

SB

4

Out of Session:

Legislative Information Office
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Alaska State Legislature



In Session:

State Capitol
Juneau, AK 99801-1182
(800) 597-3707
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SENATOR DONALD C. OLSON

DISTRICT T

- Alakanuk
- Ambler
- Anaktuvuk Pass
- Atkasuk
- Barrow
- Brovig Mission
- Browerville
- Buckland
- Chevak
- Deering
- Diomedes
- Elim
- Emmonak
- Gambell
- Grvin
- Hooper Bay
- Kaktovik
- Kiana
- Kivalina
- Kobuk
- Kotlik
- Kotzebue
- Koyak
- Mountain Village
- Noatak
- Nome
- Noorvik
- Nuqsut
- Nunam Iqua
- Pilot Station
- Pitka's Point
- Point Hope
- Point Lay
- Savoonga
- Scammon Bay
- Selawik
- Shaktolik
- Shismaref
- Shungnak
- St. Mary's
- Michael
- Robins
- Teller
- Unalakleet
- Wainwright
- Wales
- White Mountain

Sponsor Statement Senate Bill 4 SeniorCare Program

SB 4 does three things to the SeniorCare 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 a senior's 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 SeniorCare 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 SeniorCare Program currently serves approximately 7,000 seniors with financial assistance. The Department estimates an additional 1,800 seniors will qualify for SeniorCare under SB 4. The SeniorCare 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 SeniorCare Program.

This bill also includes provisions that raise the eligibility limit for participation in the Denali KidCare program to 175% of the federal poverty level for Alaska. That figure is currently \$17,120/year for a single parent and child. This change puts Alaska closer to the vast majority of states, which set eligibility at 200% or higher. About 70% of the program costs are covered by the federal government, making the cost to the state under \$800,000. 1,500 additional Alaskans (low income children and pregnant women) will receive health coverage as a result of this change.

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Hooper Bay
Kaktovik
Kiana
Kivalina
Kobuk
Kotik
Kotzebue
Koyuk
Mountain Village
Noatak
Nome
Noorvik
Nuqsut
Nunam Iqua
Pilot Station
Pitka's Point
Point Hope
Point Lay
Savoonga
Scammon Bay
Selawik
Shaktolik
Shishmaref
Shungnak
St. Mary's
Togiak
Tombig
Teller
Unalakleet
Wainwright
Wales
White Mountain

Sponsor Statement for Senate Bill 4

Senate Bill 4 does three things to the Senior Care Program. It eliminates the program's scheduled sunset date of June 30, 2007; removes the underutilized prescription drug benefit; and increases the monthly financial assistance from \$120 to \$150.

The Senior Care Program is strictly a needs based program. To be eligible for the program, the income of applicants, who meet all other eligibility criteria, must not exceed **\$16,133** annually for a one person household and **\$21,641** annually for a two person household. These amounts are frozen at 135 percent of the 2005 federal poverty guidelines.

Senate Bill 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 prescription drug benefit has historically served approximately 140 seniors. The Senior Care Program would run concurrently with 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.

Updated 2 27 07 ga

Highlights of SB 4 Version \M

- ***extends the program's sunset date four years to June 30, 2011***
(page 3 line 28)
- ***changes the criteria of the annual federal poverty guidelines for Alaska to the current guideline eliminating the freeze on that guideline at the 2005 level***
(page 2 lines 7 -9)
- ***Removes the underutilized prescription drug benefit***
(page 1 lines 6 & 7)
- ***establishes a three level monthly payout: \$175 for a senior whose household income does not exceed 100% of the federal poverty level adjusted for Alaska; \$150 for a senior whose household income does not exceed 135% of the federal poverty level adjusted for Alaska; \$100 per month for a senior whose household income does not exceed 150% of the federal poverty level adjusted for Alaska***
(page 2 lines 16 - 24)
- ***does not require an Asset Test (current regulations reflect an asset test of liquid assets of \$6,000 for a single senior and \$9,000 for a couple)***
(in regulations, not statutes)
- ***seniors cannot receive both the Longevity Bonus and the Senior Care benefit***
(see page 2, lines 10 and 11)
- ***HSS estimates 8,800 seniors will qualify for Senior Care and an approximate, 1,500 Alaskan children and pregnant women will have access to medical care under SB 4***
(on fiscal note number 6, page 3 column 1 the statistics are outlined for FY '08)
- ***has a fiscal note of \$18,182.4 total FY08 Costs (after adding in the Denali Kid Care component of \$2691.5 less the Federal Share of \$1,907.4 equaling a net addition of \$783.5***
(Fiscal Note 6)

*updated
4/10/09*

Highlights of SB 4 Version \M

- ***extends the program's sunset date four years to June 30, 2011***
(page 3 line 28)
- ***changes the criteria of the annual federal poverty guidelines for Alaska to the current guideline eliminating the freeze on that guideline at the 2005 level***
(page 2 lines 7 -9)
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(page 2 lines 16 - 24)
- ***does not require an Asset Test (current regulations reflect an asset test of liquid assets of \$6,000 for a single senior and \$9,000 for a couple)***
(in regulations, not statutes)
- ***seniors cannot receive both the Longevity Bonus and the Senior Care benefit***
(see page 2, lines 10 and 11)
- ***HSS estimates 8,800 seniors will qualify for Senior Care under SB 4***
(on fiscal note number 1, page 3 middle chart column 2 line 4 and bottom chart column 2 line 1)
- ***has a fiscal note of \$17,398.9 total FY08 Costs***
(Fiscal Note 1)

Secs. 7 & 8 – is conforming language to repeal of the prescription drug benefit

Sec. 9 - is for the Sunset of June 30, 2011

Sec. 10 – keeps Senior Care Funds from lapsing into the GF

Sec. 11 – if this bill is not passed this session, this section gives retroactivity to June 30, 2007

Sec. 13 – is the current effective date of this act

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 4
 (S) Publish Date: 2/22/07
 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 (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						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(3,931.8)	(3,818.4)	(3,703.2)	(3,586.2)	(3,469.2)	(3,350.4)
Miscellaneous						
TOTAL OPERATING	(3,931.8)	(3,818.4)	(3,703.2)	(3,586.2)	(3,469.2)	(3,350.4)

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	(1,549.0)	(1,435.6)	(1,320.4)	(1,203.4)	(1,086.4)	(967.6)
1037 GF/Mental Health						
11189 SeniorCare Fund	(2,382.8)	(2,382.8)	(2,382.8)	(2,382.8)	(2,382.8)	(2,382.8)
Other(Specify Type-do not abbreviate)						
TOTAL	(3,931.8)	(3,818.4)	(3,703.2)	(3,586.2)	(3,469.2)	(3,350.4)

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)

The 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 benefit.

This bill provides for continuation of the Senior Care Program, and increases the monthly income supplement for low income seniors from \$120 per month to \$150 per month. It eliminates the prescription drug benefit (payment of premiums and deductibles) which has had very low enrollment, and keeps the program's income qualifying standards at 135% of the 2005 federal poverty guideline for Alaska (below \$16,133 for an individual, and below \$21,641 for a couple).

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 02/13/2007
 Date 02/14/2007

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. SB 4

ANALYSIS CONTINUATION
Assumptions

- * The Alaska Longevity Bonus (ALB) Program will be reopened and funded in FY08.
- * This fiscal note makes the assumptions that seniors who qualify for the ALB will not qualify for SeniorCare, and that seniors who formerly received an ALB payment of at least \$150 will elect to receive the higher ALB payment instead of SeniorCare.
- * 2,208 former ALB recipients received an ALB payment of \$150 or more during the phase-out of the ALB program.
- * During FY09-FY13, 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 the APA program).

FY	Caseload	1.3% Growth	Revised Caseload	Less ALB	Total	Cost Total x 150 x 12
FY08	7,043		7,043	(2,208)	4,835	\$8,703.0
FY09	4,835	53	4,898		4,898	\$8,816.4
FY10	4,898	54	4,962		4,962	\$8,931.6
FY11	4,962	55	5,027		5,027	\$9,048.6
FY12	5,027	55	5,092		5,092	\$9,165.6
FY13	5,092	56	5,158		5,158	\$9,284.4

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: 2
 Bill Version: CSSB 4(FIN)
 (S) Publish Date: 4/4/07
 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						
CHANGE IN REVENUES (0)						

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

Phone 465-5847
 Date/Time 04/02/2007
 Date 04/03/2007

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

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: 2680

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

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 r(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

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
 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

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 (FMAs) 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						
Voluntary						

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
 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

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 76.6% 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. CS88 4(FIN) am

CS SB 4 (FIN) am						
	2008	2009	2010	2011	2012	2013
<u>SENIOR BENEFIT PROGRAM</u>						
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
<u>DENALI KID CARE</u>						
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
-------------------------------	--	--	--	--	--	--

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
 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

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						
	2008	2009	2010	2011	2012	2013
<u>SENIOR BENEFIT PROGRAM</u>						
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
<u>DENALI KID CARE</u>						
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: 6
 Bill Version: CSSB 4(FIN) am
 (\$) 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						
CHANGE IN REVENUES (0)						

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.

CS SB 4 (FIN) am						
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>SENIOR BENEFIT PROGRAM</u>						
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
<u>DENALI KID CARE</u>						
Additional Children Served	1277	1302	1328	1355	1382	1410
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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

SARAH PALIN, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 485-3250
FAX: (907) 485-1398

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

HOME

SENIOR ASSISTANCE CLEARS SENATE, STALLS IN HOUSE

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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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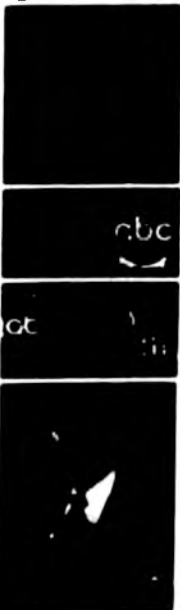
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VIEWER POLL

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 (D)
- John McCain (R)
- Barack Obama (D)
- Mitt Romney (R)
- Tom Tanenbach (R)
- Tammey Thompson (R)

Submit

TONIGHT ON ABC



GEORGE LOPEZ 7.00



ACCORDING TO JIM BELUSHI



LOST 9.00





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 Cowbery
Senator Kim Elton
Senator Fred Dyson
Senator Donald Olson

**Senior Care Recipients
Count By City/Zipcode
6-Feb-2007**

Residence City	Zipcode	Senior Care Recipients Count	Census Area
AKHIOK	99615	1	KODIAK
AKIACHAK	99551	19	BETHEL
AKIAK	99552	20	BETHEL
AKUTAN	99553	3	ALEUTIANS EAST
ALAKANUK	99534	1	WADE HAMPTON
ALAKANUK	99554	29	WADE HAMPTON
ALEKNAGIK	99555	4	DILLINGHAM
ALLAKAKET	99720	11	YUKON/KOYUKUK
AMBLER	99786	6	NW ARCTIC
ANAKTUVUK PASS	99721	6	NORTH SLOPE
ANCHOR POINT	99556	30	KENAI
ANCHORAGE	99500	1	ANCHORAGE
ANCHORAGE	99501	398	ANCHORAGE
ANCHORAGE	99502	181	ANCHORAGE
ANCHORAGE	99503	186	ANCHORAGE
ANCHORAGE	99504	397	ANCHORAGE
ANCHORAGE	99506	1	ANCHORAGE
ANCHORAGE	99507	294	ANCHORAGE
ANCHORAGE	99508	416	ANCHORAGE
ANCHORAGE	99509	19	ANCHORAGE
ANCHORAGE	99510	19	ANCHORAGE
ANCHORAGE	99511	9	ANCHORAGE
ANCHORAGE	99514	29	ANCHORAGE
ANCHORAGE	99515	159	ANCHORAGE
ANCHORAGE	99516	47	ANCHORAGE
ANCHORAGE	99517	114	ANCHORAGE
ANCHORAGE	99518	59	ANCHORAGE
ANCHORAGE	99519	3	ANCHORAGE
ANCHORAGE	99520	24	ANCHORAGE
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ANGOON	99801	1
ANGOON	99820	25
ANIAK	99557	8
ANVIK	99558	3
ARCTIC VILLAGE	99722	4
ATKA	99547	4
ATMAUTLUAK	99559	9
ATQASUK	99791	2
BARROW	99723	26
BEAVER	99724	5
BETHEL	99559	50
BETTLES	99726	2
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BREVIK MISSION	99785	11
BUCKLAND	99727	7
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CENTRAL	99730	1
CHALKYITSIK	99788	6
CHEFORNAK	99561	10
CHEVAK	99563	21
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CHIGNIK	99548	1
CHIGNIK	99564	2
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CHISTOCHINA	99586	1
CHITINA	99566	1
CHUATHBALUK	99557	1
CHUGIAK	99567	44
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FORT YUKON	99740	19
FORTUNA LEDGE	99585	11
FRITZ CREEK	99603	2
GAKONA	99586	11
GALENA	99741	15
GAMBELL	99742	20
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GLENNALLEN	99588	9
GOLOVIN	99762	2
GOODNEWS BAY	99589	14
GRAYLING	99590	8
HAINES	99827	39
HEALY	99743	2
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HOMER	99603	82
HOONAH	99729	1
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HOOPER BAY	99604	35
HOPE	99605	2
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HOUSTON	99684	1
HOUSTON	99694	16
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HYDABURG	99922	15
HYDER	99523	1
HYDER	99923	2
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ILIAMNA	99606	8
INDIAN	99540	1

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NENANA	99760	18
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NEWTOK	99559	15
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NORTH POLE	99775	1
NORTHWAY	99764	12
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NUNAM IQUA	99666	6
NUNAPITCHUK	99641	17
OLD HARBOR	99643	8
OUZINKIE	99644	5
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SITKA	99835	58
SLANA	99586	4
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ST MICHAEL	99659	7
ST PAUL ISLAND	99660	5
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SUTTON	99674	12
TALKEETNA	99676	15
TALKEETNA	99688	1
TANACROSS	99776	7
TANANA	99777	9
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TELLER	99778	11
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TYONEK	99682	4
UNALAKLEET	99684	21
UNALASKA	99685	7
VALDEZ	99686	21
VENETIE	99781	10
WAINWRIGHT	99782	13
WALES	99783	3

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WARD COVE	99928	5
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WASILLA	99687	66
WHITE MOUNTAIN	99784	8
WHITTIER	99693	5
WILLOW	99509	1
WILLOW	99688	39
WRANGELL	99929	48
YAKUTAT	99689	9
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KETCHIKAN GATEWAY
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WRANG/PETERS
YAKUTAT

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SARAH PALIN, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 485-3250
FAX: (907) 485-1398

January 31, 2007

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

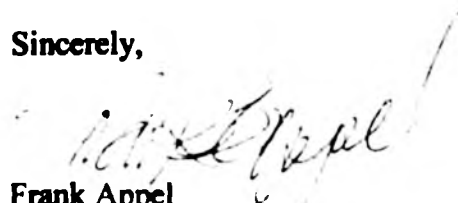
Dear Senator Olson,

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

STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF LAW

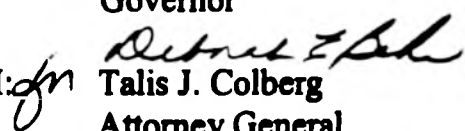
OFFICE OF THE ATTORNEY GENERAL

P.O. BOX 110300
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 465-2075

February 15, 2007

MEMORANDUM

TO: The Honorable Sarah Palin
Governor

FROM:  Talis J. Colberg
Attorney General

RE: Attached draft bill relating to the senior care program
Our file: 773-07-0049

At the request of your legislative director, attached is a draft bill relating to the senior care program. The bill would extend the existing program to June 30, 2012, would make several changes to the eligibility criteria, and would eliminate the prescription drug benefit from the program.

A draft transmittal letter to the legislature, describing the bill in more detail, is also attached for your review.

If you approve the bill for introduction, we will prepare it in final form. To which house do you wish the bill introduced?

TJC:EMB:ebc

Suggested Distribution by Governor's Legislative Office:

Hon. Karleen Jackson, Comm'r, Dept. of Health and Social Services
Karen Rehfeld, Dir., OMB, Office of the Governor

DRAFT TRANSMITTAL LETTER

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 changed. The current income standards are "frozen" at 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.

The bill also would eliminate the prescription drug benefit portion of the 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 seniors have other health insurance coverage available.

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,

Sarah Palin
Governor

BILL NO.**IN THE LEGISLATURE OF THE STATE OF ALASKA****TWENTY-FIFTH LEGISLATURE - FIRST SESSION****BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

Introduced:

Referred:

A BILL**FOR AN ACT ENTITLED****"An Act relating to the senior care program; and providing for an effective date."****BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:***** Section. 1. AS 47.45.300(a) is amended to read:**

(a) The senior care program is established in the Department of Health and Social Services to provide cash assistance benefits [AND PRESCRIPTION DRUG BENEFITS] as far as practicable under appropriations provided by law.

*** Sec. 2. AS 47.45.300(c) is amended to read:**

(c) If the department estimates that appropriations for the program are insufficient to meet the demands of the program in a fiscal year, the department may reduce or eliminate the cash assistance benefit [BENEFITS] available to recipients. [BENEFITS SHALL BE REDUCED OR ELIMINATED IN THE FOLLOWING ORDER:

- (1) DEDUCTIBLE COVERAGE UNDER AS 47.45.320(c);
- (2) PREMIUM COVERAGE UNDER AS 47.45.320(c);
- (3) CASH ASSISTANCE UNDER AS 47.45.310(b).]

1 * Sec. 3. AS 47.45.310(a) is amended to read:

2 (a) To be eligible for a cash assistance benefit under the program, an
3 individual [SHALL]

4 (1) must be 65 years of age or older;

5 (2) must be a resident of the state;

6 (3) must have household income that does not exceed 135 percent of
7 the annual federal poverty guidelines for Alaska, as determined by the federal
8 Office of Management and Budget and revised under 42 U.S.C. 9902(2)

9 [(A) \$16,133 A YEAR IF THE HOUSEHOLD CONSISTS OF
10 ONE PERSON; OR

11 (B) \$21,641 A YEAR IF THE HOUSEHOLD CONSISTS OF
12 TWO PEOPLE];

13 (4) may not be receiving a longevity bonus payment under
14 AS 45.45.010 - 47.45.150;

15 (5) must meet other eligibility requirements specified in this
16 subsection and in regulations adopted under this subsection; and

17 (6) must [(5)] apply on a form provided by the department; the
18 department may use an abbreviated form for an individual who received a payment
19 under an assistance program for seniors that paid \$120 a month and was administered
20 by the department on or before the effective date of this section.

21 * Sec. 4. AS 47.45.330 is amended to read:

22 Sec. 47.45.330. Continuation of benefits. An eligible individual who leaves
23 the state may not receive a cash assistance benefit under AS 47.45.310 [OR
24 PRESCRIPTION DRUG BENEFIT UNDER AS 47.45.320] during the absence unless
25 the individual's absence is temporary and is for one of the following reasons:

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

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

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

1 * Sec. 5. AS 47.45.340 is amended to read:

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

7 * Sec. 6. AS 47.45.350 is amended to read:

8 **Sec. 47.45.350. Ability to recover or recoup improper assistance benefits.**
9 An individual is liable to the department for the value of assistance or benefits
10 improperly paid to the person under AS 47.45.310 [OR 47.45.320] if the improper
11 payment was based on inaccurate or incomplete information provided by the
12 individual. In a civil action brought by the state to recover from the individual the
13 value of assistance or benefits improperly paid under AS 47.45.310 [OR 47.45.320],
14 the state may recover from the individual the costs of investigation and prosecution of
15 the civil action, including attorney fees as determined under court rules.

16 * Sec. 7. AS 47.45.390(2) is amended to read:

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

20 * Sec. 8. The uncodified law of the State of Alaska enacted in sec. 4, ch. 89, SLA 2005, is
21 amended to read:

22 Sec. 4. AS 09.38.015(a)(10); AS 37.05.146(c)(80) [AS 37.05.146(c)(78)];
23 AS 47.45.300, 47.45.310, [47.45.320,] 47.45.330, 47.45.340, 47.45.350, 47.45.360,
24 and 47.45.390 [; AND SECS. 5 - 7 OF THIS ACT] are repealed [ON THE LATER
25 OF] June 30, 2012 [2007, OR THE EFFECTIVE DATE UNDER SEC. 11 OF THIS
26 ACT].

27 * Sec. 9. The uncodified law of the State of Alaska enacted in sec. 9, ch. 89, SLA 2005, is
28 amended to read:

29 Sec. 9. The uncodified law of the State of Alaska is amended by adding a new
30 section to read:

31 **FUND REVERSION.** The unobligated, unencumbered, and unappropriated

1 balance of the Alaska senior care fund established in AS 47.45.360, added by sec. 2 of
2 this Act, reverts to the unreserved general fund on June 30, 2012 [2007].

3 * Sec. 10. AS 47.45.320 is repealed.

4 * Sec. 11. Sections 8 and 9 of this Act take effect June 29, 2007.

5 * Sec. 12. Section 10 of this Act takes effect June 30, 2007.

6 * Sec. 13. Except as provided in secs. 11 and 12 of this Act, this Act takes effect July 1,
7 2007.

Sponsor Statement: House Bill 198

Senior Payment Program

Sponsored by **Rep. Mike Hawker**

Co-Sponsors: Rep. Harris, Rep. Coghill, Rep. Samuels, Rep. Chenault, Rep. Meyer, Rep. Foster, Rep. Doogan, Rep. Fairclough, Rep. Thomas, Rep. Wilson, Rep. Nelson, Rep. LeDoux

"An Act establishing the Alaska senior assistance payment program; repealing the senior care and longevity bonus payment programs; and providing for an effective date."

Posted: March 19, 2007
Status: (H) HES » (H) FIN : 2007-03-26
Next Hearing: (H) FIN : 2007-04-02 1:30 pm, Room 519
Contact: [Juli Lucky](mailto:Juli.Lucky@legis.alaska.gov), 465-4949, [W & M Committee Aide](mailto:W&M@legis.alaska.gov)

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 845% 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.



Rep. Mike Hawker (R-32)
Chair, (H) W&M Com.

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Rep. John Harris

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Rep. Ralph Samuels

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The 25th Alaska State Legislature, 1st Session

Sectional Analysis: House Bill 198

Senior Benefits/Med. Assistance Elig.

Sponsored by Rep. Mike Hawker

Co-Sponsors: Rep. Harris, Rep. Coghill, Rep. Samuels, Rep. Chenault, Rep. Meyer, Rep. Foster, Rep. Doogan, Rep. Fairclough, Rep. Thomas, Rep. Wilson, Rep. Nelson, Rep. Joule, Rep. Roses, Rep. Johnson, Rep. Seaton, Rep. Ciasna

"An Act establishing the Alaska senior benefits payment program; repealing the senior care and longevity bonus payment programs; amending medical assistance income eligibility provisions for persons under 14 years of age, for pregnant women, and for disabled persons; and providing for an effective date."

Posted: March 20, 2007
Bill Version: CSHB 198(FIN) AM
Status: FIN CS ADOPTED (H) - RETURNED TO (H) RLS 2007-04-10
Contact: Jill Lucky, 485-4949, W & M Committee Aide



Rep. Mike Hawker (R-32)
Chair, (H) W&M Com.

- 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, AS 47.45.89, Ch. 89, S.L.A 2005 (HB 106).
Section 15: Repeals the longevity bonus program (44.64.030 and 47.08.060) and 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 prescription drug benefit assistance program.
Section 17: Provides authority for the Department of Health and Social Services to adopt regulations and specifies that the current regulation, stay in effect until these regulations are effective.
Section 18-20: Effective date provisions to make the senior assistance program effective on 10/1/2007.

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March 8, 2007

Per Carolyn Spalding (465-2340) and Jim Steele – Adult Public Assistance program – Resource test (referred to as Assets Test, also) (conference call 11:30 a.m. today)

The test for both Adult Public Assistance and SSI (Social Security) is \$2,000 single and \$3,000 per couple (monthly). These amounts include both liquid and non-liquid assets.

There is also a program under Adult Public Assistance that covers Medicare premiums. The Asset Test is \$4,000 single, \$6,000 couple (75 – 80 people are currently in the program).

The current prescription drug program in SeniorCare has an Assets Test of \$50,000 single, \$100,00 couple (liquid assets)

It is not known whether the 75 – 80 overlap into the SeniorCare Drug program.

Asset Test

Your welcome. It was our Public Assistance staff that pulled it together.

From: Ginny Austerman [mailto:Ginny_Austerman@legis.state.ak.us]
Sent: Wednesday, March 28, 2007 10:15 AM
To: Baker, Laura
Subject: RE: Calculations for two scenarios on SeniorCare legislation

Laura,

Thank you for being so fast with this info. I really appreciate it.

Ginny

From: Baker, Laura [mailto:Laura_Baker@health.state.ak.us]
Sent: Tuesday, March 27, 2007 5:53 PM
To: Ginny Austerman
Cc: Hill, Sherry; Baker, Laura
Subject: RE: Calculations for two scenarios on SeniorCare legislation
Importance: High

Ginny - below is the information you requested.

Laura

Senior Care Scenario Request Senator Olson/G. Austerman 3/27/07

Criteria: Current asset test retained and applied, poverty level at Alaska federal guidelines, no program sunset date, no prescription drug program, no ALB
Note: Admin costs not included in these calculations

Poverty Level	Estimated Caseload	Benefit	FY08 Estimated Cost Benefits Only/No Admin
< 75%	400	\$ 200	\$ 960.0
75 - 100%	4,600	\$ 175	\$ 9,660.0
100 - 135%	2,343	\$ 150	\$ 4,217.4
Total Caseload	7,343	Total Cost	\$ 14,837.4



Poverty Level	Estimated Caseload	Benefit	FY08 Estimated Cost Benefits Only/No Admin
< 100%	5,000	\$ 175	\$ 10,500.0
100 - 135%	2,343	\$ 150	\$ 4,217.4
135 - 150%	510	\$ 100	\$ 612.0
Total Caseload	7,853	Total Cost	\$ 15,329.4

From: Ginny Austerman [mailto:Ginny_Austerman@legis.state.ak.us]
Sent: Tuesday, March 27, 2007 10:21 AM
To: laura_baker@health.state.ak.us
Cc: Sherry_Hill@health.state.ak.us

Ginny Austerman

From: Ginny Austerman
Sent: Wednesday, February 21, 2007 12:56 PM
To: Craig, Deborah
Subject: RE: Leg Inquiry Senate C&RA Comm G Austerman SC~ALB.doc

Deborah:

Today, Sen Olson received a side by side comparison of the Current SeniorCare Program, the Gov's Proposal and SB 4. In the column for SB 4, I see that the department is not clear as to whether and ALB and SeniorCare are allowed. It is not allowed, I spoke with the bill drafter and she agrees that the bill allows for the programs to run concurrently, but not combined. Would you please pass this information on to the correct person and ask them to redraft the side by side with the new information.

Thanks,

Ginny

From: Craig, Deborah [mailto:Deborah_Craig@health.state.ak.us]
Sent: Tuesday, February 06, 2007 9:38 AM
To: Ginny Austerman
Subject: RE: Leg Inquiry Senate C&RA Comm G Austerman SC~ALB.doc

Ginny,

I thought I should also mention that the Governor will be introducing SeniorCare legislation - our Leg Liaison Sherry Hill indicated that if you have questions, you could talk with John Bitney.

Again, don't hesitate if I can be of further assistance.

Deborah Craig

907-465-8259

Director's Office, DPA, DHSS

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From: Ginny Austerman [mailto:Ginny_Austerman@legis.state.ak.us]
Sent: Tuesday, February 06, 2007 8:57 AM
To: Craig, Deborah
Subject: RE: Leg Inquiry Senate C&RA Comm G Austerman SC~ALB.doc

Thanks, Deborah. I'll look them over and call you if I have questions.

Ginny

From: Craig, Deborah [mailto:Deborah_Craig@health.state.ak.us]
Sent: Tuesday, February 06, 2007 8:44 AM
To: Ginny Austerman
Cc: Hill, Sherry; Lindstrom, Elmer A.; Fitzjarrald, Ellie
Subject: Leg Inquiry Senate C&RA Comm G Austerman SC~ALB.doc

2/21/2007

Ginny,

Attached is the information you requested. As we discussed yesterday, I think the charts will help in understanding the federal poverty level issue but don't hesitate to call if I can be of assistance.

Deborah Craig

907-465-8259

Director's Office, DPA, DHSS

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From: Lindstrom, Elmer A.
Sent: Monday, February 05, 2007 8:51 AM
To: 'Ginny Austerman'
Cc: Craig, Deborah; Hill, Sherry
Subject: RE: Dave Gray suggested I contact you....

A pleasure talking to you this morning, Ginny. Please contact Deborah Craig directly...she'll be happy to work through these questions with you.

We understand your bill will be up on 2/19.

Elmo

From: Ginny Austerman [mailto:Ginny_Austerman@legis.state.ak.us]
Sent: Thursday, February 01, 2007 5:02 PM
To: elmer_lindstrom@health.state.ak.us
Subject: Dave Gray suggested I contact you....

Hello Elmer:

I have been waiting for Sherry Hill to return my call for a couple of days, I'm sure she is pretty swamped with the Overview for Ways and means. Maybe you can help me out.

I am gathering information for the Sponsor Statement for SB 4 and need some data from your department:

I am unable to tell from the longevity bonus bills, whether they are set up to continue with the phase out of the original program, do you know if they are?

How many people will qualify for the Longevity Bonus Program (assuming it is still in phase out mode)?

What, if any, is the change in the federal poverty guidelines? One person? Two people?

Do you know the \$\$ amount the Senior Assistance Program costs today? What is the number of people being served by the program? Is this data readily available by district?

I have a couple of other questions that I can ask you if you can call me tomorrow with answers for the questions above.

Ginny Austerman
Senate C & RA Committee Aide
465-4956

2/21/2007

Ginny Austerman

From: Baker, Laura [Laura_Baker@health.state.ak.us]
Sent: Friday, March 30, 2007 1:02 PM
To: Ginny Austerman
Cc: Hill, Sherry; Clarke, Janet E.; Baker, Laura; Fitzjarrald, Ellie; Lindstrom, Elmer A.
Subject: FW: Senior Care Scenario Request SB 4 Senator Olson/G. Austerman
Importance: High

Ginny - Below is the additional information you requested on SB4.

Have a good weekend.

Laura

Senior Care Scenario Request SB 4 Senator Olson/G. Austerman
3/29/07

Criteria: **NO ASSET TEST**, poverty level at Alaska federal guidelines, *sunsets 6/30/11* no program-sunset date, no prescription drug program, no ALB

Note: Admin costs not included in these calculations

No Asset Test

Poverty Level	Estimated Caseload	Benefit	FY 08 Estimated Cost Benefits Only/No Admin
< 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

Model #
3
Version
C

From: Ginny Austerman [mailto:Ginny_Austerman@legis.state.ak.us]
Sent: Thursday, March 29, 2007 1:49 PM
To: Baker, Laura
Subject: RE: Calculations for two scenarios on SeniorCare legislation

Hi Laura:

Would you do one more model, please. Using scenario #2, delete the asset test criteria, -0- it out and recalculate .

As we understand it, there are about 30,000 seniors in Alaska. Even with the asset test still in, we were not expecting the total number of seniors to be so low.

Thanks, Ginny

From: Baker, Laura [mailto:Laura_Baker@health.state.ak.us]
Sent: Wednesday, March 28, 2007 10:21 AM
To: Ginny Austerman
Subject: RE: Calculations for two scenarios on SeniorCare legislation

3/30/2007

Your welcome. It was our Public Assistance staff that pulled it together.

From: Ginny Austerman [mailto:Ginny_Austerman@legis.state.ak.us]
Sent: Wednesday, March 28, 2007 10:15 AM
To: Baker, Laura
Subject: RE: Calculations for two scenarios on SeniorCare legislation

Laura,

Thank you for being so fast with this info. I really appreciate it.

Ginny

From: Baker, Laura [mailto:Laura_Baker@health.state.ak.us]
Sent: Tuesday, March 27, 2007 5:53 PM
To: Ginny Austerman
Cc: Hill, Sherry; Baker, Laura
Subject: RE: Calculations for two scenarios on SeniorCare legislation
Importance: High

Ginny - below is the information you requested.

Laura

Senior Care Scenario Request Senator Olson/G. Austerman 3/27/07

Criteria: Current asset test retained and applied, poverty level at Alaska federal guidelines, no program sunset date, no prescription drug program, no ALB

Note: Admin costs not included in these calculations

Poverty Level	Estimated Caseload	Benefit	FY08 Estimated Cost Benefits Only/No Admin
< 75%	400	\$ 200	\$ 960.0
75 - 100%	4,600	\$ 175	\$ 9,660.0
100 - 135%	2,343	\$ 150	\$ 4,217.4
Total Caseload	7,343	Total Cost	\$ 14,837.4

V. Olson
E

Poverty Level	Estimated Caseload	Benefit	FY08 Estimated Cost Benefits Only/No Admin
< 100%	5,000	\$ 175	\$ 10,500.0
100 - 135%	2,343	\$ 150	\$ 4,217.4
135 - 150%	510	\$ 100	\$ 612.0
Total Caseload	7,853	Total Cost	\$ 15,329.4

From: Ginny Austerman [mailto:Ginny_Austerman@legis.state.ak.us]
Sent: Tuesday, March 27, 2007 10:21 AM
To: laura_baker@health.state.ak.us
Cc: Sherry_Hill@health.state.ak.us

3/30/2007

Subject: Calculations for two scenarios on SeniorCare legislation

Hi Laura and Sherry:

Laura, would you please run the following models for Sen. Olson's SB 4:

1)

\$150/mo. @ 135% - 100% of current Fed Pov Lev
\$175/mo. @ 100% - 75% of current Fed Pov Lev
\$200/mo. @ 75% - -0% of current Fed Pov Lev

Projected Monthly Caseload _____

2)

\$100/mo. @ 150% - 135% of current Fed Pov Lev (approximate # of new people this would
add _____)
\$150/mo. @ 135% - 100% of current Fed Pov Lev
\$175/mo. @ 100% - -0% of current Fed Pov Lev

Projected Monthly Caseload _____

Both models assuming all of the following:
current asset test of \$6,000 - Individual, \$9,000 - couple
poverty level floats as federal level changes,
no program Sunset Date
no prescription drug option
no LB

We would like this information as soon as you are able to get to it.

Thank you. If you have questions please call me at 4989.

Ginny Austerman
Committee Aide
Community and Regional Affairs Committee
Senator Donald C. Olson

3/30/2007

Ginny Austerman

From: Baker, Laura [Laura_Baker@health.state.ak.us]
Sent: Tuesday, March 27, 2007 5:53 PM
To: Ginny Austerman
Cc: Hill, Sherry; Baker, Laura
Subject: RE: Calculations for two scenarios on SeniorCare legislation
Importance: High

Ginny - below is the information you requested.

Laura

Senior Care Scenario Request Senator Olson/G. Austerman 3/27/07

Criteria: Current asset test retained and applied, poverty level at Alaska federal guidelines, ~~no~~ program sunset date, no prescription drug program, no ALB

Note: Admin costs not included in these calculations

June 30, 2011

Version E

Poverty Level	Estimated Caseload	Benefit	FY08 Estimated Cost Benefits Only/No Admin
< 75%	400	\$ 200	\$ 960.0
75 - 100%	4,600	\$ 175	\$ 9,660.0
100 - 135%	2,343	\$ 150	\$ 4,217.4
Total Caseload	7,343	Total Cost	\$ 14,837.4

Poverty Level	Estimated Caseload	Benefit	FY08 Estimated Cost Benefits Only/No Admin
< 100%	5,000	\$ 175	\$ 10,500.0
100 - 135%	2,343	\$ 150	\$ 4,217.4
135 - 150%	510	\$ 100	\$ 612.0
Total Caseload	7,853	Total Cost	\$ 15,329.4

~~VERSION E~~

From: Ginny Austerman [mailto:Ginny_Austerman@legis.state.ak.us]
Sent: Tuesday, March 27, 2007 10:21 AM
To: laura_baker@health.state.ak.us
Cc: Sherry_Hill@health.state.ak.us
Subject: Calculations for two scenarios on SeniorCare legislation

Hi Laura and Sherry:

Laura, would you please run the following models for Sen. Olson's SB 4:

- 1) \$150/mo. @ 135% - 100% of current Fed Pov Lev
- \$175/mo. @ 100% - 75% of current Fed Pov Lev
- \$200/mo. @ 75% - 0% of current Fed Pov Lev

*100% - 75%
 75% - 0%*

3/28/2007

Projected Monthly Caseload _____

- 2)
\$100/mo. @ 150% - 135% of current Fed Pov Lev (approximate # of new people this would add _____)
\$150/mo. @ 135% - 100% of current Fed Pov Lev
\$175/mo. @ 100% - 0% of current Fed Pov Lev

Projected Monthly Caseload _____

Both models assuming all of the following:
current asset test of \$6,000 - Individual, \$9,000 - couple
poverty level floats as federal level changes,
no program Sunset Date
no prescription drug option
no LB

We would like this information as soon as you are able to get to it.

Thank you. If you have questions please call me at 4989.

Ginny Austerman
Committee Aide
Community and Regional Affairs Committee
Senator Donald C. Olson

Ginny Austerman

From: Craig, Deborah [Deborah_Craig@health.state.ak.us]
Sent: Thursday, March 08, 2007 9:45 AM
To: Ginny Austerman
Cc: Hill, Sherry; Lindstrom, Elmer A.; Clarke, Janet E.; Fitzjarrald, Ellie
Subject: RE: Questions on SB 4
Attachments: Craig, Deborah.vcf

Ginny,

I'm sorry this took so long to get back to you. Thanks for your patience. Carolyn Spalding, Chief of Policy, will be calling you for more clarification about the asset test questions, as well.

Question #1. If the income limit in SB 4 is changed to 135% of the 2007 Federal Poverty Level Guideline, and all else in the bill remains the same, what will be fiscal impact be?

Changing the income limit to 135% of the 2007 poverty level is estimated to allow 300 additional individuals to qualify for the program, for a total of 7,343 in FY 2008. The estimated cost of SeniorCare payments for these individuals will depend on whether the Alaska Longevity Bonus program is reinstated and, if it is, whether individuals will be allowed to receive payments from both SeniorCare and the Longevity Bonus. Estimates for both options are provided below.

Estimate if the Alaska Longevity Bonus program is reinstated and individuals cannot receive payments from both the SeniorCare and Longevity Bonus programs:

Caseload at 135% of 2007 poverty level	Number potentially eligible for ALB	Revised caseload without ALB eligibles	SeniorCare Cost Total x 150 x 12
7343	2303	5040	\$9,072.0

Estimate if the Alaska Longevity Bonus program is not reinstated or individuals are able to receive payments from both the SeniorCare and Longevity Bonus programs:

Caseload at 135% of 2007 poverty level	Number potentially eligible for ALB	Revised caseload without ALB eligibles	SeniorCare Cost Total x 150 x 12
7343	0	7343	\$13,217.4

Question #2. If the income limit in SB 4 is changed to 150% of the 2007 Federal Poverty Level Guideline, and all else in the bill remains the same, what would the estimated number of people in the program be, and what would the estimated fiscal impact be?

In addition to the caseload increase described in question #1, increasing the income limits to 150% of the 2007 poverty level is estimated to allow 510 additional individuals to qualify for the program. The estimated total would then be 7,853 in FY 2008. The estimated cost of SeniorCare payments for these individuals will depend on whether the Alaska Longevity Bonus program is reinstated and, if it is, whether individuals will be allowed to receive payments from both SeniorCare and the Longevity Bonus. Estimates for both options are provided below.

Estimate if the Alaska Longevity Bonus program is reinstated and individuals cannot receive payments from both the SeniorCare and Longevity Bonus programs:

Caseload at 150% of	Number potentially	Revised caseload	Senior Care Cost
---------------------	--------------------	------------------	------------------

2007 poverty level	eligible for ALB	without ALB eligibles	Total x 150 x 12
7853	2464	5389	\$9,700.2

Estimate if the Alaska Longevity Bonus program is not reinstated or individuals are able to receive payments from both the SeniorCare and Longevity Bonus programs:

Caseload at 150% of 2007 poverty level	Number potentially eligible for ALB	Revised caseload without ALB eligibles	Senior Care Cost Total x 150 x 12
7853	0	7853	\$14,135.4

Deborah Craig

907-465-8259

Director's Office, DPA, DHSS

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From: Ginny Austerman [mailto:Ginny_Austerman@legis.state.ak.us]

Sent: Wednesday, March 07, 2007 3:31 PM

To: Craig, Deborah L (HSS)

Subject: FW: Questions on SB 4

Deborah:

I was wondering if the below information request has been processed yet. I haven't seen anything come back to me.

Thanks,
Ginny

From: Ginny Austerman

Sent: Friday, March 02, 2007 4:56 PM

To: Clarke, Janet (HSS); Hill, Sherry (HSS); Craig, Deborah L (HSS)

Subject: Questions on SB 4

Janet, Sherry and Deborah:

If the income limit in SB 4 is changed to 135% of the 2007 Federal Poverty Level Guideline, and all else in the bill remains the same, what will the fiscal impact be?

If the income limit in SB 4 is changed to 150% of the 2007 Federal Poverty Level Guideline, and all else in the bill remains the same, what would the estimated # of people in the program be, and what would the estimated fiscal impact be?

Dual eligibility (ALB and Senior Care) is not part of SB4, so please make calculations relative only to Senior Care.

If I could have that info by Tuesday, March 6, that would be very nice.

Thanks,

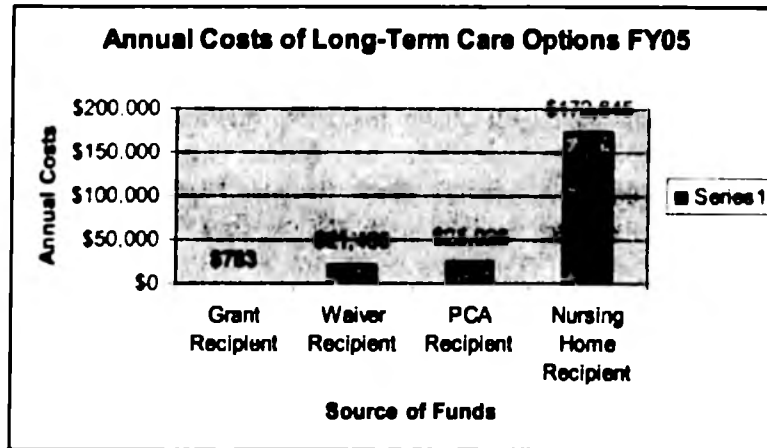
Ginny Austerman

**Alaska Commission on Aging
Keep the Elders at Home Initiative
A Proposed Increment for the Division of Senior & Disabilities Services:
Senior Community Based Grants, Component AR 23575
March 2007 Position Paper**

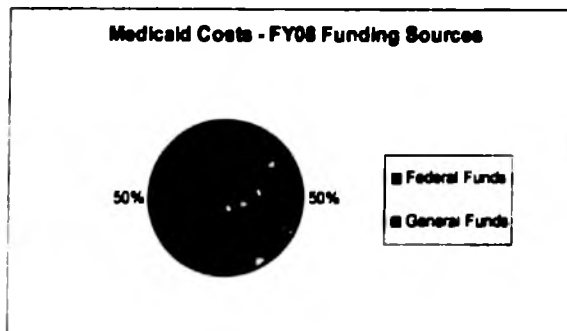
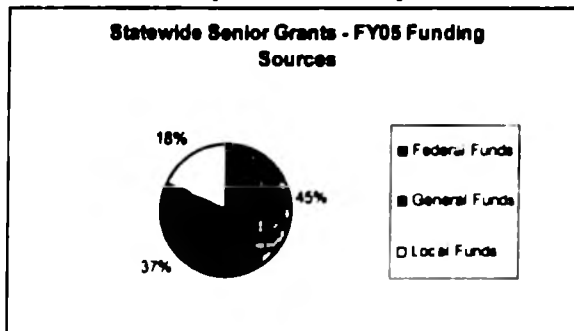
Statement of Need

The Alaska Commission on Aging is concerned about the impact the growth of high health care and Medicaid costs will have on Alaska's future and the health and well-being of older Alaskans. The Lewin Report (2006) projects approximately a one billion dollar expansion in General Fund Medicaid spending in the next twenty years, primarily driven by the growth rate of Alaska's senior population. The Pacific Health Policy Group (2007) affirmed that preventive health care services, such as those provided by home- and community-based services (HCBS), are a sound investment that supports seniors in their homes, where they want to be, delaying and preventing the need for expensive institutional long term care services. The Commission wants to ensure the funding of fiscally sound alternatives to mitigate high medical costs and provide quality care for the elders in our state.

Currently Alaska has a program to delay and prevent the use of expensive Medicaid long-term care services by funding grants to local senior centers and other non-profit/faith-based providers for core home- and community-based services. These agencies provide services which maximize independence and provide community activities that can facilitate physical and mental health of older adults. They are uniquely qualified to strengthen an elder's natural family supports and are extremely cost-effective. According to the Division of Senior & Disabilities Services, the average annual cost per older adult receiving senior grant services is \$783. In comparison, the average cost for a senior on the Medicaid Waiver is \$21,436, Medicaid Personal Care Attendant (PCA) \$25,026, and Medicaid nursing home \$172,685.



Home-and Community-Based Services senior grants used \$4.3 million in General Funds combined with \$5.3 million in federal funds (Older Americans Act) and another \$2.1 million in locally raised funds to serve approximately 15,000 seniors in Alaska in FY05. The programs provide Home-Delivered & Congregate Meals, Transportation, Adult Day Services, Respite, Chore, Care Coordination, and Information and Assistance services.



Findings from the Public Consulting Group (2006) identified the limited availability of community service programs to support seniors in their homes as a cause for many individuals being placed prematurely in long-term care facilities even though they do not need or desire nursing home settings. Senior home and community grant-funded services allow adult children to care for their elders while maintaining their jobs and other responsibilities, and allow for seniors with a spouse or living alone to stay healthy and independent longer, avoiding higher cost medical services.

According to a recent informal survey conducted by ACoA, senior care providers reported that in lieu of maintaining "wait lists", they provide "partial service" as a strategy to maximize their resources, and serve the most people with the fewest dollars, to meet the demands of a growing number of seniors and their family caregivers. This means that some agencies are opting to provide one to three meals a week for seniors, when five to seven meals are preferred, or one ride to the doctor but not another to the store to buy groceries. Many seniors who need services are receiving none. To save money, some senior agencies operate on a reduced schedule in order to serve more seniors with the same amount of limited funds. The Report on the Economic Well-Being of Alaska Seniors (2007) confirms that the need for home- and community-based services exceeds the availability of funding in all regions of the state.

There is also a significant need for upgrade of senior facilities, including roof repairs, building renovations, sewage system retrofits, paved walkways and purchase of commercial kitchen equipment, vans, furniture, new flooring, and more, according to reports from senior providers. In FY06, for example, the RFP for the one-time "Senior Centers Deferred Maintenance, Construction, Renovation, Expansion, and Equipment Capital Grants Program" made available \$470,000, however, the total requests from senior providers that year added up to \$1,145,766.02, according to the Department's Facilities and Planning Section. We request \$1.0 million capital funds for senior facility improvements to meet these growing needs.

We believe that promotion of prevention strategies is the most cost-effective and appropriate approach towards caring for Alaska's aging population. A cost-effective long-term care strategy incorporates a mix of grant funds with Medicaid and the Medicaid Waiver program for home- and community-based services offered to all older persons in need, including those at risk but not currently Medicaid-eligible. Such an approach preserves individuals' health status, thereby reducing the number of new enrollees to the Medicaid system, or allows for continuation of services as their health improves, unlike the Medicaid waiver.

The Plan

The Keep the Elders at Home Initiative proposes to build on already successful senior programs as outlined above. It is not a request for new services. The program targets vulnerable seniors – those living in poverty with disabilities and having special health care needs including Alzheimer's Disease & Related Disorders - but will be available to all older Alaskans on a sliding fee-scale basis.

The Alaska Commission on Aging, with support from the Alaska Mental Health Trust Authority, is requesting a \$2.5 million increment for program support (to be added to the Division of Senior and Disabilities Services, Senior Community Based Grants, AR 23575) and \$1.0 million increment for capital improvements (to be added to DHSS Mental Health Capital of the Facilities and Planning Section), supported by equal amounts of GF/MH and GF funds, to expand the impact of these important programs. The funding for senior I/CBS programs has remained flat for the last ten years as the senior population has increased more than 50%. The Alaska Commission on Aging believes it is critical that we provide sufficient services to help individuals remain healthy and living independently now in order to avoid premature high costs for potential hospital stays and nursing home care. A recommended funding plan is attached. We thank you for your consideration and support of this important project.

**Alaska Commission on Aging
Keep the Elders at Home Initiative
FY 2008 Recommended Funding Plan Using \$2,500.0 Operating Increment**

Service Category *	FY05	FY06	FY2008 Projected Estimated Increase in Clients & Services with Increment **
<u>Home Delivered Meals (\$13 meal)</u>			
# of Clients Served	2,821	3,002	156
# of Meals Served	280,090	270,357	21,060
Average # of Meals/Senior	99.29	90.06	135
Projected FY2008 Increment			\$315,900
<u>Congregate Meals (\$14/Meal)</u>			
# of Clients Served	7,306	8,029	417
# of Meals Served	257,879	259,335	20,433
Average # of Meals/Senior	35.3	32.3	49
Projected FY2008 Increment			\$306,495
<u>Assisted Transportation (\$17/Ride)</u>			
# of Clients Served	1,469	1,598	83
# of One-Way Rides	81,268	83,199	5,810
Average # of Rides/Senior	55.32	52.06	70
Projected FY2008 Increment			\$96,770
<u>Unassisted Transportation (\$10/Ride)</u>			
# of Clients Served	2,783	2,392	144
# of One-Way Rides	168,309	142,506	9,504
Average # of Rides/Senior	60.48	59.58	66
Projected FY2008 Increment			\$95,040
<u>Information & Assistance (\$3/Contact)</u>			
# of Clients Served	13,673	21,362	1,109
# of Contacts Provided	67,163	96,460	6,654
Average # of Contacts/Client	4.91	4.52	6
Projected FY 2008 Increment			\$19,962
<u>Chore (\$18/hour or \$4.50 per 15 minute service unit)</u>			
# of Seniors Served	29	225	20
# of Hours of Service	430	12783	1,400
Average # of Hours/Senior	14.83	56.81	70
Projected FY 2008 Increment			\$25,200
<u>Adult Day Care (\$43.48 per half day or \$10.87/hour)</u>			
# of Seniors Served	502	520	135
# of Hours Provided	244,016	234,759	140,400
Average # Hours/Senior	486.09	451.46	1040
Projected FY 2008 Increment			1,526,148
<u>Respite Care (\$24/hour or \$6 for 15 minute service unit)</u>			
# of Seniors Served	424	251	22
# of Hours Provided	48,683	41,486	3,850
Average # Hours/Senior	114.82	165.28	175
Projected FY 2008 Increment			\$92,400

Service Category	FY05	FY06	FY2008 Projected Estimated Increase in Clients & Services with Increment
<u>Care Coordination (\$320 per Annual Plan of Care/Recipient</u>			
# of Seniors Served	1,195	963	62
# of Contacts	19,250	18,726	1,302
Average # of Contacts/Senior	16.11	19.45	21
Projected FY 2008 Increment			\$20,832
Projected Operating Increment Grand Total			\$2,500,747

Definitions of Senior Services Provided (*)

Home-Delivered Meals – Nourishing hot meals delivered to a person's home and a welfare check for those who are in need and too ill to leave their homes or cook. Meals are delivered to older vulnerable adults recovering from surgery.

Congregate Meals – Nourishing hot meals provided at senior centers where elders can congregate and participate in social and health promotion activities.

Assisted Transportation – Door to door transportation provided for medical appointments, shopping, and social events for those with mobility challenges.

Unassisted Transportation – Door to door transportation provided to medical appointments, shopping, and social activities for seniors needing a little extra help.

Information and Assistance – Information and referrals provided to seniors needing to locate various services, senior housing, or to gain entry to the continuum of care.

Chore – Help provided with in-home and outdoor tasks for seniors with disabilities or those recovering from surgery or illness. Services can include meal preparation, household cleaning, shopping, snow shoveling, and other services.

Adult Day Care – On-site care provided for seniors with Alzheimer's Disease & Related Disorders and other disabilities to support family caregivers during the work day.

Respite Care – Provides temporary relief to non-paid caregivers and family members in or outside of the home.

Care Coordination – Development of a plan of care based on assessing needs, service coordination, and monitoring services for seniors with disabilities or long-term health care needs.

**** Method for Calculating FY 2008 Projections Increment Increase in Clients & Service** – The Alaska older adult population is increasing at an accelerated rate annually. In 2005, the Alaska 60+ population was 68,003. In 2006, the 60+ population was 71,534. The annual rate of population increase is 5.19%.

- **Number of Clients to be Served** – Multiplied the rate of increase (5.19%) by the highest number of seniors reported (FY05 and FY06) for each service category.
- **Average Number of Service Units (i.e. meals, rides, etc.)/Senior** – Increased the number of service units per service category to fill the "partial service" strategy used by providers
- **Total Number of Service Units** – Calculated by multiplying the projected number of service units by number of seniors for each category.
- **Projected FY2008 Increment** – Calculated by multiplying the projected total number of service units by the unit cost of service.