

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9154 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

SCR

11

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: March 23, 1998

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/28/98

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

CSSCR 11(FIN)

CS FOR SENATE CONCURRENT RESOLUTION NO. 1(FIN)

LONG-TERM CARE TASK FORCE

Creating the Long-Term Care Task Force.

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) LAA / 3-4-98

zero fiscal note(s) _____

zero fiscal note(s) C+ED / 3-4-98,
Governor / 3/4/98

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Paul Dwyer</i>	✓			
<i>Joseph ...</i>	✓			
<i>Car Bunker</i>	✓			
<i>Bryan A. Porter</i>	✓			
<i>...</i>	✓			
<i>...</i>	✓			

CHAIR'S SIGNATURE Car Bunker



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

SPONSOR STATEMENT

CSSCR-11(Fin)

BY: SENATOR BERT SHARP

AS ALASKA'S SENIOR COMMUNITY GROWS, IT IS NECESSARY THAT WE PLAN FOR THE LONG-TERM CARE AND NEEDS OF THESE CITIZENS.

WHILE IT IS THE DESIRABLE GOAL OF MOST FAMILIES TO PROVIDE HOME CARE FOR THEIR ELDERLY PARENTS, THE REALTY IS THAT MOST WILL LIVE IN A LONG-TERM CARE FACILITY. EITHER WAY, THE COSTS OF PROVIDING LONG-TERM CARE IS BECOMING INSURMOUNTABLE TO THE STATE AND TO OUR PRIVATE CITIZENS.

IN AN EFFORT TO ASSURE OUR SENIOR CITIZENS ARE GETTING THE BEST CARE POSSIBLE, THE LEGISLATURE, IN 1996, ESTABLISHED A WORKING GROUP TO ANALYZE LONG-TERM CARE SERVICES AVAILABLE IN THE STATE AND THEIR PROJECTED COSTS.

SCR-11 WILL CREATE A LONG-TERM CARE TASK FORCE. THEIR MISSION IS TO REVIEW THE FINDINGS OF THE WORKING GROUP AND TO DEVELOP AN EQUITABLE PLAN FOR PROVIDING AN ACTUARIALLY SOUND AND AFFORDABLE LONG-TERM CARE OPTIONS FOR ALL OF ALASKA'S SENIOR CITIZENS .

I URGE YOUR SUPPORT IN PASSING THIS VERY IMPORTANT AND NECESSARY RESOLUTION. THANK YOU.



Someone to Stand by You

January 31, 1998

Anchorage Services
240 E. Tudor Road
Suite 110
Anchorage, AK 99503
(907) 561-3313
FAX: (907) 561-3315
Toll Free in Alaska
(800) 478-1080

Fairbanks Services
P.O. Box 2791
Fairbanks, AK 99707
(907) 452-2277

Juneau/Southeast
Services
3200 Hospital Drive
Suite 201
Juneau, AK 99801
(907) 586-6044

Caregiver
Information
System
(907) 561-3322
Toll Free in Alaska
(800) 478-2022

Senator Bert Sharp
State Capitol
Room 516
Juneau, AK. 99801-1182

Dear Senator Sharp;

I am writing this letter as the Public Policy Chair of the Alzheimer's Association Alaska Chapter and as a private citizen with parents who reside in a long term care facility. We would like to state our support of senate concurrent resolution 11, creating the Long-Term Care Task Force. It is our mission at the Alzheimer's Association to provide for all Alaskan's affected by the disease and related disorders, a way to manage with dignity and comfort until we find a cure. While it is our goal and the goal of most families to provide for that care in the private home for as long as possible, it is also a reality that some will live in a long term care facility as my parents are doing.

With the reality of the demographics of baby boomers and the estimated statistics of 6500 Alaskans with ADRD (Alzheimer's disease and related disorders) by the year 2010 (see attachment), it seems obvious this task force is needed in our state. We support having a Long-Term Care Plan in place as soon as possible.

It is obvious from your sponsorship of this resolution, that you and Senator Duncan are friends of the elderly, we look to you both as allies in reaching our goals for maintaining the dignity and comfort of those suffering from ADRD.

Sincerely,

Mary H. Weymiller
Board member
Public Policy Chair
1357 Viewpointe Dr.
Fairbanks, AK 99709-6750
e-mail: weymilh@polarnet.com

Cc: Senator Duncan
Alaska Chapter Alzheimer's Assoc.

Alzheimer's Disease and Related Disorders Association, Inc.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

STATE INDEPENDENT LIVING COUNCIL

March 3, 1997.

Senator Bert Sharp
State Capitol
Juneau, AK 99801

1016 West 6th Ave, Suite 205
Anchorage, Alaska 99501-1963
Phone: V/TTY (907) 269-3571
Message TTY: (907) 269-3635
Fax: (907) 269-3571 3633
Toll Free: 1-888-330-6488

Dear Senator Sharp:

The State Independent Living Council is in support of Senate Concurrent Resolution #11, "Creating a Long-Term Care Task Force". As a council representing the interests of persons with disabilities, especially those persons with disabilities being housed in nursing homes against their will, we supported the effort to place a moratorium on the building of any more nursing home beds two years ago and the establishment of the working group charged with providing a report on long term care. We have reviewed that report and are anxious to begin working on some needed changes in our long term care system.

We understand the need of establishing a Long-Term Care Task Force to further define the State's solution. However, we also feel that our brothers and sisters with disabilities living in nursing homes today, in which there are dozens, would be horrified to see the State embark on yet another study to investigate the problem and define the solution. Our friends want out now, and the State of Alaska has been "foot dragging" on this issue for much too long.

*Therefore, we suggest passing this resolution with an added continued moratorium on any more nursing home beds while the state continues to "study" the problem. (In Vermont they did something similar, but put in benchmarks for decrease in long-term care beds). We also suggest the Task Force be charged with interviewing all persons with disabilities living in nursing homes currently, and that a plan of release into community based, independent living situations be developed for each and every person wishing to make this transition. This, in itself, would do more to push the long-term care system into a new and better mode of thinking. The SILC, with our partner Centers for Independent Living around the State, would welcome the opportunity to work cooperatively on this endeavor with this Task Force. Furthermore, *the SILC would also welcome the opportunity to recommend a member to serve on this Task Force.**

Thank you and should you have any questions, please do not hesitate to call me at 269-3571.

Sincerely,



Patrick Reinhart
Executive Director

CC. Senator Gary Wilken, Chair, Senate HESS
Members of Senate HESS Committee



Alaska Commission on Aging

RESOLUTION 98-10

In Support of SCR 11 - Creating the Long-Term Care Task Force.

WHEREAS in the last ten years Alaska has made remarkable progress in some regions in establishing an effective home and community-based long-term care network; and

WHEREAS this network is complemented in some regions by the presence of residential care in the form of assisted living homes including the Pioneers' Homes, and nursing homes; and

WHEREAS appropriate and locally available long-term care is fundamental to the physical, and mental well-being of all Alaskans of all ages; and

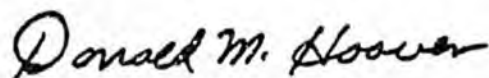
WHEREAS in some regions of the State Alaskans must still leave their home community and region to receive long-term care; and

WHEREAS with the rapid growth in the numbers of Alaskans choosing to make Alaska their lifelong home, some 80,000 Alaskans will be age 65+ by the year 2015, in comparison to some 28,000 Alaskans who were this age in 1995; and

WHEREAS the cost of long-term care profoundly affects the economic well-being of most Alaskans and thus of the State of Alaska;

THEREFORE, BE IT RESOLVED that the Alaska Commission on Aging supports the intent of SCR 11 which establishes a Long Term Care Task Force and strongly encourages its passage, with appropriate funding to carry out the mission of the task force.

Adopted this 3rd day of March, 1998.


Donald Hoover, Chair

cc:Mail for: Senator Bert Sharp

Subject: <No subject>

From: fbappel@eagle.ptialaska.net (Frank Appel) at CC2MHS1 02/18/98 2:15 PM

To: Senator Bert Sharp at LAA_SSHA

Dear Senator Sharp:

I support Senate Concurrent Resolution 11 to create a Long-Term Care Task Force. Alaska has a growing community of seniors. It is important that we plan for the long-term care needs of these individuals.

Thank you,

Frank B. Appel

FISCAL NOTE No. 3

STATE OF ALASKA
1998 LEGISLATIVE SESSION

Bill Version: CS SCR 11 (HES)
(S) Publish Date: 3-4-98

Revision Date (Note if correction) _____ Dept. Affected Commerce and Economic Development
 Title Creating the Long-Term Care Task Force BRU Executive Administration and Development
 Component Commissioner's Office
 Sponsor Sharp, Duncan
 Requester HESS, Finance Component Serial No. 1027

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						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Commissioner or designee of Department of Commerce and Economic Development will make every effort possible to participate in the task force in coordination with other travel and meetings.

Prepared by Tom Lawson, Director
 Division Division of Administrative Services
 Approved by Commissioner *John P. Anderson*
 Agency Commerce and Economic Development

Phone (907)465-2505
 Date 2/27/98
 Date 2/27/98

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FISCAL NOTE

No. 2

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BI Bill Version: CS SCR 11 (HES)

(S) Publish Date: 3-4-98

Revision Date _____	Dept. Affected <u>Office of the Governor</u>
Title <u>"Creating the Long-Term Care Task Force"</u>	BRU <u>Executive Operations</u>
Sponsor <u>Senators Sharp, Duncan</u>	Component <u>Executive Office</u>
Requester <u>Senate HESS</u>	Component Serial No. <u>6</u>

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)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

POSITIONS	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Selection by the Governor of the three public members for this legislative task force will have no fiscal impact on the Executive Office.

Traditionally, costs associated with task force/members activity is budgeted by the agency or branch housing the task force. This fiscal note assumes that this legislative task force will be administratively supported by Legislative Affairs. This fiscal note further assumes that the travel/per diem costs for the public members are included in the Legislative Affairs fiscal note.

Prepared by <u>Michael A. Nizich, Administrative Director</u>	Phone <u>465-3876</u>
Division <u>Administrative Services</u>	Date <u>2/27/98</u>
Approved by <u>Jim Ayers, Chief of Staff</u>	Date <u>2/27/98</u>
Agency <u>Office of the Governor</u>	

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

NO No. 1
 BILL Bill Version: CS SCR 11 (HES)
 PU (S) Publish Date: 3-4-98

Revision Date: _____
 Title: "Creating the Long-Term Care Task Force."
 Sponsor: Senator Sharp
 Requestor: Senate HESS

Department Affected: Legislative Affairs Agency
 BRU: Legislative Council
 Component: Council & Subcommittees

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	17.5	0.0	0	0	0	0
CONTRACTUAL	3.2	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	20.7	0.0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	20.7	0.0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	20.7	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)

CS SCR11(HES) establishes a 9 member Long-Term Care Task Force consisting of 6 Legislators appointed by the Presiding Officers of the Alaska State Legislature. This task force will review recommendations for long-term care, prepare plans, draft legislation, hold public hearings and submit a plan with proposed legislation and funding options to the Governor and the Legislature by the convening of the 1st Regular Session of the Twenty First Alaska State Legislature. The Commissioners of HESS, Commerce, and Administration or their their designees may serve as non voting members on the task force.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 466-3852
 Division: Administrative Services Date: 3/4/98

Approved By: Pamela A. Vami, Executive Director *Karla Schofield for*
 Agency: Legislative Affairs Agency Date: 3/4/98

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

CONTINUATION OF FISCAL NOTE: HCR11

Travel

Travel costs for the public members and the Legislative members of the Long-Term Care Task Force are included in this fiscal note. Travel for non voting members from the Executive Branch will be paid for by the Executive Branch if these members travel.

The task force is expected to begin work in FY99 and travel 3 times to hold meetings or public hearings. For purposes of this fiscal note the task force is expected to meet once in Fairbanks, once in Anchorage, once in Juneau.

For the purposes of this fiscal note, the public members of the task force appointed by the Governor are assumed to be 1 from Fairbanks, 1 from Anchorage and 1 from Ketchikan. The Legislators are assumed to be 2 from Anchorage, 2 from Fairbanks, 1 from Ketchikan, and 1 from Juneau. Two days of per diem are calculated for each meeting.

	<u>Per Diem</u>	<u>Travel</u>	
<u>2 Anchorage Meetings</u>			
Anchorage - 1 public members/2 Legislators	-	-	
Fairbanks - 1 public members/2 Legislator	1,278	1,110	
Ketchikan - 1 public member/1 Legislator	852	1,240	
Juneau - 1 Legislator	426	470	
<u>1 Fairbanks Meeting</u>			
Anchorage - 1 public members/2 Legislators	1,086	1,110	
Fairbanks - 1 public members/1 Legislator	-	-	
Ketchikan - 1 public member/1 Legislator	724	1,560	
Juneau - 1 Legislator	362	655	
<u>1 Juneau Meeting</u>			
Anchorage - 1 public members/2 Legislators	1,008	1,410	
Fairbanks - 2 public members/1 Legislator	1,008	1,965	
Ketchikan - 1 public member/1 Legislator	672	580	
Juneau - 1 Legislator	-	-	
Total FY99 Travel	7,416	10,100	TOTAL 17,516

Contractual

	Phones \$100/month	Postage \$60/month	Advertisng \$750/meeting	TOTAL
FY99	600	300	2,250	3,150

Teleconference charges and expenses for printing the report will be absorbed by the Agency.

SJR

23

FISCAL NOTE

Bill Version: SJK 23

(S) Publish Date: 2/18/97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SJR 23

Revision Date: _____
Title: Request Congress to change FMAP

Dept. Affected: Health and Social Services

BRU: Medical Assistance Admin

Component: Medical Assistance Central Admin

Sponsor: Senate HESS

COMPONENT SERIAL NO. 242

Requestor: Senate HESS

See also (SN#): _____

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)

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:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

This resolution requests Congress to amend the Social Security Act to reflect the higher cost of living in Alaska in the Federal Medical Assistance Percentage (FMAP) formula that determines the federal share of the cost of the Medicaid Program. Enactment of this resolution will support the efforts of the Alaska Congressional Delegation in seeking the FMAP change but will not affect costs in the Medicaid Program.

Prepared by: Nancy Weller
Division: Medical Assistance

Phone: 465-3355
Date: 03/14/97

Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Date: 3/14/97

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HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: March 25, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/28/97

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

SJR 23

SENATE JOINT RESOLUTION NO. 23

REFLECT AK. COLA IN FED MEDICAID SHARE

Urging the United States Congress to amend the Social Security Act so that the higher cost of living in Alaska is reflected when the per capita income of the state is used as a factor in determining the federal share of Medicaid costs.

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) _____

zero fiscal note(s) _____ zero fiscal note(s) 14+SS/2-18-97

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Frank Adams</i>	✓			
<i>Car Bunde</i>	✓			
<i>John P. ...</i>	✓			
<i>...</i>	✓			
<i>Tom Blise</i>	✓			

CHAIR'S SIGNATURE *Car Bunde*

Alaska State Legislature



Senator Gary Wilken, Chairman
Senator Loren Leman, Vice Chairman
Senator Lyda Green
Senator Jerry Ward
Senator Johnny Ellis

State Capitol
Room 510
Juneau, Alaska 99801
(907) 465-3762

Senate Committee on Health, Education and Social Services

SENATE HESS COMMITTEE SPONSOR STATEMENT

SJR 23 – Reflect Alaska COLA in Federal Medicaid Share

Senate Joint Resolution 23 urges Congress to amend the Social Security Act so that the higher cost of living in Alaska is reflected when per capita income is used in determining the federal share of Medicaid costs in the state.

The Federal Medical Assistance Percentage (FMAP) is the federal share of the cost of the Medicaid Program. Currently Alaska's FMAP is at the lowest allowable percentage under federal law: 50 percent . If the FMAP was adjusted for Alaska's higher cost of living, the adjustment would mean an increase of federal dollars of approximately \$39 million to the Alaska's Medicaid Program.

Senator Frank Murkowski has introduced in Congress the *Alaska Medicaid Equity Act of 1997* to adjust Alaska's federal medical assistance percentage to recognize our higher cost of medical care. Alaska must be treated fairly and equitably under this federal entitlement program. The passage of SJR 23 will urge Congress to recognize Alaska's higher cost of living and to amend the Social Security Act to correct the present inequity.

105TH CONGRESS
1ST SESSION**S.** 424

IN THE SENATE OF THE UNITED STATES

Mr. MURKOWSKI introduced the following bill, which was read twice and referred to the Committee on _____

A BILL

To adjust the Federal medical assistance percentage determined for Alaska under the medicaid program to reflect Alaska's cost-of-living.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Alaska Medicaid Eq-
5 uity Act of 1997".

6 **SEC. 2. AMENDMENT TO THE SOCIAL SECURITY ACT.**

7 (a) **IN GENERAL.**—Section 1905(b) of the Social Se-
8 curity Act (42 U.S.C. 1396d(b)) is amended by adding
9 at the end the following: "Notwithstanding the first sen-
10 tence of this subsection, in the case of Alaska, the Federal

O:\ERN\ERN07.131

S.T.C.

1 medical assistance percentage shall be 100 per centum less
 2 that percentage which bears the same ratio to 45 per cen-
 3 tum as the square of the adjusted per capita income of
 4 Alaska bears to the square of the per capita income of
 5 the 50 States. For purposes of the preceding sentence, the
 6 adjusted per capita income of Alaska shall be determined
 7 by dividing the 3-year average per capita income for Alas-
 8 ka by 1.25."

9 (b) EFFECTIVE DATE.—The amendment made by
 10 subsection (a) applies to fiscal year quarters beginning on
 11 and after the date of enactment of this Act.

WHAT IS FMAP?

- The Federal Medical Assistance Percentage (FMAP) is the federal share of the cost of the Medicaid Program. The FMAP is also used to calculate the Title IV-E Foster Care and Adoption Assistance federal match, child support disbursements and certain funds under welfare reform.
- FMAP is calculated according to a formula based on per capita income in an individual state in relation to the per capita income of the United States.

WHY IS THE FMAP CALCULATION UNFAIR TO ALASKA?

- The Federal Poverty Level is a criteria used for determining the financial eligibility of individuals and families for the Medicaid, Foster Care and Adoption Assistance Programs.
- The Federal Poverty Level for Alaska is set at 125% of poverty in the lower 48 states, resulting in more people meeting the income qualifying standards.
- There is no corresponding adjustment for the higher cost of living in Alaska in the way that federal law calculates the FMAP.
- Program eligibility is mandated by federal law at the adjusted income levels, the federal government is not participating in the cost of operating the programs at similar adjusted levels.

HOW MUCH HIGHER IS THE COST OF LIVING IN ALASKA?

- Four Alaskan cities were in the 20 highest cost urban areas of the U.S. in 1995.
- For these cities, the overall cost of living, and the cost of health care, compared to the U.S. average for these items were: Kodiak at 50% and 68%, Juneau at 36% and 60%, Fairbanks at 26% and 71%, and Anchorage at 25% and 76%.

WHAT IS OUR CURRENT FMAP?

- Alaska's FMAP is at the lowest allowable percentage under federal law: 50 percent.
- Only eleven states have an FMAP of 50 percent; the highest FMAP is 77 percent (Mississippi).

WHAT WOULD THE FMAP CHANGE MEAN?

- If the FMAP had been adjusted to account for the higher cost of living during the current state fiscal year, the federal share would have changed from 50% to 62%.
- This FMAP adjustment would mean an increase in federal participation of \$39,249,300 for the Medicaid Program and \$646,000 for Foster Care and Adoption Assistance, and a loss of \$1.2 million in child support disbursements to the Division of Public Assistance.

Alaska State Legislature



Senator Gary Wilken, Chairman
Senator Loren Leman, Vice Chairman
Senator Lyda Green
Senator Jerry Ward
Senator Johnny Ellis

State Capitol
Room 510
Juneau, Alaska 99801
(907) 465-3762

Senate Committee on Health, Education and Social Services

March 5, 1997

Karen Perdue, Commissioner
Department of Health and Social Services
P.O. Box 110601
Juneau, Alaska 99811-0601

Dear Commissioner Perdue,

Over the past several weeks I have discussed with you my concern over the disparity in the method used to determine the federal share of the cost of the Medicaid Program. Alaska's high cost of living and even higher cost of health care is not reflected in the federal government's calculation of the state's Federal Medical Assistance Percentage (FMAP).

Currently the Federal Medical Assistance Percentage for Alaska is at the lowest allowable percentage under federal law – 50 percent. It is my understanding that if FMAP was adjusted for Alaska's higher cost of living, the federal share of the Medicaid entitlement program would be 62% instead of the current 50%. This adjustment means an increase of \$32 million of federal aid for Alaska's Medicaid Program.

It is vital that every avenue be explored to ensure that Alaska is treated fairly and equitably under this entitlement program and that the additional funding is available for Alaska's Medicaid recipients. This issue is a high priority of mine and I would like to assist in this effort. Please advise me on what has been done to date and how my office may help to further the effort.

Thank you very much for your assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gary Wilken".

Gary Wilken
Senator, West Fairbanks

cc: Senate HESS Committee Members
Senate Finance Committee Co-chairs
House Finance Committee Co-chairs

BACKGROUND INFORMATION

State of Alaska Medical Assistance Program
 FY98 Governor's Request compared to FMAP change

Federal Funds	FY 98 Governor's Request	If FMAP change in effect
Medicaid Non-Facility	75,186.0	93,230.6
Medicaid Facility	72,342.5	89,704.6
Medicaid State Programs	10,416.4	11,666.4
Waivered Services	7,144.2	8,858.8

Total	165,089.1	203,460.4
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General Funds

Medicaid Non-Facility	75,185.9	57,141.3
Medicaid Facility	72,342.4	54,980.3
Medicaid State Programs	3,603.0	3,170.6
Waivered Services	7,144.2	5,429.6

Total	158,275.5	120,721.8
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Total Funds

Medicaid Non-Facility	150,371.9	150,371.9
Medicaid Facility	144,684.9	144,684.9
Medicaid State Programs	14,019.4	14,019.4
Waivered Services	14,288.4	14,288.4

Total	323,364.6	323,364.6
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General Funds = All non-Federal Funds

LEGI-SLATE Report for the 105th Congress Tue, February 4, 1997 2:16pm (EDT)

Q U I C K F E D E R A L R E G I S T E R (, T E X T)
L-S Document 583222

On 01/29/97
[L-S document 583222, 62 FR 4293, 147 lines]

Office of the Secretary

Federal Financial Participation in State Assistance Expenditures; Federal Matching Shares for Temporary Assistance to Needy Families, Medicaid, and Aid to Needy Aged, Blind, or Disabled Persons for October 1, 1997 Through September 30, 1998

AGENCY: Office of the Secretary, HHS.

ACTION: Notice.

SUMMARY: The Federal Percentages and Federal Medical Assistance Percentages for Fiscal Year 1998 have been calculated pursuant to the Social Security Act (the Act). These percentages will be effective from October 1, 1997 through September 30, 1998. This notice announces the calculated "Federal percentages" and "Federal medical assistance percentages" that we will use in determining the amount of Federal matching in State welfare and medical expenditures. The table gives figures for each of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. Programs under title XIX of the Act exist in each jurisdiction; programs under titles I, X, and XIV operate only in Guam and the Virgin Islands; while a program under title XVI (AABD) operates only in Puerto Rico. The percentages in this notice apply to State expenditures for assistance payments and medical services (except family planning which is subject to a higher matching rate). The statute provides separately for Federal matching of administrative costs.

As of July 1, 1997, all States will have implemented the new title IV-A program, Temporary Assistance for Needy Families (TANF). As a block grant, no matching percentage is needed. However, the Federal medical assistance percentage will still be applicable under TANF for those States that receive contingency funds under section 403(b) of the Act in the required annual reconciliation of those funds. Closeout claims under the old title IV-A program, Aid to Families with Dependent Children will be matched at the Federal medical percentage in effect at the time the expenditure was made.

Section 1101(a)(8) and 1905(b) of the Act, as revised by section 9528 of Pub. L. 99-272, require the Secretary of Health and Human Services to publish these percentages each year. The Secretary is to figure the percentages, by formulas in sections 1101(a)(8) and 1905(b) of the Act, from the Department of Commerce's statistics of average income per person in each State and in the Nation as a whole. The percentages are within upper and lower limits given in those two sections of the Act. The statute specifies the percentages to be applied to Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

The "Federal percentages" are for residual payments under the old Aid to Families with Dependent Children (AFDC) program. The "Federal medical

assistance percentages" are for Medicaid. However, under section 1118 of the Act, States with approved Medicaid plans may claim Federal matching funds for expenditures under approved State plans for other programs using either the Federal percentage or the Federal medical assistance percentage. These States may claim at the Federal medical assistance percentage without regard to any maximum on the dollar amounts per recipient which may be counted under paragraph (2) of sections 3(a), 1003(a), 1403(a), and 1603(a) of the Act.

DATES: The percentages listed will be effective for each of the 4 quarter-year periods in the period beginning October 1, 1997 and ending September 30, 1998.

FOR FURTHER INFORMATION CONTACT:

Mr. Gene Moyer, Office of Health Policy, Office of the Assistant Secretary for Planning and Evaluation, Room 442E Hubert H. Humphrey Building, 200 Independence Avenue SW, Washington, D.C. 20201, Telephone (202) 690-7861.

(Catalog of Federal Domestic Assistance Program Nos. 93-560--Assistance Payments--Maintenance Assistance (State Aid); 93-778--Medical Assistance Program)

Dated: January 21, 1997.

Donna E. Shalala,

Secretary of Health and Human Services.

Federal Percentages and Federal Medical Assistance Percentages, Effective October 1, 1997-September 30, 1998 (Fiscal Year 1998)

State	Federal percentages	Federal medical assistance percentages
Alabama	65.00	69.32
Alaska	50.00	50.00
American Samoa	50.00	50.00
Arizona	61.47	65.33
Arkansas	65.00	72.84
California	50.00	51.23
Colorado	50.00	51.97
Connecticut	50.00	50.00
Delaware	50.00	50.00
District of Columbia	50.00	50.00
Florida	50.72	55.65
Georgia	56.49	60.84
Guam	50.00	50.00
Hawaii	50.00	50.00
Idaho	65.00	69.59
Illinois	50.00	50.00
Indiana	57.12	61.41
Iowa	59.73	63.75
Kansas	55.23	59.71
Kentucky	65.00	70.37

Louisiana	65.00	70.03
Maine	62.27	66.04
Maryland	50.00	50.00
Massachusetts	50.00	50.00
Michigan	50.00	53.58
Minnesota	50.00	52.14
Mississippi	65.00	77.09
Missouri	56.31	60.68
Montana	65.00	70.56
Nebraska	56.85	61.17
Nevada	50.00	50.00
New Hampshire	50.00	50.00
New Jersey	50.00	50.00
New Mexico	65.00	72.61
New York	50.00	50.00
North Carolina	58.99	63.09
North Dakota	65.00	70.43
Northern Mariana Islands	50.00	50.00
Ohio	53.49	58.14
Oklahoma	65.00	70.51
Oregon	57.18	61.46
Pennsylvania	50.00	53.39
Puerto Rico	50.00	50.00
Rhode Island	50.00	53.17
South Carolina	65.00	70.23
South Dakota	64.16	67.75
Tennessee	59.28	63.36
Texas	58.09	62.28
Utah	65.00	72.58
Vermont	57.98	62.18
Virgin Islands	50.00	50.00
Virginia	50.00	51.49
Washington	50.00	52.15
West Virginia	65.00	73.67
Wisconsin	54.26	58.84
Wyoming	58.91	63.02

* For purposes of section 1118 of the Social Security Act, the percentage used under titles I, X, XIV, and XVI and Part A of title IV will be 75 per centum.

[FR Doc. 97-2231 Filed 1-28-97; 8:45 am]

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