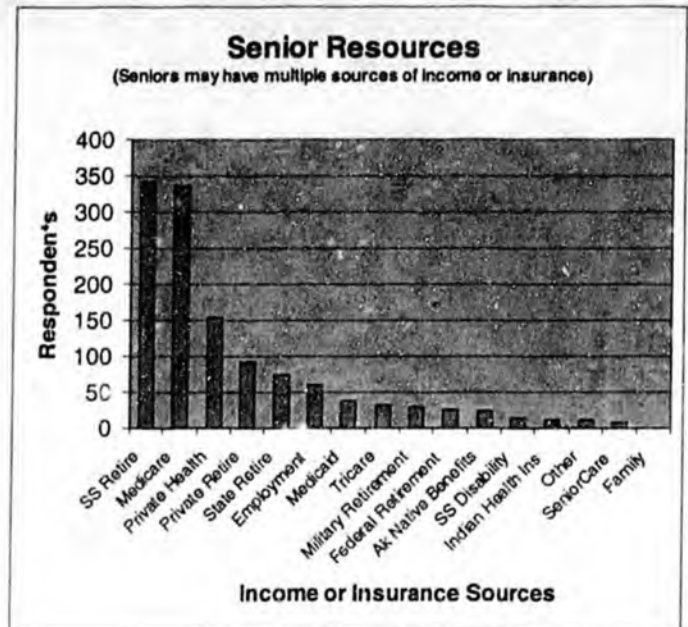
SeniorCare Proposals	Current SeniorCare Program	SB 90/HB 148 Governor's Proposal	SB 4 Senator Olson
<b>Monthly Payment</b>	Cash - \$120/month Prescription Drug - \$670/year	\$120/Month	\$150/Month
<b>Annual Income Limit</b>	<p>Cash</p> <ul style="list-style-type: none"> <li>• \$16,133 for individuals</li> <li>• \$21,641 for couples</li> </ul> <p>(135% of 2005 federal poverty guidelines. Income limits frozen at 2005 levels.)</p> <p>Prescription Drug</p> <ul style="list-style-type: none"> <li>• \$20,913 for individuals</li> <li>• \$28,053 for couples</li> </ul> <p>(175% of 2005 federal poverty guidelines)</p>	<p>Cash</p> <ul style="list-style-type: none"> <li>• \$17,240 Individual</li> <li>• \$23,112 Couple</li> </ul> <p>(135% of 2007 federal poverty guidelines. Income limits will increase each year to keep pace with annual increases in federal poverty guidelines for Alaska.)</p> <p>Prescription Drug Benefit Ended</p>	<p>Cash</p> <ul style="list-style-type: none"> <li>• \$16,133 Individual</li> <li>• \$21,641 Couple</li> </ul> <p>(135% of 2005 federal poverty guidelines. Income limits frozen at 2005 levels.)</p> <p>Prescription Drug Benefit Ended</p>
<b>Dual Eligibility for SeniorCare &amp; AK Longevity Bonus</b>	Yes	No	Is not intended to provide dual eligibility
<b>Projected Average Monthly Caseload in FY08</b>	<p>Cash 7,043</p> <p>Prescription Drug 140</p>	<p>Cash 5,040</p>	<p>Cash 4,835 – if receipt of ALB and SeniorCare is not allowed</p>
<b>Estimated Benefit Payments for FY08</b>	<p>Cash \$10,141.9</p> <p>Prescription Drug \$93.8</p>	<p>Cash \$7,257.6</p>	<p>Cash \$8,703.0 – if receipt of ALB and SeniorCare is not allowed</p>
<b>Sunset Date</b>	June 30, 2007	Extends program 5 years to June 30, 2012	No expiration date

- Additionally, the SeniorCare drug program may have served too narrow of a population to be as useful as originally intended and may have been confusing with the concurrent start up of the Medicare Part D program.
- Lastly, the SeniorCare cash program appears to be very accessible to low income seniors who most need it.
- The following information graphically represents the array of communities represented by Senior citizens that responded to the survey. The chart lists those communities included in the "other" category.

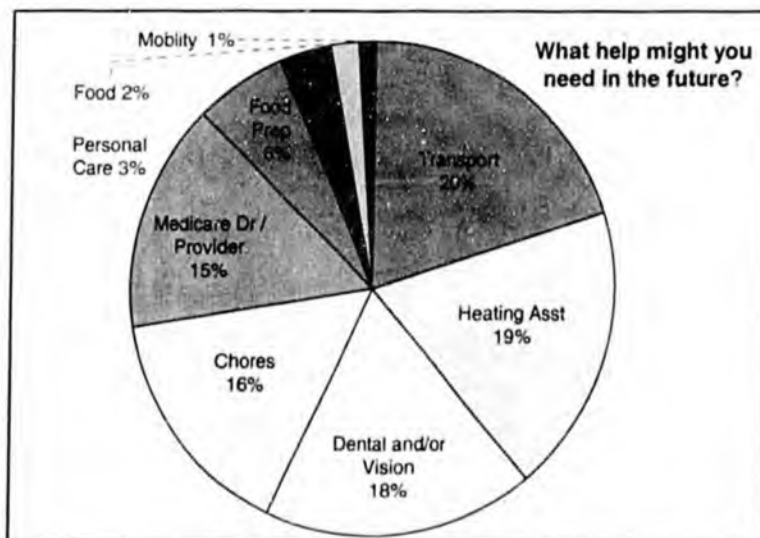


Contact: Sherry Hill, (907) 465-1618, Cell (907) 321-2838  
 Jeff Kasper, (907) 465-8194, Cell (907) 321-3158

- Of the two thirds that had not heard of the program, a surprisingly high 74 percent were employed and/or enjoyed multiple sources of retirement income (Social Security and State, Federal, Military and private retirement).



- While 99 percent of those surveyed had enrolled in the Senior Care drug program, those that responded to this question reported that they were over the income threshold for the program (39 percent), had other drug insurance coverage (36 percent), had Indian Health Service coverage (10 percent), had already qualified for SeniorCare cash (11 percent) or were over the asset limit (4 percent).



- When asked if seniors had inquired about receiving any services in the last two years, a surprising 87 percent said they'd not sought assistance and 87 percent also indicated that they lived near family or friends who could help if needed. 20 percent of respondents indicated a need for transportation assistance, 19 percent were concerned with heating assistance, 18 percent suggested dental and/or vision coverage and 16 percent would like assistance with chores.

- The survey indicates that Alaska's seniors continue to strive to remain independent and would like more services oriented toward continued independence.

State of Alaska  
**DEPARTMENT OF HEALTH & SOCIAL SERVICES**

**Sarah Palin, Governor**

**Karleen Jackson**  
Commissioner  
P.O. Box 110601  
Juneau, Alaska 99811-0601  
**FACT SHEET**



**Sherry Hill**  
Communications Officer  
/Legislative Liaison  
907-465-1618  
FAX: 907-465-3068  
[www.hss.state.ak.us](http://www.hss.state.ak.us)

**January 2007**

## **SeniorCare Survey of Alaska's Seniors**

### **Background**

In 2003, the state implemented SeniorCare (cash) program that provides \$120 a month to low-income seniors. In January 2006, the program was expanded to include a SeniorCare drug (RX) program to help low income seniors with Medicare Part D premium and deductible payments.

Last year, the SeniorCare cash program was anticipated to serve 7,000 of Alaska's over 40,000 seniors and ultimately served an average of about 7,000 seniors each month. The SeniorCare RX program was anticipated to serve 4,000 seniors but never topped the 200 mark, prompting questions about why the program was not being used. Note that the SeniorCare RX program was launched around the same time as Medicare Part D and the federal ExtraHelp program.

To promote the SeniorCare drug program, DHSS launched two advertising campaigns (Nov. 2005 – Jan. 2006 and Nov. 2006 – Jan. 2007) coupled with extensive outreach programs by SeniorCare office information staff who offered numerous presentations around the state. It is likely that many of the survey respondents were not aware of the program because they also did not participate in Medicare Part D, and therefore did not pay attention to the outreach efforts.

In December 2006 DHSS launched a survey of seniors to glean advice and input on the SeniorCare program, particularly the SeniorCare drug program, which had been underutilized based on DHSS estimates. The Department's contractor surveyed 386 Alaskan Seniors, a randomly selected, statistically valid percentage of Alaska's senior population in communities across the state from Kwethluk to Hoonah to the Mat-Su. The survey intentionally excluded those on multiple assistance programs as these seniors.

### **SeniorCare Survey Outcomes:**

- Surveyors commented that seniors frequently expressed their delight at being asked their opinions and appreciation that the administration valued their input.
- Despite a lengthy and comprehensive SeniorCare marketing campaign in 2005 and 2006, only one third of survey participants had heard of the program.

# 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

February 22, 2007

Honorable Peggy Wilson, Chair  
House Health, Education, and  
Social Services Committee  
Alaska State Capitol; Rm. 403  
Juneau, AK 99801

Dear Representative Wilson,

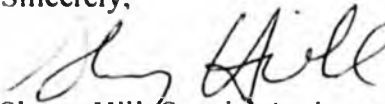
The Department of Health and Social Services respectfully requests a hearing in the House Health, Education, and Social Services Committee on House Bill 148 "An Act relating to the senior care program; and providing for an effective date."

This bill is necessary to extend the senior care program which will otherwise sunset on June 30, 2007. The bill also makes significant changes to eligibility for the program.

A copy of Governor Palin's transmittal letter providing additional information on the bill and the associated fiscal note should be on file with the committee.

Your favorable consideration of this request will be appreciated.

Sincerely,

  
Sherry Hill, Special Assistant  
Office of the Commissioner

cc: John Bitney, Legislative Director  
Office of the Governor

Ellie Fitzjarrald, Director  
Division of Public Assistance

SARAH PALIN, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES  
OFFICE OF THE COMMISSIONER

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

March 9, 2007

The Honorable Peggy Wilson, Chair  
Health, Education and Social Services Committee  
House of Representatives  
State Capitol, Room 403

Dear Representative Wilson:

The letter is being provided to you in response to your March 6, 2007 request regarding the Senior Care Program.

♦ *Please provide the citation for the asset limit for SeniorCare*

The asset limits for the Senior Care Program are not set in state statute. AS 47.45.300 (b) gives the Department the authority to adopt regulations governing administration of the program.

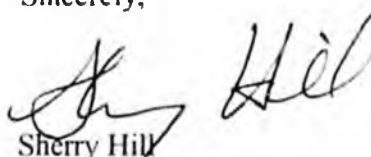
As you are aware, the Senior Care Program has been reauthorized several times. The asset rules for the Senior Care Program were established under the original Alaska Senior Assistance Program and are located in the Alaska Administrative Code at 7 AAC 47.815.

7 AAC 47.815 describes the asset limit for the cash benefit as \$4,000 for an individual and \$6,000 for a couple. The Department has not yet modified the regulations to reflect the 2005 policy decision, and the asset limits in 7 AAC 47.815 do not reflect current policy. The intent of the 2005 Legislature was to increase this asset limit to \$6,000 for an individual and \$9,000 for a couple, and these higher asset limits are currently being used in determining whether seniors qualify for the cash benefit.

♦ *Please provide a revised fiscal note based on HB 148 alone, showing the true costs of the Senior Care Program.*

We are in the process of developing a new fiscal note for HB 148 to reflect the total costs for the Senior Care Program, and removing the assumptions about former Alaska Longevity Bonus recipients. The revised fiscal note should be available by close of business today.

Sincerely,



Sherry Hill  
Special Assistant to the Commissioner

cc: Karleen K. Jackson, Ph.D., Commissioner  
Janet Clarke, Assistant Commissioner, FMS

Ellie Fitzjarrald, Director, DPA

Representative Roses, Capitol Building, Room 416

Representative Fairclough, Capitol Building, Room 411

Representative Neuman, Capitol Building, Room 432

Representative Seaton, Capitol Building, Room 102

Representative Cissna, Capitol Building, Room 420

Representative Gardner, Capitol Building, Room 422

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: HB148-DHSS-DPA-REV-03-08-0  
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 Requester HOUSE (HES)

Component No. 2760

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<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES (0)</b>						

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	11,044.6	11,182.1	11,321.3	11,462.4	11,605.3	
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>11,044.6</b>	<b>11,182.1</b>	<b>11,321.3</b>	<b>11,462.4</b>	<b>11,605.3</b>	<b>0.0</b>

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	4	4	4	4	4	4
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill authorizes the continuation of the SeniorCare program for an additional five years from July 1, 2007 through June 30, 2012. It continues to provide a cash benefit to eligible seniors age 65 or older. It eliminates the program's prescription drug benefit, which has seen low usage, and changes the program's income eligibility standards. The bill increases the income level to 135% of the federal poverty guideline that is adjusted each year. The current program freezes the income level at 135% of the federal poverty guideline for 2005.

(continued)

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

Phone 465-5847  
 Date/Time 03/08/2007  
 Date 03/09/2007

**FISCAL NOTE****FN #****STATE OF ALASKA  
2007 LEGISLATIVE SESSION****ANALYSIS CONTINUATION****Benefit Costs**

This fiscal note assumes the SeniorCare program is reauthorized effective July 1, 2007 and includes the increase in the income limit to 135% of the federal poverty level for 2007. We assume that in the first year 300 additional individuals will become eligible for SeniorCare due to this increase. The table below displays the projected caseload including 1.3% annual growth and cost of benefits.

Caseload Cost Projections for SeniorCare				
FY	Caseload	1.3% Growth	Revised Caseload	Cost Total x 120 x 12
FY08	7343		7343	\$10,573.9
FY09	7343	95	7438	\$10,711.4
FY10	7438	97	7535	\$10,850.6
FY11	7535	98	7633	\$10,991.7
FY12	7633	99	7732	\$11,134.6

**Administrative Costs**

We assume that the four positions currently administering the SeniorCare program will continue. They include 1 Administrative Clerk II (Range 8); 2 Eligibility Technician I's (Range 14), and 1 Eligibility Technician III Lead Worker (Range 15). 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. Below are the costs associated with these positions:

Personal Services (4 positions): \$308.7

Travel (to support employee training, marketing, outreach): \$6.5

Contractual (for information technology, telecommunication, postage, printing, and building lease costs): \$86.5

Additional Contractual to provide 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): \$29.0

All costs will be zeroed out on June 30, 2012 (FY 2013) to reflect the sunset of the program.