ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9139 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

HB
459

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 459

Revision Date:
Title: Medicaid for certain disabled persons
Sponsor: House (HES)
Requestor: (H) HESS

Dept. Affected: Health and Social Services
BRU: Public Assistance
Component: Adult Public Assistance
COMPONENT SERIAL NO. 222
See also (SN#):

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
MISCELLANEOUS						
TOTAL OPERATING	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY99	FY00	FY01	FY02	FY03	FY04
1002 Federal Receipts						
1003 GF Match						
1004 GF	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)

POSITIONS:

POSITIONS	FY99	FY00	FY01	FY02	FY03	FY04
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: $0.0

ANALYSIS: (Attach a separate page if necessary)

The federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250 percent of the federal poverty level for Alaska. These disabled workers may be obligated to pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that some Adult Public Assistance (APA) recipients who do not pursue working because of the fear of losing their Medicaid coverage will either begin working or will work longer hours and become ineligible for APA. Based on an analysis by the Division of Vocational Rehabilitation, we estimate that 33 APA recipients could potentially lose eligibility because of increased earnings in FY99. We expect this number to decrease over time.

2/27/98

Prepared by: [signature] Phone: 465-3347
Division: Public Assistance Date: 02/25/98
Approved by Commissioner: Karen Perdue, Commissioner [signature] Date: 3/2/98
Agency: Department of Health & Social Services

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ANALYSIS (cont.):

Assumptions:

Of the 33 persons potentially ineligible under this legislation, we expect that one-half will increase their earnings and become ineligible for APA in FY99.

In the start-up year of FY99, savings are calculated using 6 months.

The savings assume that persons who become ineligible for assistance because of this legislation will remain ineligible.

Calculations:

	FY99	FY00	FY01	FY02	FY03	FY04
APA recipients affected each year	17	32	31	30	29	28
Cumulative # of APA recipients	17	49	80	110	139	167
Average monthly APA benefit	$324	$324	$324	$324	$324	$324
APA Program Savings	($33.0)	($190.5)	($311.0)	($427.7)	($540.4)	($649.3)

FISCAL NOTE

STATE OF ALASKA — **BILL NO.** HB 459
1998 LEGISLATIVE SESSION

Revision Date:
Title: Medicaid for certain disabled persons
Sponsor: House (HES)
Requestor: (H) HESS

Dept. Affected: Health and Social Services
BRU: Medical Assistance Admin
Component: Health Purchasing Group
COMPONENT SERIAL NO. 243
See also (SN#): 229, 230

Expenditures/Revenues. (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	4.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	4.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

	FY99	FY00	FY01	FY02	FY03	FY04
1002 Federal Receipts	2.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	2.0	0.0	0.0	0.0	0.0	0.0
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	4.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

	FY99	FY00	FY01	FY02	FY03	FY04
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: $0.0

ANALYSIS: (Attach a separate page if necessary)

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an in increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Establishing of this new eligibility group will require the addition of a new Medicaid subtype code to the Medicaid Management Information System (MMIS). A one time expenditure for MMIS programming is shown for FY 99.

2/27/98

Prepared by: Kevin Henderson — Phone: 465-3355
Division: Medical Assistance — Date: 02/25/98

Approved by Commissioner: Karen Perdue, Commissioner — Date: 3/2/98
Agency: Department of Health & Social Services

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FISCAL NOTE - H&SS - MEDICAL ASSISTANCE ADMIN - HEALTH PURCHASING GROUP

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 459

Revision Date:
Title: Medicaid for for certain disabled persons
Sponsor: House (HES)
Requestor: (H) HESS

Dept. Affected: Health and Social Services
BRU: Medical Assistance
Component: Medicaid Non-Facility
COMPONENT SERIAL NO. 229
See also (SN#): 230, 243

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	40.1	136.0	116.3	116.0	115.4	114.8
MISCELLANEOUS						
TOTAL OPERATING	40.1	136.0	116.3	116.0	115.4	114.8
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY99	FY00	FY01	FY02	FY03	FY04
1002 Federal Receipts	24.0	81.3	69.5	69.4	69.0	68.7
1003 GF Match	14.6	49.9	42.8	42.7	42.6	42.5
1004 GF						
1005 GF/Program Receipts	1.5	4.8	4.0	3.9	3.8	3.6
1037 GF/Mental Health						
Other (please specify)						
TOTAL	40.1	136.0	116.3	116.0	115.4	114.8

POSITIONS:

POSITIONS	FY99	FY00	FY01	FY02	FY03	FY04
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: $0.0

ANALYSIS: (Attach a separate page if necessary)

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an in increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Prepared by: Kevin Henderson
Division: Medical Assistance
Phone: 465-3355
Date: 02/25/98

Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services
Date: 3/2/98

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 459

Revision Date:

Title: Medicaid for certain disabled persons

Sponsor: House (HES)

Requestor: (H) HESS

Dept. Affected: Health and Social Services

BRU: Medical Assistance

Component: Medicaid Facilities

COMPONENT SERIAL NO. 230

See also (SN#): 229, 243

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	43.4	147.3	126.0	125.6	125.1	124.4
MISCELLANEOUS						
TOTAL OPERATING	43.4	147.3	126.0	125.6	125.1	124.4

CAPITAL EXPENDITURES						

CHANGES IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

	FY99	FY00	FY01	FY02	FY03	FY04
1002 Federal Receipts	26.0	88.1	75.3	75.1	74.8	74.4
1003 GF Match	15.8	54.0	46.3	46.3	46.2	46.1
1004 GF						
1005 GF/Program Receipts	1.6	5.2	4.4	4.2	4.1	3.9
1037 GF/Mental Health						
Other (please specify)						
TOTAL	43.4	147.3	126.0	125.6	125.1	124.4

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: $0.0

ANALYSIS: (Attach a separate page if necessary)

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an in increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Prepared by: Kevin Henderson

Division: Medical Assistance

Phone: 465-3355

Date: 02/25/98

Approved by Commissioner: Karen Perdue, Commissioner

Agency: Department of Health & Social Services

Date: 3/2/98

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FISCAL NOTE - H&SS - MEDICAL ASSISTANCE-MEDICAID FACILITIES

ANALYSIS (cont.):

This new eligibility category will benefit current SSI and APA recipients who are ready to go to work or increase their hours of work. Once in the work force for one year, we estimate that all of these individuals will be able to take advantage of employer based health insurance or will have earnings that make them ineligible for this eligibility group. Based upon analysis by the Division of Vocational Rehabilitation, we estimate that only 33 of the current SSI/APA and Medicaid recipients would taken advantage of this category if it were available for the entire FY 99. However, since EIS and MMIS system changes will delay implementation, only about half of those (17) would be able to participate in FY 99. In subsequent years, we would expect to see a general APA case load growth of 6.5% per year, but this would be offset by a reduction (about 3 per year) in the number of disabled individuals able to work. In addition, we expect about 25% of those who do go to work to acquire employer based health insurance immediately. The Medicaid buy-in for this group would begin January 1, 1999, meaning only one-half of the annual expenditures and program receipts would be realized in FY 99.

A nominal buy-in charge, determined using a sliding scale based on income, will be collected annually. We estimate the average buy-in charge to be equivalent to $360 per year ($12/month). The actual sliding fee schedule would be established through regulations.

Both expenditures and program receipts are allocated 48% to the Medicaid Non-Facilities component and 52% to the Medicaid Facilities component.

We anticipate the current federal financial participation rate to continue beyond FY 04. Currently the match rate is 59.8% federal and 40.2% state general funds.

We estimate an inflation factor of about 3% per year on the annual cost of providing medical care.

		FY99	FY00	FY01	FY02	FY03	FY04
Avg. Med. Cost Per Disable Worker		$9,825	$10,120	$10,423	$10,736	$11,058	$11,390
SSI/APA Recipients To work		17	32	31	30	29	28
Recipients into Health Insurance		0	4	8	8	7	7
Recipients with extended Medicaid		17	28	23	23	22	21
Additional Medicaid Expenditures		$83,513	$283,354	$242,344	$241,562	$240,516	$239,188
Non-Facilities	**48%**	**$40,086**	**$136,010**	**$116,325**	**$115,950**	**$115,448**	**$114,810**
Facilities	**52%**	**$43,427**	**$147,344**	**$126,019**	**$125,612**	**$125,068**	**$124,378**

		FY99	FY00	FY01	FY02	FY03	FY04
Avg. Annual Buy-in Fee =	$360						
PROGRAM RECEIPTS		**$3,060**	**$10,080**	**$8,370**	**$8,100**	**$7,830**	**$7,560**
Non-Facilities	**48%**	**$1,469**	**$4,838**	**$4,018**	**$3,888**	**$3,758**	**$3,629**
Facilities	**52%**	**$1,591**	**$5,242**	**$4,352**	**$4,212**	**$4,072**	**$3,931**

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: February 20, 1998 — FURTHER REFERRALS:

Date of Committee Action: 3/10/98

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 459

HOUSE BILL NO. 459 — MEDICAID FOR LOW-INCOME DISABLED

"An Act relating to medical assistance for certain disabled persons; relating to the priorities established for the medical assistance program."

recommends it be replaced with the following committee substitute CS HB 459 (HES)

[ ] the same title
[x] a new title

[x] additional referral to Finance Committee
[ ] attached amendment(s)

ADOPTS: ______________ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

[x] fiscal note(s) (4) H+SS

[ ] zero fiscal note(s)

APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal note(s)

[ ] zero fiscal note(s)

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
[signature]	✓			
[signature]	✓			
[signature] Con Bunde	✓			
Brian D. Porter	✓			
[signature]	✓			
[signature]	✓			

CHAIR'S SIGNATURE [signature]

CS FOR HOUSE BILL NO. 459(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to medical assistance for certain disabled persons; relating to**
2 **personal care services for recipients of medical assistance; and relating to the**
3 **priorities established for the medical assistance program."**

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

5 * **Section 1.** AS 47.07.020(b) is amended by adding a new paragraph to read:
6 (12) disabled persons, as described in 42 U.S.C.
7 1396a(a)(10)(A)(ii)(XIII), who are in families whose income is less than 250 percent
8 of the official poverty line applicable to a family of that size according to the federal
9 Office of Management and Budget, and who, but for earnings in excess of the limit
10 established under 42 U.S.C. 1396d(q)(2)(B), would be considered to be individuals
11 with respect to whom a supplemental security income is being paid under 42 U.S.C.
12 1381 - 1383c; a person eligible for assistance under this paragraph who is not eligible
13 under another provision of this section shall pay a premium or other cost-sharing
14 charges according to a sliding fee scale that is based on income as established by the

1 department in regulations.

2 * **Sec. 2.** AS 47.07.035 is amended to read:

3 **Sec. 47.07.035. Priority of medical assistance.** If the department finds that
4 the cost of medical assistance for all persons eligible under this chapter will exceed
5 the amount allocated in the state budget for that assistance for the fiscal year, the
6 department shall eliminate coverage for optional medical services and optionally
7 eligible groups of individuals in the following order:

8 (1) midwife services;
9 (2) clinical social workers' services;
10 (3) psychologists' services;
11 (4) chiropractic services;
12 (5) advanced nurse practitioner services;
13 (6) adult dental services;
14 (7) emergency hospital services;
15 (8) treatment of speech, hearing, and language disorders;
16 (9) optometrists' services and eyeglasses;
17 (10) occupational therapy;
18 (11) mammography screening;
19 (12) prosthetic devices;
20 (13) medical supplies and equipment;
21 (14) targeted case management services;
22 (15) rehabilitative services for substance abusers and emotionally
23 disturbed or chronically mentally ill adults;
24 (16) clinic services;
25 (17) physical therapy;
26 (18) personal care services in a recipient's home;
27 (19) prescribed drugs;
28 (20) hospice care;
29 (21) long-term care noninstitutional services;
30 (22) inpatient psychiatric facility services;
31 (23) intermediate care facility services for the mentally retarded;

1 (24) intermediate care facility services;
2 (25) individuals described in AS 47.07.020(b)(11);
3 (26) individuals under age 21 who are not eligible for benefits under
4 the federal program designated as the successor to the aid to families with dependent
5 children program because they are not deprived of one or more of their natural or
6 adoptive parents;
7 (27) skilled nursing facility services for persons under age 21;
8 (28) aged, blind, and disabled individuals who, because they do not
9 meet the income requirements, do not receive supplemental security income under Title
10 XVI of the Social Security Act, but who are eligible, or would be eligible if they were
11 not in a skilled nursing facility or intermediate care facility, to receive an optional state
12 supplementary payment;
13 (29) individuals in a hospital, skilled nursing facility, or intermediate
14 care facility whose income while in the facility does not exceed 300 percent of the
15 supplemental security income benefit rate under Title XVI of the Social Security Act,
16 but who, because of income, are not eligible for the optional state supplementary
17 payment;
18 (30) individuals under age 21 under supervision of the department for
19 whom maintenance is being paid in whole or in part from public money and who are
20 in foster homes or private child-care institutions;
21 (31) individuals under age 21 who the department has determined
22 cannot be placed for adoption without medical assistance because of a special need for
23 medical or rehabilitative care and who the department has determined are hard-to-place
24 children eligible for subsidy under AS 25.23.190 - 25.23.220**;**
25 **(32) individuals who are eligible under AS 47.07.020(b)(12)**.
26 * **Sec. 3.** AS 47.07.900(15) is amended to read:
27 (15) "personal care services in a recipient's home" means services
28 **authorized under a service plan** [PRESCRIBED BY A PHYSICIAN] in accordance
29 with **applicable federal and state law** [THE RECIPIENT'S PLAN OF TREATMENT
30 AND PROVIDED BY AN INDIVIDUAL WHO IS
31 (A) QUALIFIED TO PROVIDE THE SERVICES;

1 (B) SUPERVISED BY A REGISTERED NURSE; AND
2 (C) NOT A MEMBER OF THE RECIPIENT'S FAMILY];
3 * **Sec. 4.** TRANSITIONAL PROVISION. Notwithstanding AS 47.07.020(b)(12), added
4 by sec. 1 of this Act, an individual described in that provision is eligible for medical
5 assistance under AS 47.07 without the payment of a premium or other cost-sharing charges
6 until the effective date of regulations adopted by the Department of Health and Social Services
7 that set the premium or other cost-sharing charges.
8 * **Sec. 5.** REGULATIONS. The Department of Health and Social Services shall adopt
9 regulations establishing the sliding fee scale for premiums or other cost-sharing charges
10 described in this Act by July 1, 1999.

0-LS1504\E.1
Lauterbach
3/10/98

AMENDMENT #1

OFFERED IN THE HOUSE BY REPRESENTATIVE BUNDE

TO: HB 459

1 Page 1, line 1, following ";":
2 Insert "**relating to personal care services for recipients of medical assistance; and**"

3 Page 3, following line 24:
4 Insert a new bill section to read:
5 "* **Sec. 3.** AS 47.07.900(15) is amended to read:
6 (15) "personal care services in a recipient's home" means services
7 **authorized under a service plan** [PRESCRIBED BY A PHYSICIAN] in accordance
8 with **applicable federal and state law** [THE RECIPIENT'S PLAN OF TREATMENT
9 AND PROVIDED BY AN INDIVIDUAL WHO IS
10 (A) QUALIFIED TO PROVIDE THE SERVICES;
11 (B) SUPERVISED BY A REGISTERED NURSE; AND
12 (C) NOT A MEMBER OF THE RECIPIENT'S FAMILY];"

13 Renumber the following bill sections accordingly.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

Governor's Committee on Employment and Rehabilitation of People with Disabilities

801 WEST 10TH STREET, SUITE 200
JUNEAU, ALASKA 99801-1894
V/TT: (907) 465-2814
FAX: (907) 465-2856

The Honorable Con Bunde
Health, Education and Social Services Committee
Alaska State Legislature
State Capitol, Room 104
Juneau, Alaska 99801-1182

March 10, 1998

Dear Representative Bunde:

The Governor's Committee on Employment and Rehabilitation of People with Disabilities supports the provisions contained in HB459, an Act relating to medical assistance for people with disabilities. The Committee particularly appreciates the priority placement granted in Section 2 and the establishment of a sliding fee established in Section 4. A companion bill, SB253, also includes provisions related to clarifying 'personal care services'. (SB253, Section 3. AS 47.07.900 (15) is amended to read: (15) personal care services in a recipient's home means services authorized under a service plan in accordance with applicable federal and state law.) The Governor's Committee respectfully requests inclusion of this language in HB459, as a new Section 5.

Thank you for your continued advocacy for people with disabilities.

Sincerely,

James M. Shine, Sr.
Chairperson

cc: Duane French, Director, ADVR
HES Committee Members

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DISABILITY
LAW CENTER
OF ALASKA

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230 South Franklin
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Juneau, AK 99801
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February 10, 1998

MEDICAID BUY-IN TO HELP DISABLED WORKERS GET BACK TO WORK

PROBLEM:

- ***A significant hurdle to re-employment of disabled workers***: obtaining adequate health insurance coverage.

- ***Workers can be forced into a cycle of dependency:*** For some disabled workers, any job they can get either pays too low or has inadequate health insurance. If they earn more than $500 per month, public health coverage (Medicare) is cut off. For some disabled people, they're better off *not* working.

- ***People who have never worked before can escape the cycle:*** the so-called Section 1619(b) Program of federal Social Security law allows someone receiving SSI (and therefore with no significant work history) to continue to get Medicaid while working, if they need Medicaid in order to live and work

- ***People who have worked before are not eligible for SSI, or the Section 1619(b) program***: If earnings history is high enough, a disabled worker's SSDI benefit will make the worker ineligible for SSI, and therefore ineligible for the Section 1619(b) program – which is only available to those receiving SSI

- In 1997 ***Congress passed a law to fill this gap***: the State Legislature may choose an option for Medicaid on a sliding fee scale for disabled workers

SOLUTION:

- ***Alaska should exercise the Medicaid Buy-In Option for disabled workers***: the federal law permits Alaska to do this, so long as the disabled worker contributes to the Medicaid cost on a sliding fee scale. The eligibility limit is 250% of the federal poverty thresholds

- ***HB 348 / SB 253 is one proposal to implement the state's option***: The Administration's bills are projected to have ***net savings in four years*** based on reduced Adult Public Assistance payments to workers who have gone back to work[1]

MEMBER·OF·THE NATIONAL ASSOCIATION·OF PROTECTION·& ADVOCACY SYSTEMS

[1] **Source:** Fiscal Notes for Medicaid Facilities, Medicaid Non-Facilities, Adult Public Assistance, and Health Purchasing Group components, Medical Assistance BRU, Dept. of Health and Social Services (dated Nov. 13, 1997).

Summary of Fiscal Impact of HB 348 / SB 253 (Medicaid Buy-In Option)

	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Medicaid Facilities	$ 43.4	$ 147.4	$ 128.0	$ 125.6	$ 125.1	$ 124.4
Medicaid Non-Facilities	40.1	136.0	116.3	116.0	115.4	114.8
Health Purchasing Group	4.0	0	0	0	0	0
Subtotal	$ 87.5	$ 283.4	$ 244.3	$ 241.6	$ 240.5	$ 239.2
Adult Public Assistance	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
Total	**$ 54.5**	**$ 92.9**	**($ 66.7)**	**($ 186.1)**	**($ 299.9)**	**($ 410.1)**

Source: Dept. of Health and Social Services, Divisions of Public Assistance and Medical Assistance, Fiscal Notes dated November 13, 1997.

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230 South Franklin
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Juneau, AK 99801
(907) 586-1627
FAX (907) 586-1066

March 9, 1998

MEDICAID BUY-IN
TO HELP DISABLED WORKERS GET BACK TO WORK

PROBLEM:

- ***A significant hurdle to re-employment of the disabled***: obtaining adequate health insurance coverage

- ***Forced into a cycle of dependency:*** Some disabled have high monthly medical expenses, such as organ transplant recipients who take immunosuppressant medications. Working, under current law, may cause a disabled person to lose Medicaid or Medicare. Without adequate private health insurance, these persons are better off receiving a disability check and *not* working rather than working with inadequate health insurance

- In 1997 ***Congress passed a law to help disabled persons get back to work***: Section 4733 of the Balanced Budget Act of 1997 provides a state option to permit workers with disabilities to buy into Medicaid. Alaska can now choose an option for Medicaid on a sliding fee scale for disabled workers – its up to the Legislature to exercise the option

SOLUTION:

- ***Alaska should exercise the Medicaid Buy-In Option***: a disabled worker pays part of the Medicaid cost on a sliding fee scale with eligibility limited to 250% of the federal poverty thresholds

- ***HB 459 implements the state's option***: HB 459 will make Alaska one of the first states to exercise this option and send a strong signal of support for employment of disabled workers. A similar bill proposed by the Knowles Administration projected ***net savings in four years*** based on reduced Adult Public Assistance payments for the disabled re-entering the work force[1].

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SYSTEMS

[1] Source: Fiscal Notes for Medicaid Facilities, Medicaid Non-Facilities, Adult Public Assistance, and Health Purchasing Group components, Medical Assistance BRU, Dept. of Health and Social Services (dated Nov. 13, 1997), for HB 348 SB 253.

March 9, 1998

ANALYSIS OF HB 459

Introduction

Disabled persons seeking to re-enter the work force sometimes face a hurdle to re-employment. Those who have high monthly medical costs, or are medically fragile, need adequate medical insurance to pay their medical bills, and to provide a safety net if their medical condition worsens while they are employed. Many disabled persons are prevented by their disability from engaging in the same type of job as they did before becoming disabled. Typically, on re-entry to the work force, they may be compelled to choose low-skill, entry-level positions or part-time employment. Characteristic of these types of jobs is low pay and inadequate health insurance benefits, or no health insurance at all.

Federal law permits certain recipients of Supplemental Security Income (SSI) to continue to receive Medicaid after they have gone back to work, if they can demonstrate (1) that their earnings are insufficient to provide the reasonable equivalent of Medicaid, and (2) that termination of Medicaid benefits would seriously inhibit their ability to continue employment. This program is referred to as the Section 1619 program, in reference to the section of the Social Security Act that provides the benefit. The statute creating the program is codified at 42 United States Code § 1382h.

Section 4733 of the Balanced Budget Act of 1997 permits states to exercise the option to expand the class of disabled person who can work while continuing to receive Medicaid. This section permits a state to provide Medicaid to disabled individuals so long as they are working, so long as their family income does not exceed 250% of the federal poverty thresholds, and so long as they contribute towards the Medicaid program by paying premiums or charges on a sliding scale according to their income. The federal act gives the State discretion to determine the sliding scale.

HB 459 if adopted would exercise the option of Section 4733 of Public Law No. 105-33.

Sectional Analysis

Section 1: Under state law, addition of further categories of persons eligible for Medicaid may occur only by legislative revision of AS 47.07.020. See AS 47.07.020(d). This section of the bill amends AS 47.07.020(b) to add disabled workers, subject to the eligibility criteria, to the list of persons who may receive Medicaid.

Section 2: Because of limits in appropriations from year to year, the Legislature is not able to fund all services for all persons who may be eligible for medical assistance, including Medicaid. It is necessary to create a priority in allocation of appropriated funds to guide the Department of Health and Social Services (Department). AS 47.07.035 accomplishes this. This section of the bill amends AS 47.07.035 to place the category of disabled workers eligible for benefits under

the bill thirty-second on the priority list, meaning that disabled workers would be the last to lose Medicaid benefits during periods of limited funding.

Section 3: This section contains a transitional provision that directs the Department to provide this benefit to disabled workers immediately upon the effective date that the bill becomes law prior to the adoption of regulations to implement the act.

Section 4: This section directs the Department to adopt regulations to implement the option, with a deadline for adoption of regulations of July 1, 1999. Because the Department's regulations are to provide a sliding fee scale that is reflective of need, workers who receive health insurance benefits from a private insurance program might reasonably be required to demonstrate their need for additional coverage under the Medicaid program. For example, a new employee with a probationary period before private health insurance benefits begin, who also must satisfy a one-year period of non-coverage for a pre-existing medical condition, would benefit from receiving Medicaid coverage under the bill until his or her private medical insurance began to apply. The bill gives the Department discretion in establishing this program to adopt regulations that are reflective of need, subject however that the regulations should not be so restrictive as to frustrate the purpose for which the option is provided. Thus a worker should not be made ineligible for the benefit just because the worker has health insurance through employment, if the worker can demonstrate need because of limitations or exemptions in the private insurance policy, unusually high regular medical expenses or other inadequacy in the private health insurance benefits received.

JUNEAU
230 South Franklin
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Juneau, AK 99801
(907) 586-1627
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March 9, 1998

By hand delivery

Patricia Swenson
Office of Hon. Con Bunde
Alaska State Legislature
State Capitol, Room 104
Juneau, AK 99801

Re: **HB 459: Medicaid Buy-In for Disabled Workers**

Dear Patricia:

Enclosed please find my legal analysis of HB 459. I also include a copy of a November 24, 1997 letter from Sally Richardson, Director, Center for Medicaid and State Operations, Health Care Finance Administration (HCFA), to State Medicaid Directors. This letter, obtained at HCFA's website, contains some explanation of the effect of the state exercising this option provided by the federal Balanced Budget Act of 1997. I also enclose an excerpt of the H.R. Conference Report No. 105-217, the conference report for H.R. 2015 that became the Balanced Budget Act of 1997. At page 882-883 of the conference report, the purpose for Section 4733, the State Option to Permit Workers with Disabilities to Buy into Medicaid, is discussed. These materials are useful for legislative history purposes, and I suggest they be included in the committee's file on the bill.

What is clear from these materials is that to be eligible for the buy-in option, a disabled person must be an Supplemental Security Income (SSI) recipient. Some disabled persons receive only SSI, some receive a combination of SSI and Social Security Disability Insurance (SSDI), and some disabled persons receive only SSDI. I am concerned with the latter category of persons, who because of their vigorous work history receive SSDI benefits high enough to make them ineligible for SSI.

Under current law, it is possible for an SSDI-only recipient to become eligible for SSI by placing a portion of their SSDI benefit in trust, and therefore these individuals could also benefit from HB 459 with careful benefits management. However, that process can be unwieldy and I would like to continue discussion of more direct ways to solve the problem for this narrow class of disabled workers.

Very truly yours,

Robert B. Briggs

Robert B. Briggs
Staff attorney

MEMBER·OF·THE NATIONAL ASSOCIATION·OF PROTECTION·& ADVOCACY SYSTEMS

ADDITIONAL INFORMATION

November 24, 1997

Dear State Medicaid Director:

This letter is one of a series that provides guidance on the implementation of the Balanced Budget Act.

We are writing to provide you information on section 4733 of the Balanced Budget Act of 1997 (BBA), which is designed to provide Medicaid eligibility to disabled working individuals who, because of relatively high earnings, cannot qualify for Medicaid under one of the other statutory provisions under which disabled working individuals may be eligible for medical assistance.

While Medicaid is designed primarily to cover individuals with limited income and resources, current law provides for continued Medicaid coverage for working disabled individuals with incomes above the normal income standards. Specifically, under

> Section 1619(a) of the Social Security Act, individuals can continue to receive Supplemental Security Income (SSI) and Medicaid even if their earned income exceeds the "substantial gainful activity" (SGA) limit of $500 a month; and
>
> Sections 1619(b) and 1905(q) of the Social Security Act, individuals whose earned income exceeds the maximum amount that will permit payment of an SSI benefit can still receive Medicaid (but not SSI) if they continue to be disabled, meet all other non-disability SSI requirements except for earned income, need Medicaid to continue working, and do not have sufficient income to replace the value of the SSI benefits and the Medicaid benefits they would lose. The amount of income this represents varies from State to State and year to year, but is much higher than the income standards normally applied to Medicaid. The range is from about $12,000 to over $32,000 a year. However, individualized calculations can be made in certain instances.

While many persons with disabilities fall within the income levels for eligibility under one of the programs described above, more persons with disabilities may increase their earnings or consider returning to work if they are assured of continued Medicaid coverage beyond the 1619(b) maximums. Because they are disabled and usually have high medical expenses, and often use long-term support services available under Medicaid, they often do not have access to private health insurance coverage, whether through an employer or direct purchase from an insurer. Without access to private health insurance or Medicaid, these individuals, who are estimated to number very few, often cannot afford to pay for their medical care. Under this circumstance, their only alternative may be to stop working, or reduce their work effort, thus reducing their income to a point where they again become eligible for Medicaid.

Section 4733 of BBA allows States to provide Medicaid to these individuals by creating a new optional categorically needy eligibility group. If a State chooses to cover this group, individuals can become eligible for Medicaid if:

> they are in a family whose income is less than 250 percent of the federal poverty level for a family of the size involved; and
> except for their earned income, they would be considered to be receiving SSI benefits.

Section 4733 also provides that States can require individuals to pay such premiums or other cost-sharing charges, set on a sliding scale based on income, as the State may determine. The amount of the premium or other cost-sharing to be paid, if any, is entirely within each State's discretion. Section 4733 does not require a premium or cost-sharing charges.

This provision is now in effect. We are developing a State Medicaid Manual instruction related to coverage of this group. States wishing to cover this group should submit a Medicaid State Plan

amendment so indicating to their HCFA Regional Office. The amendment should indicate that the State covers this optional categorically needy group and the effective date of the amendment, and should include information on the premiums and cost-sharing charges the State plans to impose.

Enclosed is an explanation of how eligibility is determined for this group.

Any questions about this provision or this letter should be directed to Roy Trudel of my staff at (410) 786-3417.

Sincerely, Sally K. Richardson
Director
Center for Medicaid and State Operations

Enclosure

cc:
All HCFA Regional Administrators

All HCFA Associate Regional Administrators for Medicaid and State Operations

Lee Partridge
American Public Welfare Association

Joy Wilson
National Conference of State Legislatures

Jennifer Baxendell
National Governors' Association

bcc:
CMSO Senior Staff

Enclosure

Determining Eligibility for Individuals Under Section 4733 of BBA

The eligibility determination for individuals in this group is essentially a sequential two-step process.

1. 1. The first step is a gross income test, based on the family's total combined income, including all earnings. The family's total combined income must be less than 250 percent of the federal poverty level for a family of the size involved. Family income is determined without deductions or exemptions, except for types of income generally excluded under laws other than the Social Security Act; e.g., Agent Orange payments, certain reparations payments, various payments to Native Americans, etc. If the family's income is equal to or exceeds 250 percent of the appropriate poverty level, the individual is not eligible for Medicaid under this provision.

   It is up to the State to determine what constitutes a "family" in the context of this provision.

2. Assuming the individual has met the gross income test, the second step is a determination of whether he or she meets the disability, assets, and unearned income standards to receive an SSI benefit. Income of other family members used in Step 1 is not included (unless the individual has an ineligible spouse whose income is subject to the SSI deeming rules). To be eligible under this provision, the individual must meet all SSI eligibility criteria (including categorical requirements).

   SSI methodologies are used in making this determination except that all earned income received by the individual is disregarded. The individual's countable unearned income (e.g., title II

disability benefits) must be less than the SSI income standard (in 1997, $484 for an individual). If unearned income equals or exceeds the SSI income standard, the individual is not eligible for Medicaid under this provision.

The individual's countable resources must be equal to or less than the SSI resource standard ($2,000 for an individual).

There is no requirement that the individual must at one time have been an SSI recipient to be eligible under this provision. However, if the individual was not an SSI recipient, you must do a disability determination to ensure that the individual would meet the eligibility requirements for SSI.

Return to Medicaid Policies Under the Balanced Budget Act of 1997 Page

Last Updated December 3, 1997

105TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
105–217

BALANCED BUDGET ACT OF 1997

CONFERENCE REPORT

TO ACCOMPANY

H.R. 2015

JULY 30, (legislative day of JULY 29), 1997.—Ordered to be printed

11263-5

twice the number of Medicare beneficiaries with incomes between 120% and 135% of poverty, relative to the sum for all eligible states. Total amounts available for allocations are $200 million for FY 1998, $250 million for FY 1999, $300 million for FY 2000, $350 million for FY 2001, and $400 million for FY 2002. The FMAP for each participating state would be 100% up to the state's allocation. If a state exceeded its allocation, the FMAP would be zero.

A state would permit all qualifying individuals to apply for assistance during a calendar year and select qualifying individuals in the order in which they apply, limiting the number selected so that the state's allocation would not be exceeded. An individual selected for assistance for a month would be entitled to receive assistance for the remainder of the year so long as the individual continued to be a qualifying individual. However, an individual selected to receive assistance at any time during a year would not be entitled to continued assistance for any succeeding year. It is the Conferees' expectation that States will budget the capped funds received under this section to ensure payment for the full year for qualifying individuals selected for, and therefore entitled to, premium assistance.

State Option To Permit Workers with Disabilities To Buy Into Medicaid

Section 5731 of Senate amendment

CURRENT LAW

States must continue Medicaid coverage for "qualified severely impaired individuals under the age of 65." These are disabled and blind individuals whose earnings reach or exceed the SSI benefit standard. (The current law threshold for earnings is $1,053 per month.) This special eligibility status applies as long as the individual (1) continues to be blind or have a disabling impairment; (2) except for earnings, continues to meet all the other requirements for SSI eligibility; (3) would be seriously inhibited from continuing or obtaining employment if Medicaid eligibility were to end; and (4) has earnings that are not sufficient to provide a reasonable equivalent of benefits from SSI, state supplementary payments (if provided), Medicaid, and publicly funded attendant care that would have been available in the absence of those earnings. To implement the fourth criterion, the Social Security Administration compares the individual's gross earnings to a "threshold" amount that represents average expenditures for Medicaid benefits for disabled SSI cash recipients in the individual's state of residence.

HOUSE BILL

No provision.

SENATE AMENDMENT

Provides states the option of allowing disabled SSI beneficiaries with incomes up to 250% of poverty to "buy into" Medicaid by paying a premium. Premium levels are on a sliding scale, based on the individual's income as determined by the State.

Effective on and after October 1, 1997.

CONFERENCE AGREEMENT

The conference agreement includes the Senate amendment.

PENALTY FOR FRAUDULENT ELIGIBILITY

Section 3423 of House bill and Section 5755 of Senate amendment

CURRENT LAW

A person who knowingly and willfully disposes of assets, including transfers to certain trusts, in order to obtain Medicaid eligibility for nursing home care is liable for a criminal fine and/or imprisonment, if the disposition of assets results in a period of ineligibility for such Medicaid benefits.

HOUSE BILL

Specifies that a person who, for a fee, assists an individual to dispose of assets in order to obtain Medicaid eligibility for nursing home care, would be subject to criminal liability if the individual disposes of assets and a period of ineligibility is imposed against such individual.

Effective on date of enactment.

SENATE AMENDMENT

Identical provision.

CONFERENCE AGREEMENT

The conference agreement includes provisions that are identical in the House bill and the Senate amendment.

TREATMENT OF CERTAIN SETTLEMENT PAYMENTS

Section 3424 of House bill

CURRENT LAW

Under a recent class settlement, four manufacturers of blood plasma products will pay $100,000 to each of 6,200 hemophilia patients who are infected with human immunodeficiency virus (HIV). Some of the HIV-infected patients are receiving or may apply for, Medicaid benefits. The am unt of the settlement would exceed the income and resource limits for Medicaid eligibility.

HOUSE BILL

Specifies that payments made from the specified settlement shall not be considered income or resources in determining Medicaid eligibility, or the amount of benefits under Medicaid.

SENATE AMENDMENT

No provision.

CONFERENCE AGREEMENT

The conference agreement includes the House provision with technical modifications. Conferees do not consider this provision to set precedent for future class settlements.

THE HHS POVERTY GUIDELINES:

One Version of the [U.S.] Federal Poverty Measure

There are two slightly different versions of the federal poverty measure:

> the poverty thresholds; and
> the poverty guidelines.

The **poverty thresholds** are the original version of the federal poverty measure. They are updated each year by the Census Bureau (although they were originally developed by Mollie Orshansky of the Social Security Administration). The thresholds are used mainly for *statistical* purposes--for instance, preparing estimates of the number of Americans in poverty each year.

The **poverty guidelines** are the other version of the federal poverty measure. They are issued each year in the *Federal Register* by the Department of Health and Human Services (HHS). The guidelines are a simplification of the poverty thresholds for administrative purposes--for instance, determining financial eligibility for certain federal programs. (The full text of the *Federal Register* notice with the 1996 guidelines is available here.

1996 HHS Poverty Guidelines

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	$ 7,740	$ 9,660	$ 8,910
2	10,360	12,940	11,920
3	12,980	16,220	14,930
4	15,600	19,500	17,940
5	18,220	22,780	20,950
6	20,840	26,060	23,960
7	23,460	29,340	26,970
8	26,080	32,620	29,980
For each additional person, add	2,620	3,280	3,010

SOURCE: Federal Register, Vol. 61, No. 43, March 4, 1996, pp. 8286-8288.

(The separate poverty guidelines for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. Note that the poverty thresholds-- the original version of the poverty measure-- have never have never had separate figures for Alaska and Hawaii.)

Programs using the guidelines (or percentage multiples of the guidelines--for instance, 130 percent of the guidelines) in determining eligibility include Head Start, the Food Stamp Program, the National School Lunch Program, and the Low-Income Home Energy Assistance Program. Note that in general, public assistance programs (Aid to Families with Dependent Children and Supplemental Security Income) do NOT use the poverty guidelines in determining eligibility.

The poverty guidelines (unlike the poverty thresholds) are designated by the year in which they are issued. For instance, the guidelines issued in March 1996 are designated as the 1996 poverty guidelines. However, the 1996 HHS poverty guidelines only reflect price changes through calendar year 1995; accordingly, they are approximately equal to the Census Bureau poverty thresholds for calendar year 1995. (The 1995 thresholds should be issued in final form in September or October 1996; a preliminary version of the 1995 thresholds is available now from the Census Bureau.)

The poverty guidelines are sometimes loosely referred to as the "federal poverty level," but that term is

ambiguous, and should be avoided in situations, (e.g., legislative or administrative) where precision is important.

Poverty guidelines for recent years for the 48 contiguous states and the District of Columbia can be calculated by addition using the figures shown below:

Year	First Person	Each Additional Person	(Four-Person Family)
1990	$6,280	$2,140	($12,700)
1991	6,620	2,260	(13,400)
1992	6,810	2,380	(13,950)
1993	6,970	2,460	(14,350)
1994	7,360	2,480	(14,800)
1995	7,470	2,560	(15,150)
1996	7,740	2,620	(15,600)

Note that this simple calculation procedure does NOT reflect the procedure by which the poverty thresholds were originally developed or the procedure by which the poverty guidelines are calculated from the poverty thresholds each year.

FOR FURTHER INFORMATION:

For information about how the poverty guidelines are used in a particular program, contact the federal (or other) office which is responsible for that program.

For general information about the poverty guidelines (but NOT for information about how they are used in a particular program), see Gordon M. Fisher, "Poverty Guidelines for 1992" [a background paper on the poverty guidelines], *Social Security Bulletin*, Vol. 55, No. 1, Spring 1992, pp. 43-46; or contact Gordon Fisher, Office of the Assistant Secretary for Planning and Evaluation, Room 438F, Humphrey Building, U.S. Department of Health and Human Services, 200 Independence Avenue, S.W., Washington, D.C. 20201--telephone: (202)690-6141; internet address: gfisher@osaspe.dhhs.gov

For information about the number of persons in poverty or for general information about the Census Bureau (statistical) poverty thresholds, contact the Income, Poverty, and Labor Force Information Staff, HHES Division, Room 416, Iverson Mall, U.S. Bureau of the Census, Washington, D.C. 20233--telephone: (301)763-8578; internet address: hhes-info@census.gov

For historical tables showing the poverty thresholds back to 1959 and the poverty guidelines back to 1965, see Tables 3.E1 (poverty thresholds) and 3.E8 (poverty guidelines) in the most recent *Annual Statistical Supplement* of the *Social Security Bulletin*.

For information about how Mollie Orshansky developed the poverty thresholds during the 1960's, see Gordon M. Fisher, "The Development and History of the Poverty Thresholds," *Social Security Bulletin*, Vol. 55, No. 4, Winter 1992, pp. 3-14. (For the 75-page unpublished paper from which this article was condensed, contact Gordon Fisher at the address given above.)

For historical information about unofficial poverty lines in the United States between 1904 and 1965, contact Gordon Fisher at the above address. (A 75-page paper and a 6-page summary are available.)

For historical information about the income elasticity of the poverty line--the tendency of poverty lines to rise in real terms over time as the real income of the general population rises--contact Gordon Fisher at the above address. (A 78-page paper and a 9-page summary are available; they assemble historical evidence from the U.S., Britain, Canada, and Australia.)

previous: Section 10. Purpose.
next: Section 25. Assignment of Medical Support Rights.

AS 47.07.020. Eligible Persons.

(a) All residents of the state for whom the Social Security Act requires Medicaid coverage are eligible to receive medical assistance under 42 U.S.C. 1396 - 1396p (Title XIX, Social Security Act).

(b) In addition to the persons specified in (a) of this section, the following optional groups of persons for whom the state may claim federal financial participation are eligible for medical assistance:

(1) [See delayed amendment note]. persons eligible for but not receiving assistance under any plan of the state approved under 42 U.S.C. 601 - 615 (Title IV-A, Social Security Act, Aid to Families with Dependent Children) or 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental Security Income);

(2) persons in a general hospital, skilled nursing facility, or intermediate care facility, who, if they left the facility, would be eligible for assistance under one of the federal programs specified in (1) of this subsection;

(3) persons under age 21 who are under supervision of the department, for whom maintenance is being paid in whole or in part from public funds, and who are in foster homes or private child-care institutions;

(4) aged, blind, or disabled persons, who, because they do not meet income and resources requirements, do not receive supplemental security income under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act), and who do not receive a mandatory state supplement, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility to receive an optional state supplementary payment;

(5) [See delayed amendment note]. persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal aid to families with dependent children program;

(6) persons in a medical or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act) but who would not be eligible for an optional state supplementary payment if they left the hospital or other facility;

(7) [See delayed amendment note]. persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of 42 U.S.C. 601 - 615 (Title IV-A, Social Security Act, Aid to Families with Dependent Children);

(8) [See delayed amendment note]. persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

(9) [See delayed amendment note]. pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal aid to families with dependent children program;

(10) persons under age 21 not covered under (a) of this section who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 - 25.23.220;

(11) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title XIX, Social Security Act, Medical Assistance) to be individuals with respect to whom a supplemental security income is being paid under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act) because they meet all of the following criteria:

(A) they are 18 years of age or younger and qualify as disabled individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

(B) the department has determined that

(i) they require a level of care provided in a hospital, nursing facility, or intermediate care facility for the mentally retarded;

(ii) it is appropriate to provide their care outside of an institution; and

(iii) the estimated amount that would be spent for medical assistance for their individual care outside an institution is not greater than the estimated amount that would otherwise be expended individually for medical assistance within an appropriate institution;

(C) if they were in a medical institution, they would be eligible for medical assistance under other provisions of this chapter; and

(D) home and community-based services under a waiver approved by the federal government are either not available to them under this chapter or would be inappropriate for them.

(c) Receipt of medical assistance under this chapter is considered to be an additional benefit to these individuals and does not affect other assistance payments, federal or state, for which the recipient is eligible.

(d) Additional groups may not be added unless approved by the legislature.

(e) Notwithstanding (b)(4) of this section, a person is not eligible for Medicaid benefits until a final determination is made on the eligibility of that person for benefits under 42 U.S.C. 1381 - 1383c (Title XVI, Social Security Act).

(f) A person may not be denied eligibility for medical assistance under this chapter on the basis of a diversion of income, whether by assignment or after receipt of the income, into a Medicaid-qualifying trust that, according to a determination made by the department,

(1) has provisions that require that the state will receive all of the trust assets remaining at the death of the individual, subject to a maximum amount that equals the total medical assistance paid on behalf of the individual; and

(2) otherwise meets the requirements of 42 U.S.C. 1396p(d)(4).

(g) A person's eligibility for medical assistance under this chapter may not be denied or delayed on the basis of a transfer of assets for less than fair market value if the person establishes to the satisfaction of the department that the denial or delay would work an undue hardship on the person as determined on the basis of criteria in applicable federal regulations.

Fiscal Note Summary for HB 459

The Federal Balanced Budget Act of 1997 (P.L. 105-33) established a new optional Medicaid eligibility category for disabled persons who would be eligible for SSI and Medicaid, except that their earned income exceeds the limits for SSI and their family's earned income is below 250% of the federal poverty level for Alaska. States may impose a requirement that disabled workers pay a "buy-in" charge. This bill would elect this optional eligibility category for Alaska.

We believe that the only individuals who will take advantage of this new eligibility category will be existing SSI or APA applicants who would otherwise lose Medicaid because of their own increased earnings. We do not anticipate individuals using this new eligibility category to access Medicaid for the first time. Consequently, this option will not result in an in increase in new Medicaid cases, but will only have the effect of extending the Medicaid eligibility of existing recipients for about one year.

Some who return to work will be able to access employer-based private health insurance.

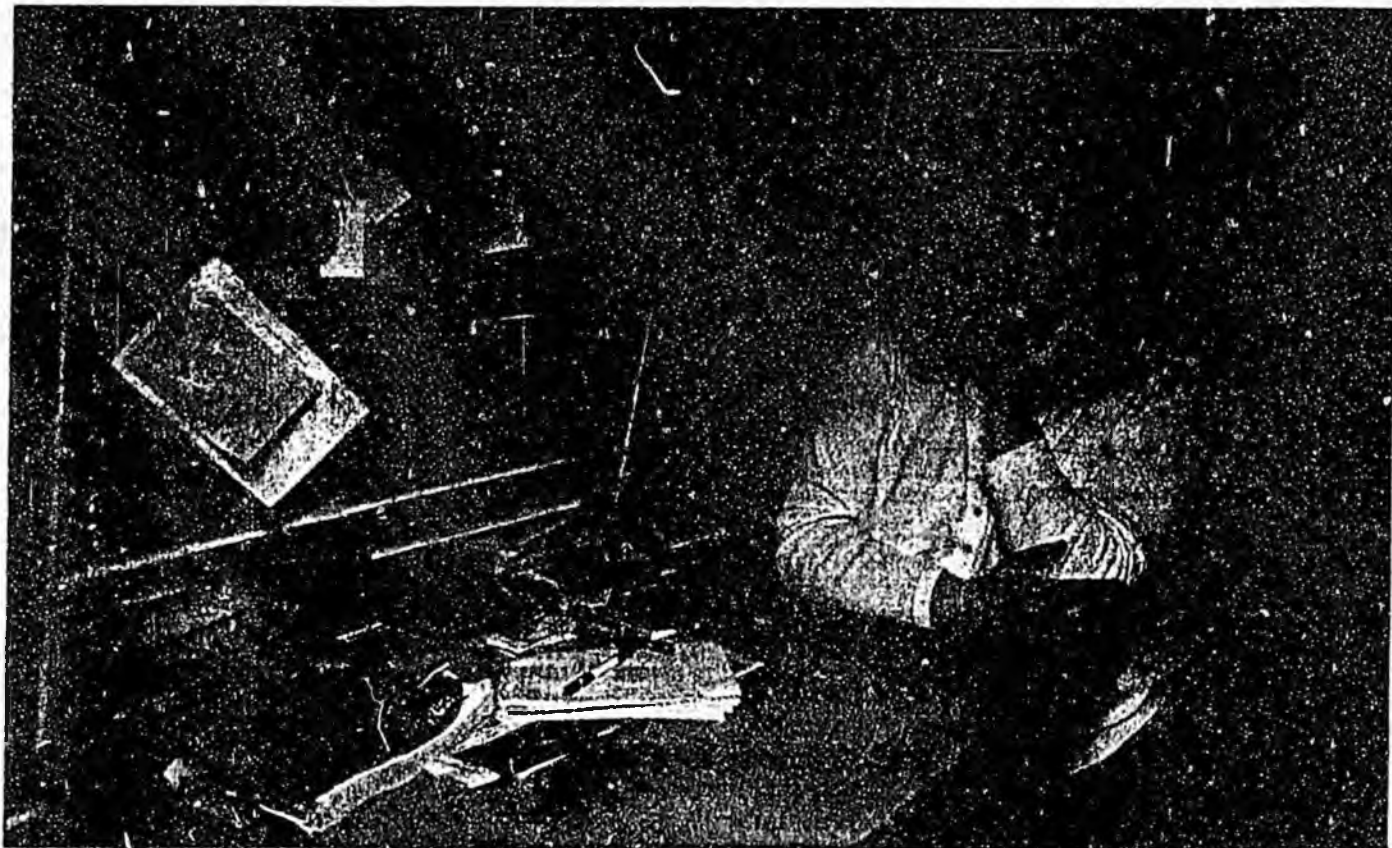
The cost of providing additional Medicaid expenditures under this bill is more than offset by the savings incurred when individuals who return to work or extend their hours will not longer need (or qualify for) Adult Public Assistance cash payments. Nominal revenue would be received through the collection of "buy-in" charges.

See fiscal notes for more explanation.

COST/SAVINGS SUMMERY	FY99	FY00	FY01	FY02	FY03	FY04
Continued Medicaid	83.5	283.4	242.3	241.6	240.5	239.2
Computer Programming	4.0	0.0	0.0	0.0	0.0	0.0
Savings from APA reductions	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
Net Program Expenditures	**54.5**	**92.9**	**(68.7)**	**(186.1)**	**(299.9)**	**(410.1)**
Less Revenue from Buy-in Charge	(3.1)	(10.1)	(8.4)	(8.1)	(7.9)	(7.5)
NET COST/SAVINGS	**51.4**	**82.8**	**(77.1)**	**(194.2)**	**(307.8)**	**(417.6)**

FUNDING SOURCES	FY99	FY00	FY01	FY02	FY03	FY04
Federal Receipts	52.0	169.4	144.8	144.5	143.8	143.1
GF Match	32.4	103.9	89.1	89.0	88.8	88.6
GF	(33.0)	(190.5)	(311.0)	(427.7)	(540.4)	(649.3)
GF/Program Receipts	3.1	10.1	8.4	8.1	7.9	7.5
TOTAL	**54.5**	**92.9**	**(68.7)**	**(186.1)**	**(299.9)**	**(410.1)**

U EMPIRE
of Alaska's Capital City' $1.25



MICHAEL PENN / THE JUNEAU EMPIRE

Problem solved: Dawn Pedersen sits at the table of her current home, a 21-foot sailboat in Aurora Harbor. Pedersen has found help at the Capitol with trying to pay for her medical expenses without resorting to welfare.

Jobs that make a difference

■ *Legislators and their staff can – and sometimes do – have a positive impact on people's lives*

By MARY LOU GERBI
THE JUNEAU EMPIRE

Dawn Pedersen needed help with her medical problems, but nobody seemed to care.

In desperation, she wrote letters to Juneau Sen. Jim Duncan, Juneau Reps. Kim Elton and Bill Hudson and Alaska Gov. Tony Knowles.

Pedersen began by meeting with Melinda Hofstad, Hudson's chief of staff. Although Hudson was out of town, Hofstad got the ball rolling.

"Melinda was right on it," she said. "She supported me and thanked me for not giving up. Within two hours, letters from Elton, Duncan and (Department of Health and Social Services Commissioner) Karen Perdue were written in my behalf to Gov. Knowles."

Legislators and their staff can – and sometimes do – have a positive impact on people's lives.

Pedersen's problems began five years ago when she discovered she needed a liver transplant. At the Mayo Clinic, doctors determined she had Budd-khairi, a blood clot in the drainage of the liver caused by Lupus, an autoimmune system disease that damages internal organs.

At the time, she was a seasonal employee with Icicle Seafoods in Petersburg, where she'd worked since 1988. She missed the 1993 season for her liver transplant.

"I was so lucky to be working with them," she said. "I think they're the only Alaskan seafood company with insurance for their seasonal employees."

Hired full time at Juneau's Taku Smokeries in January 1997, Pedersen hoped she could pay for her medical expenses working year 'round; however, she didn't realize she would lose her insurance. In addition to being kicked off Medicaid and Medicare, she also lost the option to pay for insurance from her previous part-time job at Icicle Seafoods. And because she had a pre-existing condition, the liver transplant, she couldn't get insurance through her new job for a year.

"It all came down on me by April 1997," she said. "I had to endure my own medical expenses, over $968 per month."

"Health care is a human right," said Roxanne Stewart, chief of staff for Duncan. "I don't think anybody should worry about getting it when they need it. Our health-care system is so inefficient, and our insurance lobbies are so strong."

Pedersen will always need medical assistance. Her liver is a foreign object in her body; her immune system will always try to suppress it, so she needs medication and monthly blood tests to monitor her body's reaction.

But she didn't want to be on welfare.

"I'd been on disability, but I'm still young. I don't want to sit on my butt the rest of my life," said the 30-year-old. "Getting back to work is important to me."

After striking out at the Public Assistance Office, she met Martha Stracener, supportive work director for REACH, a Juneau-based nonprofit organization. Stracener helped her reapply for Medicaid. Bob Briggs from the Disability Law Center agreed to take her case.

She borrowed money from St. Vincent de Paul, a social-service group, and waited while her request was kicked up to a judge, which took another 90 days.

"I need help now," she said.

On her birthday, Sept. 17, her claim was denied as a non-work-related expense.

"Meantime, I'm floundering, paying everything I make for medicine and charging up my credit card just to eat," she said. "I have nothing. I live on a 21-foot boat, smaller than

Please turn to Legislators, Page A10

DAWN PEDERSON

Salm

next step

er, is one of the few who submitted written comments.

She is at an advantage, she said, because she has a teaching certificate and understands the "dense, compact format" in which curriculum is written.

Many parents don't, she said. "I guess it's a mismatch of communication formats."

"The only thing I could comment on is I didn't understand it," said Dzantik'i Heeni Middle pending on public input, Rubadeau said.

The real comment period may come over the next few years, though, as the standards are phased in. If it's apparent there are problems once they're put in practice, Rue said, the board can make changes.

"I think the important thing is getting standards established," Schorr said, "and then you can fine-tune them down the road."

pointed to their professional background.

Abel said his experience in pri-

tive candidat race, and I r the moderate

Legislators...

Continued from Page A1

most people's bathrooms. By November, with no assistance, it was easier not to take the medicine."

It seemed like it was better to quit her job and go on welfare. She could get housing with Section 8 assistance and go to school.

"No one seemed to see the benefits of continuing work versus going on permanent disability," she said. "I'm disillusioned by the whole system. Those programs are supposed to be here to help, but when I told my story, it fell on deaf ears. Everybody sympathized, but nobody had authority to do anything."

Dianne Lindback in Rep. Elton's office said the constituent came in late in the game in the fall. She needed temporary medical assistance until her new insurance kicked in.

"Sometimes the government seems to be shooting itself in the foot," Lindback said. "Here was an admirable person, working hard, not wanting to take money unless her life depended on it."

It did.

Working together, Hofstad, Lindback and Stewart talked to Perdue of the Health and Social Services Department, but the federal and state guidelines were rigid, so they searched for alternate programs.

Legislative staffers found a program, administered by Mental Health, which pays for the medication and helps with some of the medical bills at Bartlett Regional Hospital and the Mayo Clinic. They also found help for Pedersen's phone and electricity bills.

"Sometimes the government seems to be shooting itself in the foot. Here was an admirable person, working hard, not wanting to take money unless her life depended on it.

Dianne Lindback"

In March, Taku Smokeries' insurance program will pay for 80 percent of the medical bills.

"If I persevere, it still won't be easy street," she said. "I'm never going to have a nice house or some of the things people take for granted. I'll always have medical bills."

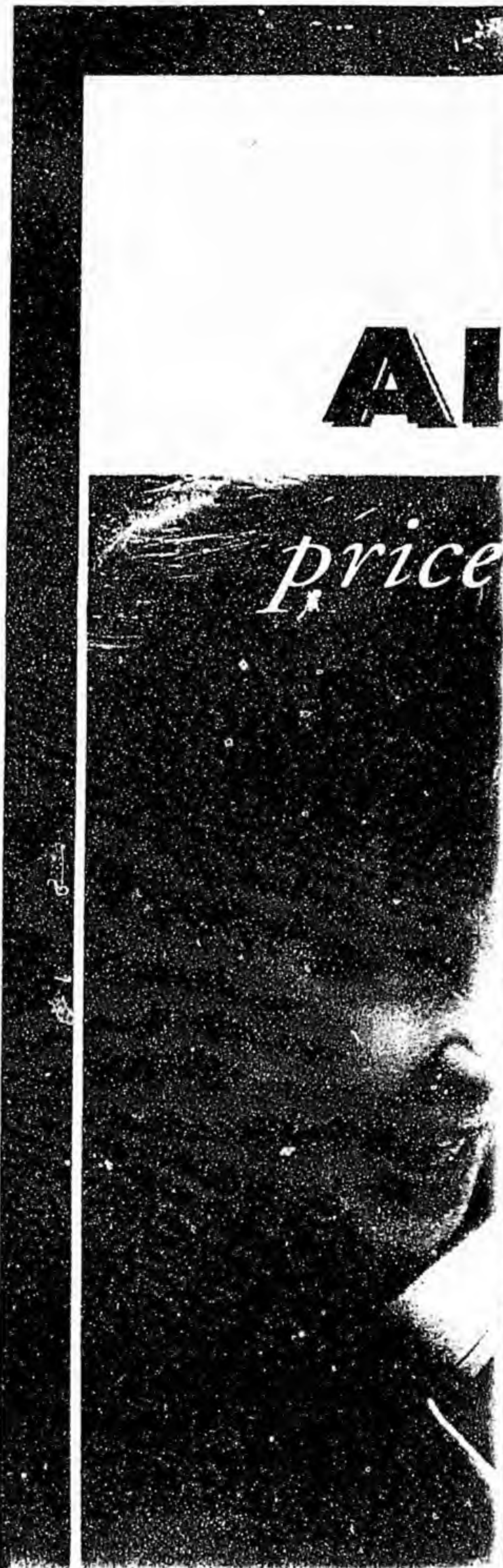
Now Pedersen is interested in getting a bill through the Legislature she hopes Knowles will introduce that would help people in her situation with expenses. She's concerned about politics, however.

"I'm worried about the Republicans defeating my bill because it was introduced by a Democratic governor," she said. "I'll be caught in the middle."

Pedersen considers herself fortunate.

"I've been given the gift of life," she said. "I got an organ donation. I'm not in a wheelchair and I have all my mental capacities. I just got bogged down in financial problems. The advocate, my lawyer and those secretaries – where would I be without them? I'd probably be in the hospital right now."

Salmon...



TEMPORARY ASSISTANCE FOR DAWN PEDERSEN

- Dawn Pedersen has worked all her adult life in the fishing industry. She is now 30 years old. She was diagnosed with lupus erythematosus, an autoimmune disease which eventually destroyed her liver. She received a liver transplant and now must take immunosupressant medications, have blood drawn and analyzed once a month, and go for a yearly checkup at the Mayo Clinic. Her medical expenses are $1,100/mo.

- Dawn was able to go back to work full-time in January 1997. She now earns approximately $1600 a month as a payroll clerk for Taku Smokeries. She gets medical benefits, but they won't pay her expenses for her pre-existing condition until July 1998. Even when her medical insurance does kick in, it won't cover her major expense for immunosuppressant medication ($900 per month).

- If Dawn had never worked before she became disabled, she would have received Supplemental Security Income (SSI). Instead, she received Social Security Disability Insurance (SSDI) benefits.

- There is a program for disabled people who are on SSI and who want to go to work. This work incentive program, called the **Section 1619(b)** program, essentially disregards the income of low- and moderate-income disabled people who are medically indigent – and gives them Medicaid. This program allows disabled people with inadequate income and medical insurance to work – Medicaid provides coverage for their medical expenses, they are productive, and live on their earnings.

- Dawn is not eligible for the 1619(b) program, precisely because of her vigorous work history before she became disabled. She was never eligible for SSI. Essentially, Congress created a system where people ***who have never worked before*** and get SSI, can go to work and still be eligible for Medicaid if they need it. But people like Dawn, ***who become disabled after establishing a work history***, can't go back to work and also get Medicaid – even if they are just as medically indigent – because they've never been eligible for SSI.

- To solve this inequity, in 1997 Congress enacted Section 4733 of Pub. L. No. 105-33, by which states may exercise the option to offer Medicaid on a sliding fee scale to people like Dawn. The Alaska Legislature has to decide to implement this option. AS 47.07.020(d).

- In the short-term, however, the Alaska Department of Health and Social Services has authority to give temporary, discretionary relief to needy individuals. AS 47.25.250, .252. Dawn's situation demonstrates her need for this temporary, discretionary relief until a system-wide solution to the inequity of Dawn's situation can be reached.

HCR

4

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HCR 4

Revision Date:
Title: Relating to records generated and maintained by the Department of Health and Social Services
Sponsor: Rep. Kelly
Requestor: House (HES)

Dept. Affected: Health and Social Services
BRU: Family and Youth Services
Component: DFYS Central Office
COMPONENT SERIAL NO. 259
See also (SN#): 252,253,255,258,264,2134

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGES IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

Fund Source	FY98	FY99	FY00	FY01	FY02	FY03
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Positions	FY98	FY99	FY00	FY01	FY02	FY03
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: $0.0

ANALYSIS: (Attach a separate page if necessary)

This resolution as currently drafted has no fiscal impact on the department because the Division of Family and Youth Services already maintains separate records for CINA and delinquency cases, even when such cases pertain to the same minor. However, we are aware that the sponsor's intent is to ask the administration to make whatever changes are required to allow for some public disclosure of juvenile records, and the financial impact of that action is outlined below.

The Division of Family and Youth Services currently receives approximately $7.5 M in federal funds as reimbursement for foster care and administrative services provided to Children in Need of Aid (CINA) and Delinquents. Federal law prohibits disclosure of information regarding DFYS clients except in certain circumstances. In order to disclose information on juvenile offenders as desired by the sponsor while minimizing the loss of federal funds, the division must revise the organizational and financial structure of the agency to clearly separate costs and services associated with juvenile offenders from those associated with CINA's. DFYS must then discontinue claiming federal reimbursement for those costs and services. This restructuring will

Prepared by: L. Diane Worley, Director
Division: Family & Youth Services
Phone: 465-3191
Date: 01/21/97

1/22/97

Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services
Date: 1/22/97

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(Rev 10/96)fisnote.xls/DAS_DHSS

ANALYSIS (cont.):

preserve the majority of federal receipts but will still result in some reductions which must be replaced by general funds. That loss in federal funds and the costs associated with the restructuring are reflected on the attached spreadsheet.

In addition to the ability to disclose information, the division will be able to improve the consistency, coordination, and quality of services provided to communities and offenders by more clearly focusing the leadership provided to the youth corrections section.

Total Costs Involved Due to Disclosure of Juvenile Information

	IVE Revenue Loss	Cost of Restructure	Total Cost
SERO	$44,227.00	($8,800.00)	$35,427.00
SCRO	$157,505.00	($18,400.00)	$139,105.00
NRO	$113,770.00	($212,200.00)	($98,430.00)
CO	$80,000.00	$120,600.00	$200,600.00
Probation		$482,600.00	$482,600.00
MYC		($24,100.00)	($24,100.00)
FC	$18,554.00		$18,554.00
RCC	$284,115.00		$284,115.00
	$698,171.00	$339,700.00	$1,037,871.00

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: January 13, 1997 FURTHER REFERRALS: Finance

Date of Committee Action: 1/28/97

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HCR 4

HOUSE CONCURRENT RESOLUTION NO. 4 SEPARATE RECORDS FOR DELINQUENTS & CINA

Relating to records generated and maintained by the Department of Health and Social Services.

recommends it be replaced
with the following committee substitute ____________ [ ] the same title
[ ] a new title

[ ] additional referral to ____________ Committee
[ ] attached amendment(s)

ADOPTS: ____________ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal note(s) ____________ [ ] fiscal note(s) ____________

(2) [X] zero fiscal note(s) Admin, H+SS [ ] zero fiscal note(s) ____________

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
[signature]	✓			
[signature]	✓			
[signature]	✓			
[signature]	✓			
[signature]	✓			
[signature]	✓			
[signature]	✓			

CHAIR'S SIGNATURE [signature]

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HCR 4

Revision Date:
Title: "Relating to records generated and maintained by the Department of Health and Social Services"

Sponsor: Representative Kelly
Requestor: (H) HES

Department Affected: Administration

BRU: Public Defender Agency
Component: Public Defender Agency

COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: $ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The resolution requests the Governor to direct the Department of Health and Social Services to separate existing and future CINA and delinquency records. There is no fiscal impact on the Public Defender Agency.

Prepared by: Barbara K. Brink, Acting Director
Division: Public Defender Agency
Phone: (907) 264-4414
Date:

Approved by Commissioner: Mark Boyer
Agency: Department of Administration
Date: 1-23-97

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Alaska State Legislature

REPRESENTATIVE
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Fairbanks, Alaska 99701
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House District 31

House Of Representatives

Sponsor Statement
House Concurrent Resolution 4

Separating DFYS CINA records from criminal records of minors.

Federal laws relating to minors require confidentiality of records relating to abused children. Because children involved in troubled homes often go on to commit criminal acts DFYS has maintained one set of records for minors under its child abuse and delinquency jurisdiction. This legislation allows the administration to develop separate criminal records in a manner that will best prevent the loss of significant federal funding sources.

Data Summary

Volume 1
Number 1
August, 1996

DFYS

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Division of Family and Youth Services
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Juneau, Alaska 99811-0630
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Tony Knowles, Governor | Karen Perdue, Commissioner | L. Diane Worley, Director | Patty Ware, Juvenile Probation Officer III / Author | Roger P. Withington, Research Analyst III / Author

The mission of the Division of Family and Youth Services is to protect children at risk of abuse and neglect and to rehabilitate juvenile offenders while providing community protection.

ALASKA'S JUVENILE JUSTICE SYSTEM

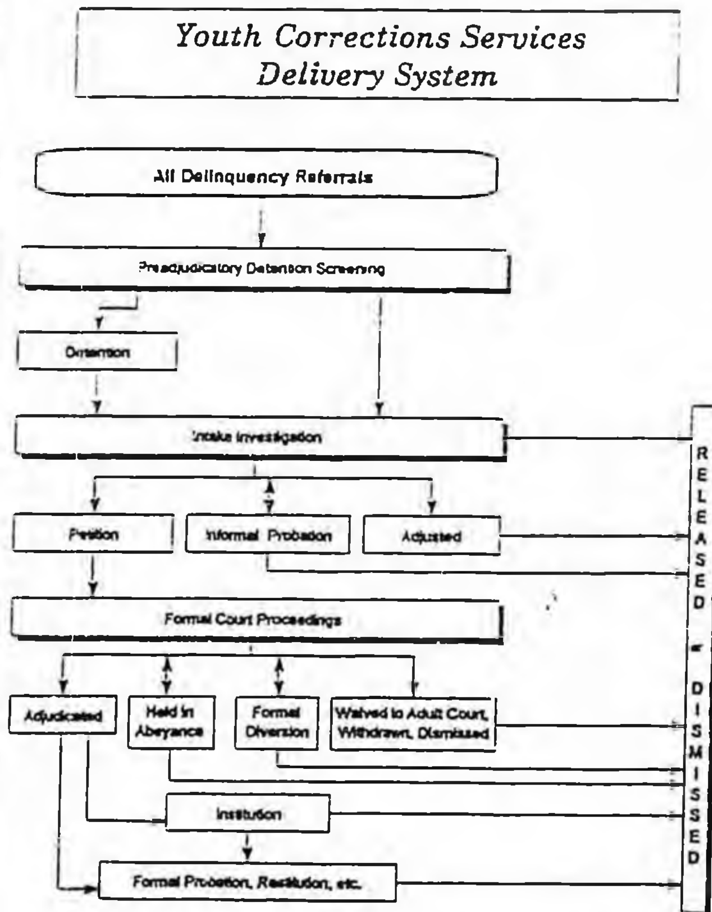
DFYS reduces or prevents delinquency by meeting the needs of youthful offenders in a manner consistent with protection of the public. To accomplish this DFYS provides the following services:

- Juvenile delinquency prevention
- Screening referrals
- Short-term detention of preadjudicated youth
- Investigation of alleged offenses
- Identification of each youth's and family's strengths and needs
- Legal intervention
- Informal and formal probation
- Out-of-home placement
- Long-term confinement/treatment for adjudicated offenders

Figure 1 illustrates the DFYS portion of Alaska's juvenile justice system.

Figure 1

Youth Corrections Services Delivery System



As Figure 1 illustrates, there are four principal decision points in the DFYS youth corrections delivery system: referral, preadjudicatory detention screening, intake investigation, and court proceedings.

A delinquency referral is the juvenile's initial point of entry into the DFYS youth corrections delivery system. A referral is a law enforcement report to DFYS of criminal conduct on the part of a juvenile.

Preadjudicatory detention screening is the process of determining if preadjudicatory detention is appropriate for those youth for whom it has been requested as part of the law enforcement referral. There are five possible outcomes in the detention screening process: Detention, Released, Emergency Placement, Attendant Care Shelter, and Not Requested. During the analysis period, 18.5% of all referrals were accompanied by a request for detention.

Once DFYS receives a referral that includes a request for detention, DFYS performs a detention determination. The detention determination considers a number of factors in determining if detention is in the juvenile's and community's best interest. Some examples are: severity of the offense, imminent harm to the juvenile or community, a history of violent conduct on the part of the juvenile, and whether nor not the crime contains elements of serious physical harm. DFYS determined that secure Detention was appropriate for 77.6% of these referrals.

The purpose of the intake investigation is to determine if the referral is legally sufficient to support the filing of a court petition. If DFYS determines that sufficiency exists, the agency gathers information to determine the type of action that would best serve both the juvenile and the public. There are six possible investigation outcomes: In Process, Adjusted, Dismissed, Detention Screen Only, Informal Probation, and Petition.

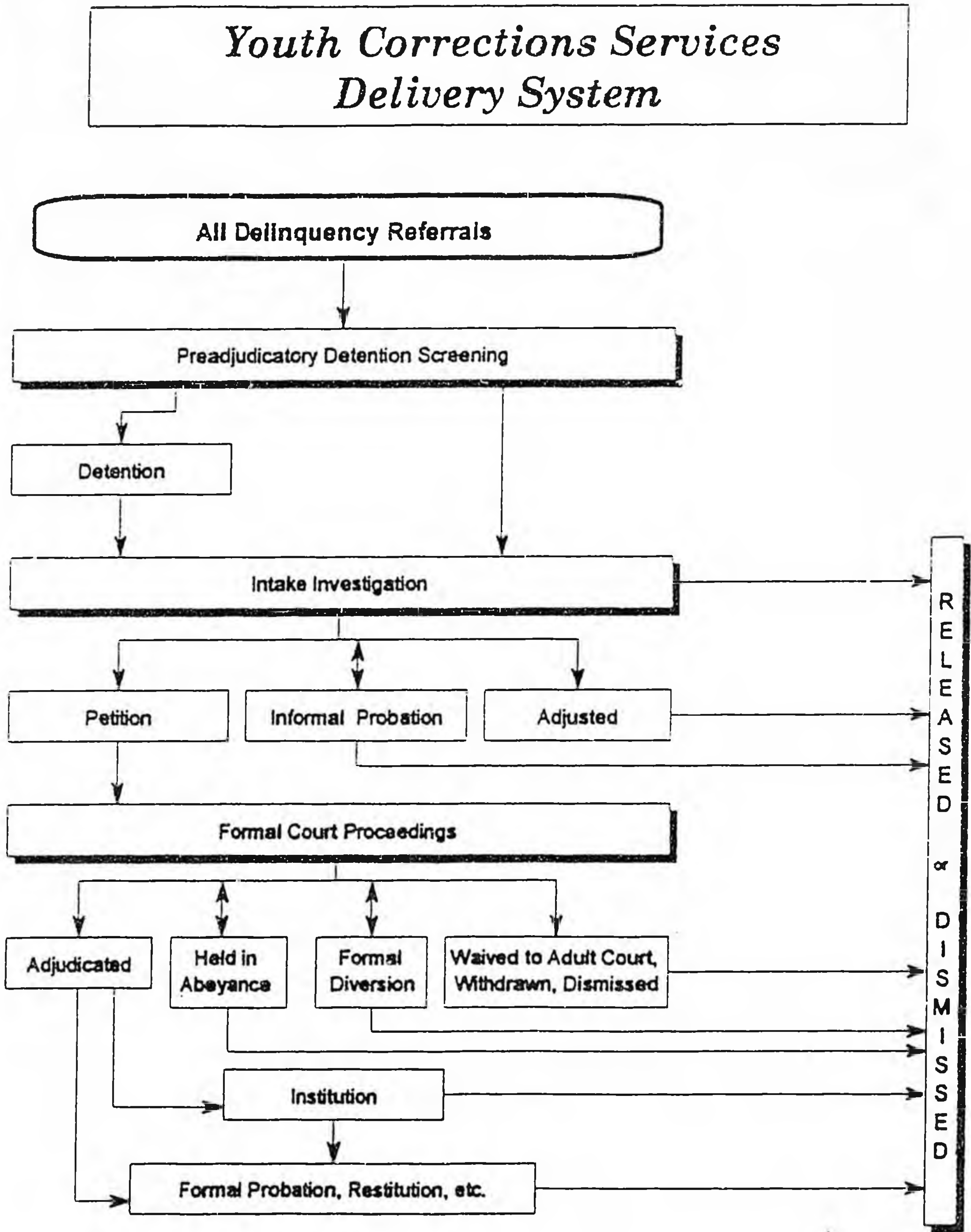
Court proceedings result from DFYS filing a formal petition for adjudication of a juvenile. Each referral that resulted in an investigation outcome of Petition will have a court proceedings decision. The seven possible court proceeding decisions are: In Process, Dismissed, Diverted, Held in Abeyance, Adjudicated, Withdrawn, and Waived.

Although it is not specifically delineated in Figure 1, youth corrections supervision plays a very large role in the DFYS youth corrections delivery system, thus, we have included these records in this analysis.

Supervision of a juvenile is established as a result of a formal probation agreement, diversion agreement, acceptance of interstate supervision, a court disposition order, or an order for probation without adjudication. This analysis compares the initial supervision level that was assigned to the juvenile for each supervision episode that occurred during the analysis period. There are seven possible supervision levels: Maximum Probation, Medium Probation, Minimum Probation, Informal Probation, Residential Care, Correctional Institution, and Out-of-State Institution.

BACKGROUND INFORMATION

Figure 1



HCR

18

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: April 17, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/29/97

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HCR 18

HOUSE CONCURRENT RESOLUTION NO. 18 — 80 YEAR ANNIV OF UNIV. ALASKA FAIRBANKS

Declaring 1997 to be observed as the 80th Anniversary of the University of Alaska Fairbanks and recognizing the vital role played by the University of Alaska Fairbanks.

recommends it be replaced with the following committee substitute ______ [ ] the same title [ ] a new title

[ ] additional referral to ______ Committee
[ ] attached amendment(s)

ADOPTS: ______ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

[ ] fiscal note(s) ______

[X] zero fiscal note(s) LAA

APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal note(s) ______

[ ] zero fiscal note(s) ______

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
Fred Dyson [signature]	✓			
[signature]	✓			
Con Bunde [signature]	✓			
Brian S. Porter [signature]	✓			
[signature]	✓			

CHAIR'S SIGNATURE [signature: Con Bunde]

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

NO.
BILL VERSION: HCR 18
PUBLISH DATE:

Revision Date:
Title: Declaring 1997 to be observed as the 80th Anniversary of the University of Alaska Fairbanks...
Sponsor: Representative Davies
Requestor: House HESS

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Karla Schofield, Deputy Director Karla Schofield
Phone: 465-3852
Division: Administrative Services
Date: 4/25/97

Approved By: Pamela A. Varni, Executive Director Pamela A. Varni
Agency: Legislative Affairs Agency
Date: 4/25/97

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov. , & Impacted Agency(ies).

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UAF CELEBRATES 80TH ANNIVERSARY THIS YEAR

FOR IMMEDIATE RELEASE
March 28, 1997

Fairbanks, Alaska — The bill to accept a federal land grant to create a university in Alaska was introduced in the Territorial Legislature 80 years ago in March. Two months later, after rigorous debate, the bill passed.

On May 3, 1917, with a stroke of his pen, Alaska Territorial Gov. John Strong signed the bill to create the Alaska Agricultural College and School of Mines, known today as the University of Alaska Fairbanks.

Throughout this year, UAF will celebrate 80 years of progress in higher education. In the eight decades since its founding, UAF has played a major role in the economic development, growth and diversification of Alaska, from territorial days to statehood and now into the 21st century.

Today UAF serves 113 communities statewide through its education, public service and research activities, and is the only university in Alaska offering degrees at the Ph.D. level.

Back in 1915, the U.S. Congress provided a land grant of approximately 250,000 acres to the Territory of Alaska for a college in Fairbanks. An additional 100,000 acres was granted by Congress in 1929, but under the Statehood Act all rights to the additional land were extinguished, as were the rights to receive 150,000 acres of unsurveyed sections of the Tanana Valley.

- more -

BACKGROUND INFORMATION

UAF is Alaska's only land-grant college, but today its acreage is one the smallest of any land-grant universities in the nation. Of the nearly 350,000 acres originally earmarked by Congress for America's Farthest North College, only 100,000 acres remain.

Alaskans lobbied for a college in the territory believing that the scientific methods developed at the institution would help stabilize the frontier's gold-based, boom-bust economy.

On a hill overlooking Fairbanks, volunteers cleared a roadway to the area where spectators witnessed the laying of the cornerstone for the college on July 4, 1915.

Meeting in 1919, the Territorial Legislature failed to make an appropriation for the college, so the AACSM didn't receive any money until the next session, in 1921.

That year, Charles Bunnell was selected as the university's first president and campus construction began. When it finally opened its doors in 1922, the Alaska Agricultural College and School of Mines had six students, six faculty and one administrator. At the end of that school year, 14 regular students were attending. Only five courses were offered — agriculture, general science, engineering, home economics and mining engineering.

In 1935 the name of the Alaska Agricultural College and School of Mines was changed to the University of Alaska to reflect the institution's growing statewide population and influence on statewide affairs.

By 1940 a record enrollment of 310 fulltime students was almost too much for the campus to handle. The campus consisted of three residence halls, a library/gymnasium, a new power plant and the Eielson Building.

Although wartime enrollment plummeted to 50 students, Congress in 1946, established the Geophysical Institute at UAF. The GI has since earned

- more -

an international reputation, and is the only research and academic center for geophysics in the U.S. focusing on high-latitude geophysical phenomena.

During the 1950s and 1960s, the university began offering its programs to all regions of Alaska and established itself as a community partner.

When the Chena River flooded downtown Fairbanks in August 1967, residents sought refuge at UAF, which was soon dubbed "evacuation city." Shelter, food and medical attention were provided at residence halls, the gymnasium and in classrooms. The campus community of 700 swelled into a small city of 7,000 people.

The 1970s were a time of expansion. In 1975, the statewide system of the University of Alaska was established, but rock-bottom oil prices in the mid-1980s led to the restructuring of the system. Administration was streamlined and the state's four-year institutions in Anchorage, Fairbanks and Juneau were given responsibility for former community college missions. UAF's branch campuses are located in Bethel, Dillingham, Kotzebue, Nome and the Interior.

Throughout the 1990s, UAF developed a number of initiatives to address continued deficits to its budget, including downsizing of administration and elimination of programs.

In 1992, the university began closing its doors over winter break and asked its employees to take leave without pay during that time to help defray budget shortfalls. A successful $13 million private fund-raising effort that year was the first-ever launched by the university.

As UAF prepares for the 21st century, the institution is building on 80 years of traditions to maintain its national stature as a top research and teaching university. With an emphasis on high latitudes, UAF continues to provide information on issues of national and international concern.

CONTACT: UAF Public Information Officer Debra Damron, (907) 474-7122.

UAF News releases available electronically at:
http://www.uaf.edu/univrel/media/index.html

DPD/3-27-97/97-069

HCR
19

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: April 18, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/30/97

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HCR 19

HOUSE CONCURRENT RESOLUTION NO. 19 COUNCIL OF DEAF/HARD OF HEARING/DEAF/BLIN

Relating to the Alaska Council of Deaf, Hard of Hearing, and Deaf/Blind.

recommends it be replaced
with the following committee substitute ____________ [ ] the same title
[ ] a new title

[ ] additional referral to ____________ Committee
[ ] attached amendment(s)

ADOPTS: ____________ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

[ ] fiscal note(s) ____________

[X] zero fiscal note(s) LAA

APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal note(s) ____________

[ ] zero fiscal note(s) ____________

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
[signature]	✓			
[signature]	✓			
Con Bunde	✓			
Brian Porter	✓			
[signature]	✓			
Tom Brice	✓			

CHAIR'S SIGNATURE Con Bunde

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

NO.
BILL VERSION: HCR 19
PUBLISH DATE:

Revision Date:
Title: Relating to the Alaska Council of Deaf, Hard of Hearing, and Deaf/Blind.
Sponsor: Representative Bunde
Requestor: House HESS

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0

REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 465-3852
Division: Administrative Services Date: 4/25/97

Approved By: Pamela A. Varni, Executive Director *Pamela A. Varni*
Agency: Legislative Affairs Agency Date: 4/25/97

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov. , & Impacted Agency(ies).

Alaska State Legislature

CHAIR
HOUSE HEALTH, EDUCATION
& SOCIAL SERVICES COMMITTEE

VICE-CHAIR
HOUSE JUDICIARY COMMITTEE

MEMBER
LEGISLATIVE BUDGET & AUDIT COMMITTEE
HOUSE SPECIAL COMMITTEE ON OIL & GAS
SELECT COMMITTEE ON LEGISLATIVE ETHICS

REPRESENTATIVE CON BUNDE

District 18

DURING SESSION
STATE CAPITOL, ROOM 104
JUNEAU, AK 99801-1182
(907) 465-4843 (800) 892-4843

DURING INTERIM
716 W. FOURTH AVE.
ANCHORAGE, AK 99501-2133
(907) 258-8168

E-MAIL
Representative_Con_Bunde@legis.state.ak.us

SPONSOR STATEMENT

House Concurrent Resolution 19

HCR 19 is designed to offer recognition and encouragement to a volunteer, non-profit organization dedicated to improving the quality of services available to assist Alaska's deaf, hard-of-hearing and deaf/blind citizens.

The Alaska Council of Deaf, Hard of Hearing, and Deaf/Blind has already operated for two years. Its members are drawn from several non-profit organizations operating in Southeast, Interior and Southcentral Alaska, and from representatives of state councils dealing with this community.

They established the Council to address the need for a central clearinghouse of information on the services available to and needed by the community of deaf, hard-of-hearing and deaf/blind Alaskans. The Council is not so much a warehouse providing services, as a library and forum where information about these services is available for consumers and providers to share.

While many individuals, agencies and institutions serving this community have good intentions, they are hampered by their isolation from the large body of knowledge on deaf, hard of hearing and deaf/blind issues available elsewhere.

The deaf, hard of hearing and deaf-blind comprise a distinct cultural and linguistic minority, different from the mainstream linguistic and cultural population. Resources for these Alaskans are limited, and fragmented. Qualified professionals are rare. Standards of performance do not exist for most of those attempting to provide human services to them.

At least 6,000 Alaskans have some kind of hearing loss. While some hearing loss is caused by the effects of snowmachines, chainsaws or industrial noise, most deafness in Alaska is rooted in genetics, or in the effects of childhood ear infections.

At least 40 states have recognized councils, commissions or task forces relating to the deaf. This resolution will provide the Alaska Council the increased prominence in our state that will encourage various individuals, organizations and agencies to utilize its services. The resolution will also encourage non-profits to continue offering this Council their financial and organizational support.

It is important to note several things this resolution does not do. It does not create any new state council, agency, or panel. It does not establish this Council as the sole voice of the Alaska's deaf, hard of hearing and deaf/blind. It does not bar any other organization from providing any services it might want to any or all elements of this community. And, significantly, it does not cost the state a penny.

I encourage you to support this resolution to recognize and encourage the Alaska Council of Deaf, Hard of Hearing, and Deaf/Blind to continue its work, sharing information and fostering understanding to improve the quality of services available to this group of Alaskans.

SOUTHEAST ALASKA INDEPENDENT LIVING

POST OFFICE BOX 35097 • JUNEAU, ALASKA 99803-5097 • TEL. 907-789-9665 VOICE/TDD • FAX 907-789-9747
ALASKA 800-478-7245

April 29, 1997

To: House HESS Committee Members (C. Bunde, Chair)

Subject: House Concurrent Resolution 19

As Executive Director of Southeast Alaska Independent Living, I am writing this letter to both support the intentions of the above-referenced Concurrent Resolution and to encourage the House HESS Committee to recommend adoption of the resolutions as written.

This resolution will, for the first time, officially recognize the unique and specialized needs of a significant portion of Alaska's disabled population who are deaf, hard of hearing, or deaf/blind. Information available from the Alaska Department of Education documents significant numbers of children with hearing disabilities (including children who are both deaf and blind) who will benefit from adoption of these resolutions. In addition, as the population of Alaska ages, significant hearing loss, sometimes combined with vision loss, can and does occur. This results in greater numbers of people who experience hearing disabilities and consequently require many types of specialized services such as: vocational, rehabilitative, educational, communication, independent living, correctional, substance abuse, and mental health.

The Alaska Council of Deaf, Hard of Hearing, and Deaf/Blind is willing to provide services as a referral center and clearinghouse of information for and about the deaf, hard of hearing, and deaf/blind, and ***does not require or expect to require funding from state government.*** It is clear that coordination of services for the designated disability groups will result in more efficient and effective service delivery statewide, ensuring accurate facilitation of policy and program development.

SUPPORT

Adoption of the resolution can have only positive results. Legislative encouragement of private citizens, state agencies, schools, social service providers, private foundations and all other parties working with or providing services to the deaf, hard of hearing, and/or deaf/blind to support the ACDHHDB and to use its services whenever appropriate will certainly be a significant milestone. It is also notable that other agencies, offices, and councils that provide services to the deaf, hard of hearing, and deaf/blind support this resolution. SAIL is one example; SAIL staff provide independent living services to people with disabilities throughout its service area. SAIL demonstrates consumer-driven and consumer-focused programs for people from all disability groups, some of whom are deaf, hard of hearing, and deaf/blind. This consumer-focused orientation is the exception, however, rather than the rule in organizational service delivery statewide. Adoption of the resolution will encourage and redirect service agencies and other service providers to available resources from consumers and professionals who can insure that service delivery recipients have their needs met on an ongoing basis.

Your conscientious actions toward adoption of this resolution are greatly appreciated.

Sincerely,

Constance E. Anderson
Executive Director

DEAF COMMUNITY SERVICES

Serving individuals and families throughout Alaska

February 27, 1997

Senator Gary Wilkins, Chair
HESS Committee
State Capitol
Juneau, AK 99801-1182

Representative Con Bonde, Chair
HESS Committee

Dear Senator Wilkins and Representative Bonde,

We want to express our deep appreciation and support for the resolution which we discussed with you during our visits in Juneau on February 12th, 1997. This resolution will establish the recognition of the Alaska Deaf, Hard of Hearing, and Deaf/Blind Council, (ADC) as a statewide advisory council which will function to coordinate services and identify needs and funding at the national level.

This council is of great importance to individuals who are Deaf, Deaf/Blind or Hard of Hearing since it will represent the one voice of a community of diverse individuals and professionals who are most familiar with and qualified to provide vital services and information concerning issues about our population. The state will bear no expense as the agencies involved in these services already share the cost of operating this council. Too often decisions and policies regarding services for Deaf, Deaf/Blind and Hard of Hearing people are made by administrators and state employees who have little knowledge or training in this very specific field. We as concerned citizens living in the state of Alaska urge your support and prompt development of this resolution. We will be more then eager to assist you in any way we can to facilitate this process.

With Sincerest Gratitude,

Dan LaBrosse

Daniel A. LaBrosse, Executive Director

And others concerned with the welfare of all Deaf, Deaf/Blind and Hard of Hearing people in Alaska:

Magdalena H. Matos
Jose L. Salinas
Mary Cecilia Davis
Victor Martin
Eugene Edwin

Technology Connection • Interpreter Referral • Independent Living
475 Hall Street, Fairbanks, Alaska 99701-4969
(907) 456-5913 voice — (907) 451-4889 TTY
Fax [illegible]

ALASKA CENTER FOR BLIND AND DEAF ADULTS

April 29, 1997

To the House HESS Committee Members: Rep. Bunde; Chair, Rep. Brice, Rep. Dyson, Rep. Green, Rep. Kemplen, Rep. Porter and Rep. Vezey

Subject: House Concurrent Resolution 19

Dear Sirs,

As the Program Director of the Alaska Center for Deaf Adults, I am writing this letter to support the intentions of the House Concurrent Resolution 19, and to encourage the House HESS Committee to recommend adoption of the resolution as written.

This resolution will officially recognize the Alaska Council of Deaf, Hard-of-Hearing and Deafblind, established to meet the urgent needs of the deaf, hard-of-hearing and deaf-blind individuals in Alaska. The results of the resolution would be the ability to provide unity to the mentioned communities, as well as community organizations, by instituting a successful networking system.

The Alaska Council of Deaf, Hard-of-Hearing and Deafblind is committed to providing a referral service center and a clearinghouse of information about the deaf, hard-of-hearing and deaf-blind at no cost to the state government. A successful networking system of services will provide effective service delivery statewide, and accurate information to develop policies and programs. Your actions toward the adoption of this resolution is greatly appreciated.

Sincerely,

Alan Cartwright

Alan Cartwright
Program Director, CDA

AGENCY BUSINESS OFFICE
731 Gambell, Suite 200
Anchorage, AK 99501-3754
(907) 276-3456 Voice
(907) 258-2232 TTY
(907) 279-0341 FAX

CENTER FOR BLIND ADULTS
3903 Taft Drive
Anchorage, AK 99517-3069
(907) 248-7770 Voice
(907) 248-7517 FAX
(800) 770-7517 AK

CENTER FOR DEAF ADULTS
731 Gambell, Suite 200
Anchorage, AK 99501-3754
(907) 276-3456 Voice
(907) 258-2232 TTY
(907) 279-0341 FAX
(800) 770-3456 AK

INTERPRETER REFERRAL LINE
731 Gambell, Suite 200
Anchorage, AK 99501-3754
(907) 277-3323 Voice
(907) 277-0735 TTY
(907) 279-0341 FAX

APR-29-97 TUE 03:30 PM P. 02/02

TONY KNOWLES, GOVERNOR
State of Alaska

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

P.O. Box 240249 • Anchorage, Alaska 99524-0249 • Phone: 907-269-8990 • Fax: 907-269-8995

April 28, 1997

Representative Con Bunde
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801 - 1182

Dear Representative Bunde:

SUBJECT: Support for HCR 19

The Governor's Council on Disabilities and Special Education (Council) supports the passage of HCR 19. We are pleased that the State Legislature recognizes the concerns of Alaskans who are deaf or hard of hearing.

Under state law, the Council has a responsibility to plan, evaluate, and promote services for people with developmental disabilities who are deaf. However, many people who are deaf or hard of hearing may not have a developmental disability.

Should HCR 19 pass, we will be pleased to work with the Alaska Council of Deaf, Hard of Hearing, and Deaf\Blind (ACDHHDB) on matters of public policy that affect people who are deaf or hard of hearing. An organization such as the ACDHHDB that works to resolve differences among the leadership in the deaf community and that will continue to focus on strategies to meet the needs of people who are deaf can play an important role in public policy.

Quite frankly, we all know how important it is to gain efficiencies in state operations and improve cooperation among local organizations. However, the legislature must go beyond this resolution and support people who are deaf by adequately appropriating funds for the hearing services such as those provided by Medicaid, special education, or through the Division of Vocational Rehabilitation.

Again, thank you for recognizing a group of hard working Alaskans who attempt to work collaboratively to improve the lives of others. If you have any questions, please call the Council's Executive Director, David Maltman, at 907 269 8990.

Sincerely,

Nancy Dodge

Nancy Dodge
Chairperson

SOUTHEAST ALASKA INDEPENDENT LIVING

POST OFFICE BOX 35097 • JUNEAU, ALASKA 99803-5097 • TEL. 907-789-9665 VOICE/TDD • FAX 907-789-9747
ALASKA 800-478-7245

April 30, 1997

Representative Con Bunde
Hess Committee
State Capitol
Juneau, AK. 99801

Dear Representative Con Bunde:

I'm writing this letter in support of House resolution No. 19 which will be discussed on April 30th. I would like to support the resolution that you are planning to sponsor recognizing the Alaska Deaf, Hard of Hearing and Deaf Blind Council, as a statewide Advisory Council.

As a service provider for the deaf and hard of hearing population here in Alaska, I have hands on experience with this disability and have a good understanding of the significance of having centralized representation for the group. Alaska has such a large expanse that it covers that services sometimes become fragmented in their delivery to those who need the services. The council will not only provide information on vital issues but will also represent the voice of the communities for the deaf, hard of hearing and deaf blind citizens of our state.

This council is not asking for financial support from the state government. The council is only asking for the Alaska State Legislature to give recognition to the council as a centralized information and service referral center for issues affecting the deaf, hard of hearing and deaf/blind Alaskans.

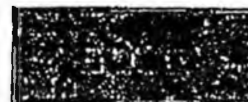
As a concerned citizen of Alaska, I hope you will give this resolution serious consideration and adopt this resolution during this legislative session.

Thank you for your support.

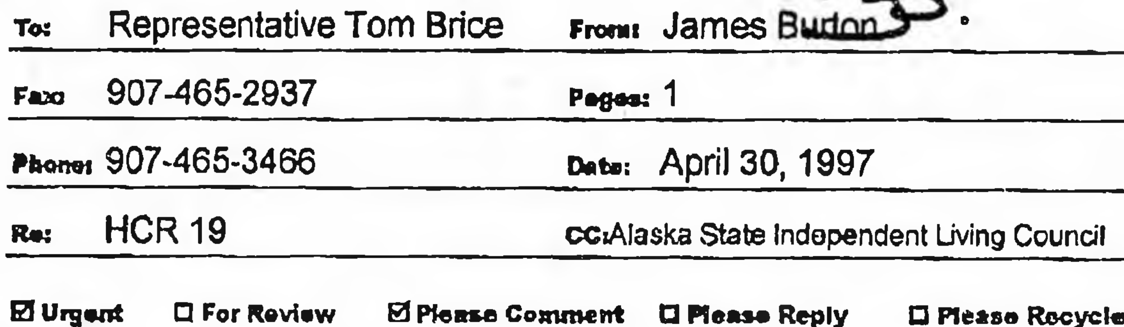
Sincerely,

Laurie Goldman
Interpreter Referral Coordinator
Independent Living Specialist

Engineering Drafting & Detailing
CAD Training Services
James R. Burton
1169 Hess Avenue
Fairbanks, Alaska 99709-3812



Fax



To:	Representative Tom Brice	**From:**	James Burton
Fax:	907-465-2937	**Pages:**	1
Phone:	907-465-3466	**Date:**	April 30, 1997
Re:	HCR 19	**CC:**	Alaska State Independent Living Council

☑ **Urgent** ☐ **For Review** ☑ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

ATTENTION: Rep. Brice,

Thank you for your co-sponsorship of this very important resolution. The disabled community is in constant need to assert their place among society. Clear understanding of all citizens of Alaska of issues concerning the disabled is a must. Unfortunately some people do not feel the need to "understand" unless they are reminded by the government.

HCR 19 is in my opinion a very important piece of the puzzle to the overall commitment of our government in the support of the disabled of Alaska. As a disabled businessman, I'm feel that the disabled community has its part to play in describing the role of business in Alaska.

Please pass HCR 19!

Thanks again for your support.

Jim Burton

April 30, 1997

Representative Con Bunde
House HESS Committee
State Capitol
Juneau, AK 99801

Dear Representative Con Bunde:

I'm writing this letter in support of House Concurrent Resolution 19, which will be discussed by the House HESS Committee on April 30th. I would like to support the resolution that you are currently sponsoring, recognizing the Alaska Council of Deaf, Hard of Hearing and Deaf/Blind, as a statewide organization.

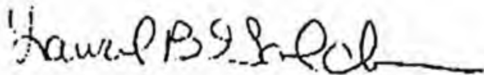
As a service provider for the deaf, hard of hearing, and deaf blind population here in Alaska, I have hands on experience with these disabilities and have a good understanding of the significance of having centralized representation. Alaska has such a large expanse that services sometimes become fragmented in their delivery to those most in need of services. The Council will not only provide information on vital issues, but will also represent a voice of the communities for the deaf, hard of hearing and deaf blind citizens of our state.

The Council is not asking for financial support from the state government. The Council is only asking for the Alaska State Legislature to give recognition to the Council as a centralized information and service referral center for issues affecting the deaf, hard of hearing and deaf blind Alaskans.

As a concerned citizen of Alaska, I hope you will give this resolution serious consideration and adopt this resolution during this legislative session.

Thank you for your support.

Sincerely,



Laurie Goldman
16475-A Lena Loop
Juneau, Alaska 99801

March 4, 1997
2921 Hogan Bay Circle
Anchorage, Alaska 99515

Representative Tom Brice
HESS Committee
State Capitol
Juneau, AK 99801-1182

Dear Mr. Representative,

I want to support the resolution that you are planning to sponsor recognizing the Alaska Deaf, Hard of Hearing, and Deaf-Blind Council (ADC) as a statewide advisory council.

This council is of great significance for it will represent the voice of the communities for the Deaf, Hard of Hearing and Deaf-Blind citizens of Alaska. The council will provide vital information concerning issues and statistics of this population.

I have a Masters Degree in Deaf Education and have worked in the field in Alaska since 1980. Throughout the years I have seen the great need for a collaborative effort and a state-wide advisory panel. The needs are great. We have not nearly approximated addressing the needs of individuals with these disabilities. An advisory council can begin work on the myriad of issues that face our state concerning the citizens in these three disability groups.

This council is of no expense to the state government being that agencies serving these individuals share the costs to operate the council. Thank you for working toward prompt adoption of this resolution.

Sincerely,

Anna Mayra

Anna Mayra

Rep. Tom Brice
HESS Committee
State Capitol
Juneau, AK 99801-1182

Dear Mr. Representative,

I want to support the resolution that you are planning to sponsor recognizing the Alaska Deaf, Hard-of-Hearing, and Deaf-Blind Council (ADC) as a statewide advisory council.

This council is of great significance to individuals like myself since it will represent the voice of the communities for the Deaf, Hard-of-Hearing, and Deaf-Blind citizens of Alaska. The council will provide vital information concerning issues and statistics of our population.

This council is of no expense to the state government being that agencies serving these individuals share the costs to operate the council. I am a concerned citizen living in the state of Alaska, one of many anticipating the prompt adoption of this resolution.

Thank you for your support.

Anissa Haywood
Teacher - 4th, 5th, 6th grade
Alaska State School for the Deaf and Hard of Hearing
4420 E. 20th St.
Anchorage, AK 99508
337-2525

HCR 21

HOUSE COMMITTEE REPORT

(7)
Date Referred to Committee: April 30, 1997   FURTHER REFERRALS:

Date of Committee Action: 3/19/98

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HCR 21

HOUSE CONCURRENT RESOLUTION NO. 21   PARITY FOR MENTAL HEALTH TASK FORCE

Establishing the Alaska Task Force on Parity for Mental Health.

recommends it be replaced with the following committee substitute CSHCR 21 (HES)   [X] the same title [ ] a new title

[ ] additional referral to ________ Committee
[ ] attached amendment(s)

ADOPTS: ________ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)   APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal note(s) ________   [ ] fiscal note(s) ________

[X] zero fiscal note(s) House HESS Com.   [ ] zero fiscal note(s) ________

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
[signature]			✓	
[signature]		✓		
[signature]	✓			
Con Bunde	✓			
Brian S. Porter			✓	
Tom Brice	✓			

CHAIR'S SIGNATURE Con Bunde

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HCR 21

Revision Date:
Title: ESTABLISHING THE ALASKA TASK FORCE ON PARITY FOR MENTAL HEALTH
Sponsor: HOUSE HESS COMMITTEE
Requester: HOUSE HESS COMMITTEE

Dept. Affected
BRU
Component

Component Serial No.

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES [ ]						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

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

THERE WILL BE NO IMPACT TO THE GENERAL FUND.

Prepared by: REPRESENTATIVE CON BUNDE
Division: HOUSE HESS COMMITTEE CHAIRMAN
Approved by: C Bunde
Agency

Phone 465-3759
Date
Date 3/13/98

0-LS0972\E
Ford
3/19/98

CS FOR HOUSE CONCURRENT RESOLUTION NO. 21(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

A RESOLUTION

1 **Establishing the Alaska Task Force on Parity for Mental Health.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** persons in Alaska with mental health disorders and their families face
4 disparity in the adequacy, scope, and coverage of private health insurance that they need; and
5 **WHEREAS** it is estimated that mental health disorders cost the Alaska economy
6 $187,272,000 in 1996 in lost productivity, absenteeism, disability, and early death; and
7 **WHEREAS** other states that have adopted insurance parity laws for mental disorders
8 have demonstrated that costs of parity have been far less than projected and that savings to
9 the public through decreased costs of Medicaid, Medicare, and other programs have fa
10 outweighed the additional costs; and
11 **WHEREAS** the Alaska Mental Health Board estimates there are over 44,000 children,
12 youth, and adults in the state who experience serious mental illnesses and emotional disorders;
13 and
14 **WHEREAS** the Congress passed the Mental Health Parity Act of 1996 that does
15 address parity for lifetime benefits and annual reimbursement limits for mental health services,
16 but does not address differentiation between mental and physical illnesses with respect to co-
17 payments, deductibles, and benefit design; and

1 **WHEREAS** 15 other states have established laws addressing mental health parity in
2 insurance practices, and 25 other states introduced bills on the subject in 1997;
3 **BE IT RESOLVED** by the Alaska State Legislature that the Alaska Task Force on
4 Parity for Mental Health is established for the purpose of studying, after defining the terms
5 "mental disorders," "mental illness," "serious mental illness," and "mental health consumers"
6 for purpose of its work,
7 (1) differential treatment in health insurance coverage between a person with
8 a mental disorder and a person with a physical disorder;
9 (2) costs of mental health coverage in relation to other health care insurance,
10 with special emphasis on parity, and the extent of such coverage, including deductibles and
11 co-payments, disorders and conditions to be covered, and other pertinent issues;
12 (3) ways to define and quantify unmet mental health needs in the state and
13 recommending meaningful ways to measure the efficacy of treatment of mental health needs
14 by analyzing possible outcome data collection measures;
15 (4) the positive and negative effects on mental health consumers if parity for
16 mental health coverage is mandated in Alaska;
17 (5) the feasibility of implementing any recommendations of the task force
18 through legislation; and
19 (6) the effect of the September 30, 2001, sunset date for the Mental Health
20 Parity Act of 1996 on matters set out in (1) - (5) of this clause; and be it
21 **FURTHER RESOLVED** that the task force shall be composed of 11 members, as
22 follows:
23 (1) two members of the Senate appointed by the President of the Senate; one
24 member shall be a member of the majority, and one member shall be a member of the
25 minority;
26 (2) two members of the House of Representatives appointed by the Speaker
27 of the House of Representatives; one member shall be a member of the majority, and one
28 member shall be a member of the minority;
29 (3) the commissioner of health and social services, or a designee;
30 (4) two members representing the Alaska Mental Health Board appointed by
31 the Alaska Mental Health Board;

1 (5) two members representing the insurance industry appointed by the President
2 of the Senate and the Speaker of the House of Representatives; one member may be the
3 director of insurance; and
4 (6) two members representing mental health consumers and community-based
5 mental health providers appointed by the President of the Senate and the Speaker of the House
6 of Representatives; one member shall be a consumer, and one member shall be a provider; and
7 be it
8 **FURTHER RESOLVED** that no general fund money shall be expended to support
9 the task force; and be it
10 **FURTHER RESOLVED** that a simple majority of the members of the task force shall
11 constitute a quorum for the transaction of business, and all actions of the task force shall
12 require the affirmative vote of a majority of the members present; and be it
13 **FURTHER RESOLVED** that the task force may conduct its work during the
14 legislative session and the interim between sessions, may use the teleconference network, and
15 may conduct public hearings to receive testimony about issues relative to parity for mental
16 health; and be it
17 **FURTHER RESOLVED** that the task force shall provide to the Speaker of the House
18 of Representatives, the President of the Senate, and the Governor a report of its findings and
19 recommendations on these matters not later than January 1, 1999; and be it
20 **FURTHER RESOLVED** that the task force is terminated at 11:59 p.m. on
21 February 28, 1999.

ALASKA MENTAL HEALTH BOARD

Tony Knowles, Governor
State of Alaska

431 N. Franklin Street, #101
Juneau, Alaska 99801
Office: (907) 465-3071
FAX: (907) 465-3079
TTY: (907) 465-4764

January 21, 1998

Dear Senator or Representative:

This information is being provided to you by a steering committee made up of several organizations working together to ensure that parity for mental health is evaluated. We are committed to passage of SCR 14 and HCR 21, which establishes a task force on parity for mental health.

We believe the attached information will provide the basis for your support on this important issue.

For additional information, please contact Walter Majoros, Executive Director of the Alaska Mental Health Board, at 465-3071 or Sharon Macklin, Bridges lobbyist, at 586-9518.

Mental Health Parity Steering Committee
Participating Organizations

Alaska State Hospital and Nursing Home Association
Alaska Community Mental Health Services Assoc.
DH&SS, Advisory Board on Alcohol and Drug Abuse
American Psychological Association, Alaska Chapter
Building Bridges Campaign for Mental Health
American Psychiatric Association, Alaska Chapter
Mental Health Association in Alaska
Substance Abuse Directors Association
Disability Law Center of Alaska
Alaska Mental Health Trust Authority
NASW, Alaska Chapter
Rural Mental Health Directors Association
Alaska Alliance for the Mentally Ill

mhparltr.1/98

Mental Health Insurance Parity

Why Consider it?

- Nine out of 10 insurance companies treat mental illnesses differently from other physical illnesses
- Mental illnesses are biological brain disorders & should be treated like other illnesses
- Mental Illness is treatable and treatment costs less then treatment of many other common physical illnesses
- The ***cost*** of mental health parity is ***minimal*** to non-existent! Based on *actual* data from states that have passed parity legislation

Mental Health Insurance Parity

Fact Sheet

General

- Nine out of 10 insurance policies treat mental health differently from physical health problems.
- In 1996 the federal government passed the Mental Health Parity Act, otherwise known as the Dominici Wellstone Law, which goes into effect in January 1998. This law provides partial parity regarding lifetime and annual limits, but there are significant loopholes. It does not provide true parity.
- Fifteen states have passed parity legislation, these states include: Texas, Maine, New Hampshire, Maryland, Rhode Island, Minnesota, Maine, Arkansas, Arizona, Colorado, Connecticut, Indiana, Missouri, South Carolina, and Vermont.
- In 1997, 34 states considered parity legislation, nine states passed legislation while additional states passed legislation in one body and will seek passage in the other body in 1998.

Mental Illnesses *are* Treatable

- Treatment for bipolar disorder has an 80-90% success rate, treatment of major depression 70-80% successful, and treatment of acute schizophrenia is 60% successful. Treatment of heart disease has just a 45-50% success rate and often requires expensive, dangerous surgery. (1)
- Treatment of mental illness is more affordable now then in the past. With new generations of medications continually being developed, there is increased precision in relieving symptoms and eliminating side effects associated with past treatments.
- The annual cost of treating a person with severe diabetes has been found to be more expensive then treating a person with schizophrenia. (1) In Texas, the total cost of treating state employees and family members with brain disorders was one-fifth the cost of treating cardiovascular disease. (2)
- About 2.8% of all adult Americans, some 5 million people, suffer from a brain disorder. Approximately 40% of those people do not or can not seek treatment, in part, due to a lack of adequate insurance coverage. (3)
- It is estimated that 90% of insurance companies offer less benefits for treatment of mental illness then other physical conditions.

Costs of Mental Health Parity

- A study by the Rand Corporation, published in the *Journal of the American Medical Association,* showed that equalizing annual limits - a key to the provision of the federal Mental Health Parity Act - will only increase costs by only $1 per employee per year. (4)
- The same study showed that more comprehensive change required by some state laws (i.e. removing limits on inpatient days and outpatient visits) will increase costs by less than $7 per enrollee per year. (4)
- Since the 1994 passage of the Rhode Island parity bill, premium costs have only increased by 30 cents per person per month. (5)
- In North Carolina, where they passed a parity bill 1992, total mental health costs have actually *declined* 3.4%. (6)
- Persons who have inadequate mental health coverage and need extensive mental health treatment often end up using public resources such as Medicaid and Medicare.
  A total of $26.6 billion was spent on treating severe mental illness in the US in 1990. 57% of all treatment costs for severe mental illness was paid by federal and state entitlement programs at tax-payers expense, whereas, Tax-payers pay only 43% of the costs of all other illnesses. (3)

Alaska

- Prior to the enactment of the federal legislation, the state of Alaska limited the mental health benefits available for their own employees to a $25,000 *lifetime* maximum cost cap, while other medical services were covered up to a $1,000,000 lifetime benefit.
- Many private insurance plan in Alaska have low annual limits on mental health benefits or require larger co-payment for mental health services (such as paying 50% of the cost for mental health services, while paying 70% to 90% for other medical services).

References

1.) National Advisory Mental Health Council, Health care reform for Americans with severe mental illness; report of the National Advisory Mental Health Council, American Journal of Psychiatry, 1993; 150: 1447-1465

2.) FY 94-96, HealthSelect of Texas, administered by Blue Cross-Blue Shield of Texas.

3.) National Institute of Mental Health

4.) Sturm, R. (1997). How Expensive is Unlimited Mental Health Care Coverage Under Managed Care? . *Journal of the American Medical Association*. 278:18, p.1533-1537

5.) Emmet, W., Alliance for the Mentally Ill, Rhode Island, April 1996

6.) Cameron, S., Executive Director, North Carolina Psychological Association, "State Health Plan Data on the Mental Health Benefit," April 30, 1996.

STATES THAT HAVE PASSED PARITY

States that have Passed Parity

State	Enactment	Type of Bill	Effective On
Texas	1990	Diagnosis-Based; covers all state employees, including local, county, municipal, public higher education and public school employees.	09/01/91
Maine	1993	Diagnosis-Based; covers all groups of 20 plus employees; raised minimum benefits to 100K lifetime; 60 days annual inpatient; 2K outpatient	01/01/94
New Hampshire	1994	Diagnosis-based; applies only to groups & HMOs regardless of size	01/01/95
Maryland	1994	All mental health and substance abuse; medical treatment only	08/01/94
Rhode Island	1994	Diagnosis-based; all health care and HMO policies; in and outpatient equal	01/01/95
Minnesota	1995	All mental Health and chemical Dependency Services equal to in-patient and outpatient medical services	08/01/95
Maine	1995	Diagnosis-based; groups of 20 plus employees; all co-pays and caps, both annual and lifetime equal to all other medical coverage	07/01/96
Arkansas	1997	Equal coverage for mental health and developmental disorders; limitations are cost increase may not exceed 1.5%; only groups of 50 plus employees	06/01/97
Arizona	1997	Mental Illness, mirrors Federal Domenici-Wellstone law, no substance abuse	
Colorado	1997	Diagnosis-based; all co-payment and caps both annual and lifetime are equal to all other medical coverage	
Connecticut	1997	Diagnosis-based; all insurance and HMOs; coverage equal to medical / surgical	10/01/97
Indiana	1997	Mental illness, mirrors Federal Domenici-Wellstone law, no substance abuse and full parity for state employees; including co-pays, caps and lifetime limits	
Missouri	1997	All DSM-VI in managed care plans only; part of larger managed-care regulatory bill	09/01/97
South Carolina	1997	Mental illness, mirrors Federal Domenici-Wellstone law. no substance abuse	
Texas	1997	Diagnosis-based; employee groups of 50 plus; limitations: 60 outpatient visits & 45 inpatient days annually.	01/01/98
Vermont	1997	All mental health and substance abuse	01/01/98

December 3, 1997

The TRUST
The Alaska Mental Health Trust Authority

Senator Gary Wilken
Chairman
Senate Health & Social Services Committee
State Capitol, Room 128
Juneau, AK 99801-1182

Dear Senator Wilken:

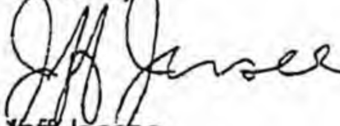
This is to inform you that the Alaska Mental Health Trust Authority has approved $50,000 to fund the Mental Health Parity Task Force. The Trustees obligated these funds on July 22,1997 contingent upon passage of SCR 14 or HCR 21 which establishes the Task Force.

The Trust supports addressing the issue of health insurance parity for mental health. It is our expectation that the Task Force would provide more clarity of state policy for mental health services and a report which will guide legislative activity addressing insurance parity.

We understand that this funding will be used for travel, conference calls, printing, staff to the Task Force and other costs related to compiling information regarding parity for mental health.

We appreciate your foresight in introducing this legislation and look forward to continuing to work with you on this important issue to ensure it moves forward.

Sincerely,



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CORRESPONDENCE FROM THE ALASKA MENTAL HEALTH TRUST AUTHORITY

THE MENTAL HEALTH PARITY ACT OF 1996
SUMMARY OF THE LAW

President Clinton signed the Mental Health Parity Act of 1996 (P.L. 104-204) into law on September 26, 1997. This landmark law, which received unprecedented bipartisan support, begins the process of ending the long-held practice of providing less insurance coverage for mental illnesses, or brain disorders, than is provided for equally serious physical disorders.

Key Provisions

⇒ The law takes effect on January 1, 1998, and expires on September 30, 2001.

⇒ The law equates aggregate lifetime limits and annual limits for mental health benefits with aggregate lifetime limits and annual limits for medical and surgical benefits. *(Typical caps for mental illness coverage are $50,000 for lifetime and $5,000 for annual, as compared with $1 million lifetime and no annual cap for other physical disorders.)*

⇒ The law covers mental illnesses (i.e., "mental health services," as defined under the terms of individual plans); it does not cover treatment of substance abuse or chemical dependency.

⇒ Existing state parity laws are not preempted by the federal law *(i.e., a state law requiring more comprehensive coverage would not be weakened by the federal law, nor does it preclude a state from enacting stronger parity legislation).*

⇒ The law applies only to employers that offer mental health benefits; it does not mandate such coverage.

⇒ The law allows for many cost-shifting mechanisms, such as adjusting limits on mental illness inpatient days, prescription drugs, outpatient visits, raising co-insurance and deductibles, and modifying the definition of medical necessity. *(Therefore, lower limits for inpatient and outpatient mental illness treatments are expected to continue, and in some cases, actually expand to help keep costs down.)*

⇒ The law applies to both fully insured state-regulated health plans and self-insured plans that are exempt from state laws under the Employee Retirement Income Security Act (ERISA), which are regulated by the Department of Labor.

⇒ The [illegible] as a small business exemption which excludes businesses with 50 employees or less.

⇒ The la.. allows an increased cost exemption; employers that can demonstrate a one percent or more rise in costs due to parity implementation will be allowed to exempt themselves from the law.

What's Not Covered

The Mental Health Parity Act of 1996 does not provide:

⇒ A mandate for mental health benefits to be offered in health insurance plans;
⇒ Coverage for treatment of substance abuse or chemical dependency;
⇒ Rules for service charges, such as co-payments, deductibles, out-of-pocket payment limits, etc.;
⇒ Designations for the number of inpatient hospital days or outpatient visits that must be covered;
⇒ Coverage in connection with Medicare or Medicaid;
⇒ Restrictions on a health insurance plan's ability to manage care; or
⇒ Provisions for business with 50 or fewer employees.

THE MENTAL HEALTH PARITY ACT OF 1996 SUMMARY OF THE LAW.

Federal Regulations

The Clinton Administration issued interim final regulations in the *Federal Register* (December 22, 1997) that set forth the guidelines for implementing the Mental Health Parity Act. The White House and the Office of Management and Budget (OMB) ruled that employers must first comply with the law in 1998 and develop a cost history of at least six months (retrospective data) before seeking an exemption. By contrast, some business groups had argued that firms be allowed to use the exemption based on estimates of higher costs (prospective data), thereby relieving them of the responsibility to ever comply. Those employers who had planned on using the prospective formula have been given a three-month grace period and must comply with the law by March 31, 1998, if they reasonably believed that the one percent cost increase would have been available to them on a prospective basis.

The regulations require employers using the exemption to notify all plan participants and the appropriate enforcement authority (e.g., state insurance commissioner, U.S. Department of Labor, U.S. Department of Health and Human Services, and the U.S. Department of Treasury). While neither the government, nor plan participants, will be able to see the "proprietary" data upon which the exemption is based, employers must provide a summary of the data upon which their one percent cost increase claim is based. This summary must include overall plan expenditures, the dollar value of claims that would have been denied if parity were not in place, and administrative costs attributable to compliance with the law. Plan sponsors will be specifically barred from including any individually identifiable information in a data summary. Once an employer submits a notice under the one percent exemption, they will have to wait 30 days before the exemption becomes effective. However, this notice is not a formal application and employers do not have to wait for approval from the government before proceeding.

The notices that employers provide to the government under the one percent exemption will be part of the public record and will allow third parties, including NAMI and its state and local affiliates, to access the names of these employers.

Benefits for American Families

The principle beneficiaries of the Mental Health Parity Act will be persons with the most severe, persistent and disabling of brain disorders because they are, on average, more likely to exceed annual and lifetime benefits.