

SB

90

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FILE

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 90
 (S) Publish Date: 2/21/07
 Dept. Affected: Health & Social Services
 RDU Public Assistance
 Component SeniorCare

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

Sponsor (RLS) BY REQUEST OF THE GOVERNOR

Requester GOVERNOR

Component No. 2760

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(5,377.2)	(5,282.2)	(5,187.1)	(5,090.6)	(4,992.7)	(12,634.8)
Miscellaneous						
TOTAL OPERATING	(5,377.2)	(5,282.2)	(5,187.1)	(5,090.6)	(4,992.7)	(12,634.8)
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2007) cost:

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

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

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

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

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. SB 90

ANALYSIS CONTINUATION**Assumptions**

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

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

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

Administration

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

SARAH PALIN
GOVERNOR

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February 20, 2007

The Honorable Lyda Green
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Green:

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

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

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

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

The Honorable Lyda Green

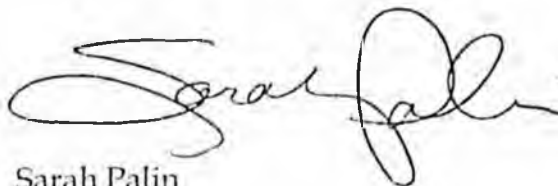
February 20, 2007

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Sarah Palin
Governor

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/21/07

FURTHER: Finance

Date of 5-Day Notice: 3/1/07
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/7/07

Health, Education and Social Services Committee considered

SENATE BILL NO. 90

SB 90 SENIOR CARE

"An Act relating to the senior care program; and providing for an effective date."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> New Title
HOUSE BILL:
<input type="checkbox"/> Same Title
<input type="checkbox"/> Technical Title Change?
<input type="checkbox"/> New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
HSS	2/12/07	✓			1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Joe J. Thomas</i>	Thomas	✓			
<i>John C. Cuddy</i>	Cuddy	✓			
CHAIR: <i>Betty Davis</i>	DAVIS	✓			