

HB

1988

Representative Mike Hawker

Alaska State Legislature



House Bill 198 Sponsor Statement

Session:

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House District 32:

Eagle River
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Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

Short Title: Senior Assistance Payment Program

HB 198 establishes the Alaska Senior Assistance Program to provide cash assistance payments to low-income Alaska seniors.

The existing Senior Care Program, which is scheduled to sunset June 30, 2007, is amended to remove the little used prescription drug benefits and increase monthly cash payments to Alaskans, age 65 and older, based on their incomes related to federal poverty level guidelines adjusted for Alaska (FPL-A). Monthly payments are:

- \$250 per month to individuals with income less than 75% of FPL-A
- \$175 per month to individuals with income from 75% to less than 100% of FPL-A
- \$125 per month to individuals with income from 100% to less than \$135% of FPL-A

The Alaska Senior Assistance Program combines desirable features of both the Longevity Bonus and Senior Care programs into a single needs based structure that delivers real help to low-income seniors across Alaska. Program enrollment is open to all qualifying seniors.

The new Alaska Senior Assistance Program sunsets June 30, 2011 if not reauthorized.

House Bill 198
Sectional Analysis

Prepared by Representative Mike Hawker's Office

- Sections 1-5:** These sections correct references to the senior care and longevity bonus programs to reflect the new senior assistance program.
- Section 6:** Establishes the senior assistance payment program and specifies the duties for the Department of Health and Social Services with respect to the program.
- Section 7:** Specifies the qualifications for entrants to the senior assistance program, the process for application, and the amount of payment.
- Section 8:** Specifies the residency requirements for program participants and removes a reference to the senior care prescription drug program, which is repealed in this bill.
- Sections 9,10, 12:** Remove or correct references to the senior care prescription drug program, which is repealed in this bill.
- Section 11:** Establishes the Alaska senior assistance fund, which is used by the Department of Health and Social Services to make senior assistance payments.
- Sections 13-14:** Provide a sunset date for the Alaska senior assistance program in 2011 and make technical corrections to the uncodified law of the State of Alaska enacted by Ch. 89, SLA 2005 (HB 106).
- Section 15:** Repeals the longevity bonus program (44.64.030(a)(34), 47.08.060(c)(8), 47.45.010-47.45.160) and the previous senior care prescription drug benefit (47.45.320).
- Section 16:** Transfers any remaining assets from the senior care program to the senior assistance program.
- Section 17:** Provides authority for the Department of Health and Social Services to adopt regulations and specifies that the current regulations stay in effect until the new regulations are effective.
- Section 18-20:** Effective date provisions to make the senior assistance program take effect June 30, 2007.



United States Department of
Health Human Services

2007 HHS Poverty Guidelines

Persons in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$10,210	\$12,770	\$11,750
2	13,690	17,120	15,750
3	17,170	21,470	19,750
4	20,650	25,820	23,750
5	24,130	30,170	27,750
6	27,610	34,520	31,750
7	31,090	38,870	35,750
8	34,570	43,220	39,750
For each additional person, add	3,480	,350	4,000

SOURCE: *Federal Register*, Vol. 72, No. 15, January 24, 2007, pp. 3147-3148

Needs-based the way to go

House has a better idea than bringing back longevity bonus

(Published: March 18, 2007)

Instead of restoring the longevity bonus, which paid millions to only some seniors, the core House leadership wants the state to distribute monthly checks to all low-income seniors.

Yes, it would be a needs-based program. Offensive words to some, but the right words. A community should first help those in need, and government is the means for carrying out a community's responsibilities.

Yes, it is contrary to the governor's campaign promise to restore the longevity bonus program, which handed out payments regardless of a recipient's income, but better that the state distribute cash to needy seniors than send checks to those not in need.

Yes, it would add to the budget, but not as much as full restoration of the longevity bonus. Most important, the proposed senior assistance program would make a long-term difference in the lives of thousands of Alaskans who greatly need the help.

A strong contingent of House Republican leaders is behind the change: Speaker John Harris of Valdez, Majority Leader Ralph Samuels of Anchorage, House Finance Committee Co-Chairs Kevin Meyer of Anchorage and Mike Chenault of Nikiski, Rules Chair John Coghill of North Pole, and the prime sponsor, Ways and Means Committee Chair Mike Hawker of Anchorage. Republican Rep. Anna Fairclough of Eagle River and Democratic Reps. Mike Doogan of Anchorage and Richard Foster of Nome added their names Friday to the list of supporters.

We hope House Bill 198 picks up even more support at its first public hearing, set for Thursday afternoon in the House Health, Education and Social Services Committee.

Restoring the longevity bonus means spending an estimated \$34 million next year to hand out checks to perhaps 13,000 Alaska seniors. Gov. Sarah Palin pledged during last year's campaign to bring back the popular program that her predecessor, Frank Murkowski, had stopped in 2003.

But bringing back the program would bring back the unfairness and legal uncertainties of giving away state money to seniors who got into the program by the 1996 cut-off, but no money to anyone after that. What if the courts decide such an arbitrary line for state spending is unconstitutional, opening the program to new applicants? The cost would rise dramatically, beyond what the state could afford.

And bringing back the program would restore the practice of giving millions in public funds to seniors who could use the gift but, honestly, don't need it. With so many other problems in the state -- schools, health care, public safety -- the Legislature should write checks for needs, not wants.

The proposed senior assistance program would distribute monthly checks of \$125, \$175 or \$250, depending on each household's income as a percentage of federal poverty guidelines. The amounts are comparable to the old longevity bonus checks, and would apply to all eligible seniors -- not just those lucky ones who qualified by 1996.

The program also would be similar to the low-income SeniorCare payments established by Gov. Murkowski after he stopped the longevity bonus checks. But the payments would be higher for the lowest-income households. Meanwhile, the SeniorCare program will end June 30 unless extended by lawmakers.

That makes this the right time to make a change.

It's estimated the new assistance program would cost \$20 million a year. That's less than bringing back the longevity bonus, but still a sizable commitment to helping seniors.

Rep. Hawker and his colleagues are right. It's time to adopt a program based on need, not popularity.

BOTTOM LINE: The state owes it to seniors to help those in need.

Senior Assistance Payments
Proposed Plan

	Poverty Level Guideline	Assistance Payment		
		\$250	\$175	\$125
		Income Up To		
Individual	17,240	12,930	17,240	23,274
Couple	23,112	17,334	23,112	31,201

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES ANALYSIS
SENIOR BENEFIT PROPOSAL COMPARISON**

Prepared March 22, 2007

SeniorCare Proposals	Current SeniorCare Program	SB 90/HB 148 Governor's Proposal	SB 4 Senator Olson	HB 198 Rep Hawker
Monthly Payment	Cash - \$120 / month Prescription Drug - \$670 / year	Cash - \$120 / Month	Cash - \$150 / Month	Up to 75% Poverty - \$250/Month 75-100% Poverty - \$175/Month 100-135% Poverty - \$125/Month
Annual Income Limit	Cash <i>Income Threshold</i> <ul style="list-style-type: none"> • \$16,133 for individuals • \$21,641 for couples (135% of 2005 federal poverty guidelines. Income limits frozen at 2005 levels.) <i>Asset Limits</i> <ul style="list-style-type: none"> • \$6,000 Individual • \$9,000 Couple Prescription Drug <ul style="list-style-type: none"> • \$20,913 for individuals • \$28,053 for couples (175% of 2005 federal poverty guidelines)	Cash <i>Income Threshold</i> <ul style="list-style-type: none"> • \$17,240 Individual • \$23,112 Couple (135% of 2007 federal poverty guidelines. Income limits will increase each year to keep pace with annual increases in federal poverty guidelines for Alaska.) <i>Asset Limits</i> <ul style="list-style-type: none"> • \$6,000 Individual • \$9,000 Couple Prescription Drug Benefit Ended	Cash <i>Income Threshold</i> <ul style="list-style-type: none"> • \$16,133 Individual • \$21,641 Couple (135% of 2005 federal poverty guidelines. Income limits frozen at 2005 levels.) <i>Not stated, sponsor indicated:</i> <i>Asset Limits</i> <ul style="list-style-type: none"> • \$6,000 Individual • \$9,000 Couple Prescription Drug Benefit Ended	Cash <i>Income Threshold</i> <ul style="list-style-type: none"> • \$17,240 Individual • \$23,112 Couple (135% of 2007 federal poverty guidelines. Income limits will increase each year to keep pace with annual increases in federal poverty guidelines for Alaska.) <i>Not stated, sponsor indicated:</i> No Asset Limit Prescription Drug Benefit Ended
Dual Eligibility SeniorCare & Longevity Bonus	Yes	No	Sponsor indicated not intended to provide dual eligibility	Repeals ALB
FY08 Projected Average Monthly Caseload	Cash - 7,043 Prescription Drug - 140	Cash - 5,040 Assumes ALB authorized	Cash - 4,835 (Assumes ALB authorized and dual eligibility SC/ALB disallowed)	Cash 7,643
Estimated Benefit Payments for FY08	Cash - \$10,141.9 Prescription Drug - \$93.8	Cash - \$7,257.6 Assumes ALB authorized	Cash - \$8,703.0 (Assumes ALB authorized and dual eligibility SC/ALB disallowed)	Cash - \$14,824.5
Sunset Date	June 30, 2007	Extends program 5 years to June 30, 2012	No expiration date	June 30, 2011

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