

HB

16

<TARGET><BILL>HB 16</BILL><SUBJECT>HB
16</SUBJECT><COMM>SFIN27</COMM></TARGET>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/4/11

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered HOUSE BILL NO. 16

HB 16-EXTEND SENIOR BENEFITS PAYMENT PROGRAM

"An Act extending senior benefits."

and recommends:

be replaced with SCS HB 16 (FIN)
 Same Title Technical Title Change or New Title & SCR No. _____

adopt previous SCS _____ (_____)
 Same Title Technical Title Change or New Title & SCR No. _____

attached amendment(s)

adopt _____ Letter of Intent

further referral to _____ Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DHS	✓			
DHS	✓			
DHS	✓			
DHS	✓			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	EGAN	✓			
	McCreue	✓			
	ALFORD	✓			
	ELLIS	X			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	STEDMAN	✓			

Adopted
4/1/11

27-LS0135D
Mischel
3/30/11

SENATE CS FOR HOUSE BILL NO. 16(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES HAWKER, Millett, Lynn, Gara, Tuck, Petersen, Herron, Kawasaki, Johnson, Holmes, Kerttula, Doogan, Joule, Seaton, Gruenberg, Olson, Muñoz, Guttenberg, Miller, Gardner, Stoltze, Johansen, Edgmon

SENATORS Wielechowski, Meyer, Ellis, Paskvan, Egan, Davis, McGuire, Olson, Huggins, Wagoner, Giessel, Dyson, French, Menard, Thomas

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the senior benefits payment program; and relating to income
2 allowances for medical assistance recipients and Alaska Pioneers' Homes and Alaska
3 Veterans' Homes residents."

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

5 * **Section 1.** AS 47.45 is amended by adding a new section to read:

6 **Article 4. Long-term Care Allowance.**

7 **Sec. 47.45.400. Long-term care allowance.** (a) The department shall exclude
8 a personal needs allowance of \$200 a month from the income calculation made for the
9 reimbursed cost of long-term care facility services, including swing-bed facility
10 services, paid by the department for a person who is a recipient of medical assistance
11 benefits under AS 47.07.020.

12 (b) The department shall pay a personal needs allowance of \$200 a month to a
13 resident of a long-term care facility in the state who is without income or resources.

14 (c) In this section, "long-term care facility" means an establishment, other than

1 an Alaska Pioneers' Home or an Alaska Veterans' Home, that is

2 (1) licensed by the department under AS 47.32 as a skilled nursing
3 facility or intermediate care facility; or

4 (2) owned or operated as a skilled nursing facility or intermediate care
5 facility by the United States, an Indian tribe, or a tribal organization and exempt from
6 state licensure under applicable law.

7 * **Sec. 2.** AS 47.55.020(b) is amended to read:

8 (b) Every person admitted to a home who receives income from any source in
9 excess of \$200 [\$100] a month shall be required by the department to pay the excess
10 to the department immediately upon receipt of the money in payment, or part payment,
11 of the cost of the person's care. However, the department may not require in any
12 month the payment of an amount greater than the monthly rate set under
13 AS 47.55.030(b) except to satisfy indebtedness incurred under AS 47.55.070. The
14 department may not evict a person from a home if the income and assets of the person
15 are insufficient to pay the monthly rate set under AS 47.55.030(b) and the person is
16 otherwise in compliance with requirements under this chapter.

17 * **Sec. 3.** AS 47.55.020(c) is amended to read:

18 (c) At the end of each month, the payments made under (b) of this section
19 shall be transmitted to the commissioner of revenue. The department shall [MAY] pay
20 the sum of \$200 [\$100] a month to a resident who is without income or resources
21 [MONEY].

22 * **Sec. 4.** AS 47.55.020(d) is amended to read:

23 (d) Notwithstanding AS 47.55.070 and (b) of this section, a resident of a home
24 whose income, assets, and other resources are insufficient to pay the monthly rate set
25 under AS 47.55.030(b), and who does not have private insurance to cover the cost of
26 care, qualifies for payment assistance if the resident is otherwise in compliance with
27 requirements under this chapter. The amount of payment assistance equals the amount
28 needed, when added to other income and assets of the resident, to pay the monthly rate
29 set under AS 47.55.030(b). Payment assistance received by a home resident is a debt
30 to the state. In determining the amount of payment assistance for which a home
31 resident qualifies, the following income, assets, and other resources of the resident

1 shall be disregarded:

2 (1) income from any source in an amount up to \$200 [\$100] a month
3 as established by the department by regulation;

4 (2) the following assets received under 43 U.S.C. 1601 et seq. (Alaska
5 Native Claims Settlement Act):

6 (A) cash dividends and other income equal to at least \$2,000 as
7 established by the department by regulation;

8 (B) stock;

9 (C) noncash dividends from stock; and

10 (D) land;

11 (3) a permanent fund dividend issued under AS 43.23;

12 (4) compensation to volunteers under the federal retired and senior
13 volunteers (42 U.S.C. 5001), foster grandparents (42 U.S.C. 5011), and senior
14 companion (42 U.S.C. 5013) programs made in accordance with 42 U.S.C. 5044(f);

15 (5) federal World War II restitution payments made under 50 U.S.C.
16 App. 1989b-4 and c-5;

17 (6) payments under AS 18.67 (Violent Crimes Compensation Board);

18 (7) an amount, determined by the department by regulation, that is
19 sufficient for burial expenses of the resident, the resident's spouse, and dependents of
20 the resident;

21 (8) real property being used as the primary residence of the resident's
22 spouse or a dependent of the resident;

23 (9) other real or personal property equal to at least a total value of up
24 to \$10,000 as established by the department by regulation;

25 (10) federal payments that are excluded by law from income for
26 federal assistance purposes.

27 * **Sec. 5.** Section 4, ch. 1, FSSLA 2007, is amended to read:

28 Sec. 4. AS 09.38.015(a)(11); AS 47.45.301, 47.45.302, 47.45.304, 47.45.306,
29 47.45.308, and 47.45.309 are repealed June 30, 2015 [2011].

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SCSHB016(FIN)
 () Publish Date: _____

Identifier (file name): HB016SCS(FIN)-DHSS-AKPH-4-1-11
 Title Extend Senior Benefits Payment Program

Dept. Affected: Health and Social Services
 Appropriation: Alaska Pioneer Homes
 Allocation: Pioneer Homes

Sponsor Rep. Hawker
 Requester Senate FIN Committee

OMB Component Number 2671

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
TOTAL OPERATING		158.4	158.4	158.4	158.4	158.4	158.4	158.4

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

1002 Federal Receipts								
1003 GF Match								
1004 GF		158.4	158.4	158.4	158.4	158.4	158.4	158.4
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
TOTAL		158.4	158.4	158.4	158.4	158.4	158.4	158.4

Estimate of any current year (FY2011) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

The CS impacts the Alaska Pioneer Homes and necessitates a fiscal note.

Prepared by: Dave Cote, Director
 Division: Alaska Pioneer Homes
 Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services

Phone 465-5737
 Date/Time 4/1/11 8:30 AM
 Date 4/1/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. SCSHB016(FIN)

Analysis:

The Pioneer Home Payment Assistance Program currently allows resident to retain \$100 for a personal needs allowance. Increasing the personal needs allowance to \$200 will result in \$158,400 (\$100 x 132 payment assistance residents x 12 months) in lost revenue to the Alaska Pioneer Homes. Currently three residents have no income. We consider this to have an insignificant impact on this fiscal analysis.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SCSHB016(FIN)
 () Publish Date: _____

Identifier (file name): HB016SCS(FIN)-DHSS-MS-3-28-11
 Title: Extend Senior Benefits Payment Program

Dept. Affected: Health and Social Services
 Appropriation: Medicaid Services
 Allocation: Senior and Disabilities
Medicaid Services

Sponsor: Rep. Hawker
 Requester: Senate FIN Committee

OMB Component Number: 2662

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants		519.0	519.0	519.0	519.0	519.0	519.0	519.0
Miscellaneous								
TOTAL OPERATING		519.0	519.0	519.0	519.0	519.0	519.0	519.0

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

1002 Federal Receipts	259.5	259.5	259.5	259.5	259.5	259.5	259.5	259.5
1003 GF Match	259.5	259.5	259.5	259.5	259.5	259.5	259.5	259.5
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
TOTAL	519.0	519.0	519.0	519.0	519.0	519.0	519.0	519.0

Estimate of any current year (FY2011) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

In addition to reauthorizing the Senior Benefits Payment Program, this legislation also increases the personal needs allowance for residents of long-term care facilities, Alaska Pioneers' Homes, and Alaska Veterans' Homes to \$200 per month.

Prepared by: Kimberli Poppe-Smart, Deputy Commissioner
 Division: Medicaid Services Director, Health Care Services
 Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services

Phone: 907-334-2520
 Date/Time: 3/25/11 12:00 AM
 Date: 3/28/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. SCSHB016(FIN)

Analysis:

The Senior Benefits Payment Program helps low income seniors who are age 65 or older remain independent in the community by providing a monthly income supplement to help meet their basic needs, such as food and housing. Currently the program is set to expire June 30, 2011.

This bill increases the personal needs allowance for residents of long-term care facilities, Alaska Pioneers' Homes, and Alaska Veterans' Homes to \$200 per month. Medicaid is the payer of last resort, and will pay for the medical services that are not paid by other means.

It is estimated that of the 502 Medicaid recipients in nursing homes, 346 individuals will need to have their Medicaid contributions increased by \$125 per month. The \$125 increase in their personal needs allowances will reduce the amount they are contributing for medical care by \$125. $(346 \times \$125) \times 12 \text{ (months)} = \$519,000$.

It is assumed that the federal match will be 50% in future years.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SCSHB016(FIN)
 () Publish Date: _____

Identifier (file name): HB016SCS(FIN)-DHSS-APA-3-31-11
 Title: Extend Senior Benefits Payment Program
 Sponsor: Rep. Hawker
 Requester: Senate FIN Committee
 Dept. Affected: Health and Social Services
 Appropriation: Public Assistance
 Allocation: Adult Public Assistance
 OMB Component Number: 222

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants	105.0	105.0	105.0	105.0	105.0	105.0	105.0
Miscellaneous							
TOTAL OPERATING	105.0	0.0	105.0	105.0	105.0	105.0	105.0

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

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
1002 Federal Receipts						
1003 GF Match						
1004 GF	105.0	105.0	105.0	105.0	105.0	105.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please identify)						
TOTAL	105.0	0.0	105.0	105.0	105.0	105.0

Estimate of any current year (FY2011) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

Why this fiscal note differs from previous version (if initial version, please note as such)

In addition to reauthorizing the Senior Benefits Payment Program, this legislation also requires the department to increase the amount of monthly income that nursing home residents are allowed to keep for their personal needs from \$75 to \$200 a month if the resident is a Medicaid recipient and 65 years of age or older. It also requires the department to increase the monthly amount it pays to nursing home residents who are age 65 or older and have no other income from \$75 to \$200 a month.

Prepared by: Ron Kreher, Director
 Division: Public Assistance
 Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services

Phone 907-465-2680
 Date/Time 3/31/11 7:00 PM
 Date 3/31/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. SCSHB016(FIN)

Analysis:

Assumptions:

- * The legislation will become effective July 1, 2012.
- * The amount paid to nursing home residents with no other income will also apply to nursing home residents who are under the age of 65.
- * 70 individuals a month will be impacted by the increased personal needs payment. (22 are age 65 or older and 48 are under the age of 65.)
- * This number is expected to remain constant through FY 2017.
- * The increased cost per person/month will be \$125. \$200 future payment - \$75 current payment = \$125.

Additional Cost for FY 2012 through FY 2017 = \$105.0/year

- * 70 individuals/month x \$125 payment x 12 months = \$105.0

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SCSHB016(FIN)
 () Publish Date: _____

Identifier (file name): HB016SCS(FIN)-DHSS-SBP-3-29-11
 Title: Extend Senior Benefits Payment Program
 Sponsor: Rep. Hawker
 Requester: Senate FIN Committee
 Dept. Affected: Health and Social Services
 Appropriation: Public Assistance
 Allocation: Senior Benefits Payment Program
 OMB Component Number: 2897

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES							
Personal Services		486.0	486.0	486.0	486.0		
Travel		9.7	9.7	9.7	9.7		
Services		169.7	169.7	169.7	169.7		
Commodities		43.5	43.5	43.5	43.5		
Capital Outlay							
Grants		21,744.5	22,349.3	22,970.9	23,606.5		
Miscellaneous							
TOTAL OPERATING	0.0	22,453.4	23,058.2	23,679.8	24,315.4	0.0	0.0

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

1002 Federal Receipts							
1003 GF Match							
1004 GF		22,453.4	23,058.2	23,679.8	24,315.4		
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	0.0	22,453.4	23,058.2	23,679.8	24,315.4	0.0	0.0

Estimate of any current year (FY2011) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

In addition to re-authorizing the Senior Benefits Payment Program, this legislation also increases the personal needs allowance for residents of long term care facilities, Alaska Pioneers' Homes, and Alaska Veterans' Homes to \$200 a month. The governor's FY12 budget includes an increment of \$1,968.1 to fund projected caseload growth in FY12.

Note: Other fiscal notes address the costs associated with the increased personal needs allowance.

Prepared by: Ron Kreher, Acting Director
 Division: Public Assistance
 Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services

Phone 465-2680
 Date/Time 3/29/11 8:45 AM
 Date 3/29/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB016(FIN)

Analysis:

The Senior Benefits Payment Program helps low income seniors who are age 65 or older remain independent in the community by providing a monthly income supplement to help meet their basic needs, such as food and housing. Currently, the program is set to expire on June 30, 2011. This legislation continues the program through June 30, 2015. As of December 2010, the current program enrollment was 10,093. The number and percent of seniors at each payment level was:

- * \$250 - 1,071 (10.6%)
- * \$175 - 3,872 (38.4%)
- * \$125 - 5,150 (51.0%)

Assumptions:

- * Current staffing levels for the program will be maintained and will consist of one Eligibility Technician III, four Eligibility Technician I's, and one Office Assistant I.
- * Annual expenditures for Personal Services, Travel, Contractual, and Supplies will remain constant for FY 2012 through FY 2015.
- * Projected grant expenditures in FY 2011 are expected to be about \$21.0 million. A supplemental for \$1.3 million has been requested in FY 2011.
- * Annual grant expenditures for FY 2012 are expected to increase in response to a projected caseload growth of 3.6%.
- * Annual grant expenditures for FY 2013 through FY 2015 are expected to increase in response to a projected caseload growth of 3% annually.
- * Grant expenditures for FY 2012 through FY 2015 are expected to increase as follows:
 - 3.55 percent in FY 2012
 - 2.78 percent in FY 2013
 - 2.78 percent in FY 2014
 - 2.77 percent in FY 2015

See attached projected caseload and grant expenditures.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SEAN PARNELL, GOVERNOR

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

Response to Senate Finance Questions from February 7, 2011 **Submitted: February 22, 2011**

When legislation established the Senior Benefits Program in 2007 the Division of Public Assistance estimated that four Eligibility Technician I positions, one Eligibility Technician III and 1 administrative support position would be needed to serve the projected number of program participants. Despite growth in the service population since 2007, no additional staff has been needed to manage the work.

The Senior Benefits Program Eligibility Technician I (ET I) accepts applications for assistance (including renewal or re-certification applications), determines eligibility, pursues and verifies needed documentation, and authorizes benefits. The ET I also acts on reports of change from program participants and addresses client inquiries about their case status. The ET I documents all case actions and composes notices that summarize the eligibility determination.

The Eligibility Technician III (ET III) is the unit's lead worker, office manager and program policy expert. The ET III conducts quality assurance case reviews, responds to the more complex client inquiries, assists in the Fair Hearing process, conducts outreach and performs other tasks associated with the administration of the program.

An Office Assistant I (OA I) is the only administrative support personnel for the office. The OAI registers applications, handles incoming and outgoing mail, and is the office receptionist.

Each Eligibility Technician I actively manages an average caseload of approximately 2,500 program participants. The Senior Benefits Program Office receives about 220 new applications and approximately 850 renewal applications each month.

The caseload is not as static as it might seem. In addition to the more than 1,000 new and renewal applications received monthly, over 200 cases are closed each month. Roughly 32 percent of the closures are due to the death of the recipient, 15 percent are because the elder has left the state, and 12 percent are due to the elder moving to a nursing home or a Pioneer Home.

The amount of time it takes to process an application depends on the complexity of the information contained on the application and whether or not the applicant provided all of the needed information. A simple application (one person household with income only from Social Security) takes an average of 15 to 20 minutes to process. More complex cases (e.g., multiple sources of income) may take up to 30 minutes.

Response to Senate Finance Questions from February 7, 2011

Approximately 40 to 50 percent of initial applications are incomplete. Staff estimates that incomplete applications can take 30 to 45 minutes to complete. Incomplete applications take longer to process because the ET makes a concerted effort to contact the applicant to secure the missing information or to pursue verification through interfaces and collateral contacts. When these efforts fail a notice is drafted to request the missing information. Because of the efforts of the ET to pursue missing, incomplete, or questionable information it is only necessary to pend approximately 25 to 30 percent of incomplete applications.

It takes an average of 10 minutes to process renewal applications as long as there are no changes in the applicant's circumstances. As with an initial application the ET reviews the application for completeness, checks system interfaces, reviews prior case notes, authorizes benefits, sends notices, and documents all actions taken on the application. If there are changes reported on the renewal application, it may be necessary to contact the customer for additional information or clarification, which increases the amount of time needed to complete the eligibility determination.

Once an applicant is determined eligible, the Eligibility Information System (EIS) automatically issues the approved benefits for future months until a renewal application is required or the client reports a change in their circumstances.

Each month the office receives approximately 200 reports of change (changes in residence, reports of death, new income, etc.) that require action by an ET. The processing time for reports of change varies depending on the nature of the change. It can take from five minutes to as long as 10 to 15 minutes to process a report of change if it entails a change in benefits or requires verifying the information provided by the client.

The office receives 40 to 50 calls per day during peak periods, which include the week benefits are typically issued for on-going cases and after renewal applications are mailed out. Responding to calls takes on average 10 minutes and longer if interpreter services are needed.

Approximately 40 to 50 people come to the office each month to inquire about the program, the status of their case, or to drop off an application or verification. Visits may be relatively short or quite protracted depending on the needs of the customer.

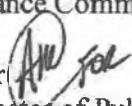
Staff must also research returned mail, which entails attempts to contact the customer to confirm the correct address or, after investigating the circumstances, closing the case for loss of contact. It is estimated that responding to return mail takes about 8 -10 hours per month. Staff also must address lost payments and re-issuance of benefits (when changes in mailing address are not reported timely, etc.). About 20 of these requests are received monthly and it takes about 10 -20 minutes to discuss the situation with the client and to process the stop-payment for a warrant and to document the changed information.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
DIVISION OF PUBLIC ASSISTANCE

SEAN PARNELL, GOVERNOR

P.O. BOX 110640
JUNEAU, ALASKA 99811-0640
PHONE: (907) 465-3347
FAX: (907) 465-5154

DATE: February 9, 2011
TO: Senate Finance Committee
FROM: Ron Kreher 
Acting Director of Public Assistance
SUBJECT: HB 16 Questions from Finance Committee Hearing

1. Why are Pioneer Home residents ineligible for Senior Benefits payments? Is it everyone in the PH?

Response: Pioneer home residents are not eligible for Senior Benefits payments. Most low-income individuals in institutions or Pioneer Homes are required, as a condition of Medicaid or the Pioneer Homes payment assistance program, to contribute most of their income towards the cost of the services they receive in those facilities. In the case of residents of Pioneer Homes, the Division of Pioneer Homes heavily subsidizes its residents. The Pioneer Homes have a payment assistance program that helps to address the needs of low-income individuals living in their facilities who are unable to cover the full costs of residing in the facility.

If residents of these facilities received Senior Benefit payments, it would increase the amount of money they would need to contribute toward the cost of their care. In most cases, the offset would be dollar for dollar. In the case of Medicaid, Senior Benefit payments, which are 100% General Fund, would effectively offset Medicaid payments, which are 50% federal funds. So, it would result in a net increase in General Fund expenditure with little to no benefit to the client.

2. How do Pioneer Home residents with very low income pay for their personal needs, such as haircuts?

Response: Medicaid and the Pioneer Homes payment assistance program participants are required to contribute most of their income toward the cost of their care. AS 47.55.020(b) exempts \$100 of a residents income from the room and board payment. AS 47.55.020(c) and 7 AAC 74.050 authorizes the department to pay a personal needs allowance of \$100 per month for residents who don't have money. The personal needs allowance is for the resident to purchase miscellaneous items they may need or want.

3. Can seniors receive Senior Benefits payments while they are not present in Alaska? (What provisions are in place if a senior needs to go outside of Alaska due to medical reasons? Are Senior Benefit checks sent out of state?).

Response: There is allowance for seniors to receive a Senior Benefits payment while not present in Alaska. According to state statute (AS 47.45.304), an eligible individual who leaves the state may not receive a cash benefit under AS 47.45.302 during the absence unless the individual absence is temporary and is for one of the following reasons:

(1) to receive medical treatment;

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

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

4. How are Alaska seniors, particularly those in rural areas, advised of the Senior Benefits program? (The concern is that many elderly in rural areas do not have access to, nor do they use, computers.)

Response: The department performs outreach for the Senior Benefits Payment program in several ways. The department maintains information about the Senior Benefits program on its public assistance website. In addition to computer based outreach, it advertizes the Senior Benefits Program through TV ads, sends letters and flyers to rural community leaders asking them to advise seniors in their communities about the program; and makes application forms and informational flyers available to senior centers throughout the state. In addition, Adult Public Assistance recipients who are age 65 or older are advised to apply for the program when public assistance records indicate the individual is not receiving a Senior Benefits payment.

5. Provide more detailed information about ineligible seniors who live in Pioneer Homes, Veterans Homes and other nursing homes. How many seniors living in those facilities are on Medicaid? We understand the Medicaid recipients not qualifying as this would reduce the federal match and increase the state match. But what about those seniors who would otherwise qualify based on income but someone else (such as family) pays the bill for the nursing home?

Response: There were 454 residents in the Pioneer Homes on 12/31/2010.

- 95 were on an Older Alaskans Medicaid waiver.
- 136 were on the Payment Assistance program.
- 223 were private pay. However, income to the individual (such as Senior Benefits), would be required to go toward the cost of care per the Medicaid and the Pioneer Homes payment assistance program.

6. Provide more detailed information to justify the need for six employees to process Senior Benefit program. What is each person's job description, are they all full time, what are their caseloads, etc.?

Response: Division of Public Assistance determined the existing staffing levels are necessary to administer the Senior Benefits program after more than three years of program operation. The unit consists of one Eligibility Technician III position, four Eligibility Technician I positions, and one Office Assistant position. This unit handles a Senior Benefits caseload of over 10,000 individuals. In addition to accepting and processing new applications, public assistance staff process annual reviews and act on "reports of change" throughout the year.

Representative Mike Hawker

Alaska State Legislature



House Bill 16

Sponsor Statement

Session:

State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:

716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

Chair:

*Legislative Budget
& Audit Committee*

House District 32:

*Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope*

Short Title: Extend Senior Benefits Payment Program

House Bill 16 would extend the Alaska Senior Benefits Program to June 30, 2015.

The Senior Benefits Program provides monthly cash assistance to state residents age 65 years or older whose household income does not exceed 175% of the federal poverty guidelines for Alaska. Specifically, the program pays:

- > \$250 per month to individuals with income of 75% or less of FPG
- > \$175 per month to individuals with income between 75% and 100% of FPG
- > \$125 per month to individuals with income between 100% and 175% of FPG

The program assists approximately 10,000 Alaskan seniors, with a total cost of \$21 million projected for this fiscal year. If it is not extended, the program will sunset on June 30, 2011.

House Bill 16 Background Information Alaska Senior Benefits Program Statutes

Title 09. CODE OF CIVIL PROCEDURE

Chapter 09.38. ALASKA EXEMPTIONS ACT

- (a) An individual is entitled to exemption of the following property:
(11) [See delayed amendment note]. benefits paid or payable under AS 47.45.301 - 47.45.309.

Sec. 47.45.301. Alaska senior benefits payment program. [See delayed repeal note].

- (a) The Alaska senior benefits payment program is established in the Department of Health and Social Services to provide cash benefits as far as practicable under appropriations provided by law.
- (b) The department shall administer the program and adopt regulations under AS 44.62 to carry out the purposes of the program.
- (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 benefit available to recipients.

Sec. 47.45.302. Cash assistance benefit. [See delayed repeal note].

- (a) An individual is eligible for a cash assistance benefit under the program if the individual
- (1) is 65 years of age or older;
 - (2) is a resident of the state;
 - (3) has a household income that does not exceed 175 percent of the annual federal poverty line for Alaska, as determined by the United States Department of Health and Human Services and revised under 42 U.S.C. 9902(2);
 - (4) has not received a longevity bonus payment under AS 47.45.010 - 47.45.160 for the same period; and
 - (5) applies on a form provided by the department; the department may use an abbreviated form for an individual who received a payment under an assistance program for seniors that paid \$120 a month and was administered by the department on or before the effective date of this section.
- (b) An eligible individual shall receive a monthly cash assistance payment beginning on August 1, 2007, as follows:
- (1) \$250 if the individual's household income does not exceed 75 percent of the federal poverty line for Alaska;
 - (2) \$175 if the individual's household income does not exceed 100 percent but is above 75 percent of the federal poverty line for Alaska;
 - (3) \$125 if the individual's household income does not exceed 175 percent but is above 100 percent of the federal poverty line for Alaska.
- (c) Cash assistance provided under this section is subject to appropriation.

Sec. 47.45.304. Continuation of benefits. [See delayed repeal note].

An eligible individual who leaves the state may not receive a cash benefit under AS 47.45.302 during the absence unless the individual's absence is temporary and is for one of the following reasons:

- (1) to receive medical treatment for the individual;
- (2) to accompany the individual's family member who is receiving medical treatment outside the state; or
- (3) for a vacation, business trip, or other absence of less than 30 consecutive days, unless the individual has applied for and received a time extension from the department for special circumstances.

Sec. 47.45.306. Appeal rights. [See delayed repeal note].

An individual who receives a determination from the department that denies, limits, or modifies a cash benefit under AS 47.45.301 - 47.45.309, other than a determination under AS 47.45.301 (c) to reduce or eliminate benefits, may request a hearing before the department under regulations adopted by the department.

Sec. 47.45.308. Ability to recover or recoup improper assistance or benefits. [See delayed repeal note].

An individual is liable to the department for the value of assistance or benefits improperly paid to the individual under AS 47.45.302 or former AS 47.45.310 or 47.45.320 if the improper payment was based on inaccurate or incomplete information provided by the individual. In a civil action brought by the state to recover from the individual the value of assistance or benefits improperly paid under AS 47.45.302 or former AS 47.45.310 or 47.45.320, the state may recover from the individual the costs of investigation and prosecution of the civil action, including attorney fees as determined under court rules.

Sec. 47.45.309. Definitions. [See delayed repeal note].

In AS 47.45.301 - 47.45.309,

- (1) "department" means the Department of Health and Social Services;
- (2) "eligible individual" means an individual who meets the requirements of AS 47.45.301 - 47.45.309 and regulations adopted under those statutes for eligibility for the program;
- (3) "family member" means a person who is
 - (A) legally related to an eligible individual through marriage or guardianship; or
 - (B) an eligible individual's sibling, parent, grandparent, son, daughter, grandson, granddaughter, uncle, aunt, niece, nephew, or first cousin;
- (4) "program" means the senior benefits payment program established in AS 47.45.301 - 47.45.309;
- (5) "resident" has the meaning given in AS 47.25.430 (a).

January 24, 2011

The Honorable Mike Hawker
Member of the House of Representatives
Alaska Capitol, Room 502
Juneau, AK 99801-1182

RE: HB 16 (Hawker) – Support

Dear Representative Hawker:

The Alaska Food Coalition is pleased to express our support for HB 16 which will extend the Senior Benefits Program for another four years. At least 1/3 of the Alaska Food Coalition membership serves the senior population. Our members identify hunger, or food insecurity, as a growing problem among the senior population in Alaska.

The Hunger in America 2010 study found 42% of adult pantry and soup kitchen clients in Alaska were 50 and older. Of those pantry visitors 65 and older, 57.8% told us they experienced low or very low food security; they worry about or don't know if they will have enough food. The study also found, of all pantry clients in Alaska:

- 43% had to choose between buying food and paying for utilities
- 45% had to choose between buying food and paying for rent or mortgage
- 35% had to choose between buying food and medicine

Among households with 1 senior member age 65 or older, 21.8% participate in a home delivered meal program. Agencies who deliver home meals have reported a 20% increase in requests for services. The Salvation Army Older Alaskans Program in Anchorage estimates there are twice as many seniors in Anchorage in need of their services. The Yakutat Senior Center serves an average of 42 meals a day; double what they served the previous year. According to data from the Alaska Department of Public Assistance, food stamp recipients age 60 and over increased by 22% in 2009. The need is clear; our low-income seniors need help paying for basic needs.

We want all Alaskans to be hunger free, food secure. There is no question the Senior Benefits Program has helped Alaskan seniors put food on their tables, and will continue to do so with continued funding. We appreciate your leadership on this issue and wish to express our sincere thanks to you for helping Alaska Seniors live full and productive lives.

We were also thankful to Representatives Millet, Lynn, Gara and Tuck for signing up to co-sponsor HB16.

Please do not hesitate to contact Vanessa Salinas, Alaska Food Coalition Manager if you have any questions, 907-222-3103 afc@foodbankofalaska.org

Thank you for all that you do for Alaska.

Sincerely,

Heather Harris
Alaska Food Coalition President

CC: Representative Charisse Millet
Representative Les Gara

Representative Bob Lynn
Representative Chris Tuck

Senior BENEFITS PROGRAM



Fact Sheet
January 24, 2011

The Alaska Senior Benefits Payment Program was established on August 1, 2007 and, unless reauthorized, is set to end on June 30, 2011. It pays cash benefits to Alaskans who are age 65 or older and have low to moderate income. Cash payments are \$125, \$175, or \$250 each month depending on income.

Recipients

- There were 10,093 Senior Benefits recipients as of December 2010. Of these, 5,534 were also Adult Public Assistance recipients.
- Number and percent of seniors at each payment level in December 2010.
 - ✓ \$250 - 1,071 (10.6%)
 - ✓ \$175 - 3,872 (38.4%)
 - ✓ \$125 - 5,150 (51.0%)
- Average age of recipients is 75. The maximum age is 105.

Program Expenditures

- Currently, projected program benefit expenditures for FY 2011 are \$21.0 million. Projected benefit expenditures for FY 2012 are \$21.7 million.

Eligibility and Payment

- Eligibility and payment amount is based on gross annual income (before any deductions are taken for taxes, Medicare premiums, etc.).

Senior Household Size	Senior Benefits Program Gross Annual Income Limit Effective 3/1/2011		
	\$250 monthly payment	\$175 monthly payment	\$125 monthly payment
Individual	\$10,200 (\$850 per month)	\$13,600 (\$1,134 per month)	\$23,800 (\$1,984 per month)
Married Couple	\$13,785 (\$1,149 per month)	\$18,380 (\$1,532 per month)	\$32,165 (\$2,680 per month)

- Income limits may change yearly along with Alaska's federal poverty level. The \$250, \$175, and \$125 monthly payments correspond to 75 percent, 100 percent, and 175 percent of the federal poverty level for Alaska, respectively.

- Assets, such as savings, are not counted for eligibility.
- Payments are not available to seniors living in the following institutions:
 - ✓ Prison or jail,
 - ✓ nursing home,
 - ✓ Alaska Pioneers' Home or Alaska Veterans' Home, or
 - ✓ Public or private institution for mental disease

Geographic Distribution by Census Area, December 2010

Census Area	Number of Recipients
Aleutians East	23
Aleutians West	14
Anchorage	3,636
Bethel	558
Bristol Bay	7
Denali	13
Dillingham	150
Fairbanks North Star	747
Haines	83
Juneau	338
Kenai Peninsula	934
Ketchikan Gateway	251
Kodiak	220
Lake and Peninsula	39
Matanuska-Susitna	1,250
Nome	238
North Slope	38
Northwest Arctic	159
Prince of Wales	185
Southeast Fairbanks	187
Sitka	98
Skagway/Hoonah/Angoon	68
Valdez/Cordova	171
Wade Hampton	255
Wrangell/Petersburg	149
Yakutat	15
Yukon/Koyukuk	259
Unidentified	8
Grand Total	10,093



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January 19, 2011

The Honorable Mike Hawker
Member of the House of Representatives
Alaska Capitol, Room 502
Juneau, AK 99801-1182

RE: HB 16 (Hawker)—Support

Dear Representative Hawker:

On behalf of the members of AARP in Alaska, we are pleased to indicate our very strong support for HB 16 which will extend the Senior Benefits program for another four years.

There is no doubt that the Senior Benefits program has proven to be an invaluable help to many older Alaskans who might not be able to afford to stay here without it.

We all recognize that Alaska's seniors face high health care costs as well as high energy costs.

The Senior Benefits program has allowed over 10,000 older Alaskans to deal with these costs and to remain citizens of our state.

We want Alaskans to be able to stay here after retirement. The Senior Benefits program is essential to achieve that goal.

On behalf of all those older Alaskans who may not be aware of your continued leadership on this issue, please accept our thanks for all that you have done, continue to do, and will do in the future.

We are pleased to thank Representatives Millet, Lynn, Gara and Tuck for signing up to co-sponsor HB 16.

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: Representative Charisse Millet
Representative Les Gara

Representative Bob Lynn
Representative Chris Tuck

Matson Legislative Information
- Office -
600 E. Railroad Ave.
Wasilla, AK. 99654-8135

January 12, 2011

Barbara A. Schumacher
P.O. Box 873505
Wasilla, AK, 99687

To Whom it may concern,
Please think very carefully about the Senior Benefits Program, here in Alaska. It has been a great source of comfort & financial stability to me for the last 3 years. I shudder to think what it would mean to your Senior Constituents, who benefit so greatly from this program if it were to be discontinued.
Thank you for your consideration.

Sincerely,

Barbara A. Schumacher - age 75
BARBARA A. SCHUMACHER
Wasilla, AK.

Date: January 12, 2011

To: MatSu Legislative Office

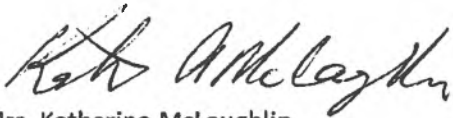
To whom it may concern;

I am the daughter of a Wasilla area resident senior citizen. It has come to my attention that the State needs to seek renewal for the Alaska Senior Citizen Benefits Program. I strongly support this program and urge the State to petition for renewal of this very important service to our Seniors. The Senior Care benefits that my mother receives allow her that tiny bit of extra wiggle room on her fixed retirement income, without which, her standard of living will become negatively affected.

Many Alaskan Seniors are in similar, or worse, situations. Without these benefits the State would surely see a rise in emergency medical care resulting from senior's not getting the medications, doctor visits, appropriate food, etc. they need because of less income.

Please support the continued funding for the Alaska Senior Citizen Benefits Program.

Sincerely,

A handwritten signature in cursive script, appearing to read "Katherine McLaughlin".

Mrs. Katherine McLaughlin
PO Box 8043
Chenega Bay, Alaska 99574

*Mabel T. Caverly Senior Services
325 E. Third Ave.
Anchorage, AK 99501
907-276-1496
executivedirector@mabeltcaverly.org*

3 February 2011

The Honorable Lyman Hoffman, Co-Chair
The Honorable Bert Stedman, Co-Chair
Senate Finance Committee
Alaska Capitol, Room 532
Juneau, AK 99801-1182

Re: HB 16 (Hawker)
Letter of Support- Senior Benefit

Dear Co-Chairs Hoffman and Stedman:

Mabel T. Caverly Senior Services provides small grants for dental work, eyeglasses, hearing aids, prescriptions, rent, utilities, furnace repair, appliance repair, etc. We also collaborate with the Food Bank of Alaska to distribute monthly food boxes. Thanks to a partnership with Alyeska Canine Trainers, we are able to add dog and cat food to our distribution offerings. All these programs have income limits of approximately 200% of the Federal Poverty Level.

Because of these programs, nearly all our client base would be considered low income. The average monthly income for the grants program clients who are ages 65 and older is \$1,400. That includes the Senior Benefit income of \$125.00.

One of our clients better explained the circumstances of a great many of seniors with very modest means much better than I ever could. "I get my social security check, pay the house payment and utilities. My check is mostly gone. Last year, I was in the doughnut hole. I couldn't afford my medications which cost \$ 400 for 2. My teeth are falling out. I'm in pain. I worked all my life. I would have never thought I would have to ask for help. This is the first time in my life. At times, I don't know what to do anymore."

Please imagine life for this gentleman and so many others like him if the Senior Benefit goes away.

We would appreciate your support to extend the Senior Benefit.

p.2

Thank-you in advance for considering this matter.

Sincerely,

(s) S.B. Camery

Sandra B. Camery
Executive Director

cc: Senator Olson
Senator Thomas
Senator McGuire
Senators Ellis & Egan HSS