

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 86/2

10216 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

**HB**

**366**

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# ALASKA STATE HOUSE OF REPRESENTATIVES

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## REPRESENTATIVE JOHN COGHILL

### HB 366 Assisted Living Rates Sponsor Statement

Prior to the legislature passing SB 73 in 2000, the daily rate of reimbursement for assisted living homes had been \$34.50 since 1991. While everyone else was getting raises to adjust to the cost of living increases, assisted living home providers were expected to carry out their responsibilities without any added reimbursement. I introduced HB 264, companion legislation to SB 73, in the House. This legislation was co-sponsored by Representative James.

It was the intent of passing SB 73 to simply raise the rate to \$70.00 a day over a three-year period. The assisted living homes came to the legislature to get an increase in daily room and board for vulnerable adults. The legislature agreed with the industry that a raise in the room and board rate was needed and passed SB 73.

Language was added to SB 73 explicitly directing that this increase be done without adopting new regulations. New regulations have been adopted that allows the Division of Senior Services to reduce the daily minimum for room and board by paying for added services with Medicaid money. The legislature was not addressing services provided under the Medicaid waiver program and did not intend to add performance duties for services other than room and board (three meals and a bed) for assisted living when approving the raise. The fiscal notes submitted by the administration reflect that Senior Services and Medical Assistance clearly understood this. Senior Services now pays 40% of the minimum daily rate if a provider is approved for a Medicaid waiver is contrary to the language and the intent of SB 73.

HB 366 places the original intent in statute by renaming minimum daily rate with "per diem". It does so with a zero fiscal note because the fiscal notes on SB 73 have already reflected the increases.

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## REPRESENTATIVE JOHN COGHILL

### HB 366 Assisted Living Homes

#### *Sectional*

**Section 1.** This section changes the term daily reimbursement rate to housing and food services per diem to clarify that payments made to health facilities under Chapter 7 (Medical Assistance for Needy Person) does not apply to the per diem payments made under Chapter 24 Protection of Vulnerable Adults.

**Section 2.** Adds language to AS 47.24.017 "Delivery of protective services for vulnerable adults" to clarify that the minimum daily reimbursement rate is for housing and food services and that other services provided will require an additional payment to be determined under an agreement with the assisted living home.

**Section 3.** Amends AS 47.24.017(d) effective July 1, 2002 to reflect an increase to \$70 a day for housing and food services.

**Section 4.** Adds language to AS 47.25.195(d) "Payment to health facilities for treatment of needy person" to clarify that the minimum daily reimbursement rate is for housing and food services and that other services provided will require an additional payment.

**Section 5.** Amends AS 47.25.195(d) effective July 1, 2002 to reflect an increase to \$70 a day for housing and food services.

**Section 6.** Adds language to AS 47.25.195(e) "Payment to health facilities for treatment of needy person" to clarify that the minimum daily reimbursement rate is for housing and food services and that other services provided will require an additional payment.

**Section 7.** Amends AS 47.25.195(e) effective July 1, 2002 to reflect an increase to \$70 a day for housing and food services.

**Section 8.** Provides that the per diem rates for housing and food services are applicable to effective dates.

**Section 9.** Provides that the effective date for Sections 1, 2, 4, 6, and 8 is immediate.

**Section 10.** Provides that the effective date for Sections 3, 5, and 7 with a rate increase to \$70 a day is July 1, 2002.

# FISCAL NOTE

No: 8

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

Bill Version: HCS CSSB 73 (FIN)  
(H) Publish Date: 4/24/00

Revision Date/Time (Note if correction): Apr. 20, 2000 2:29pm Dept. Affected: Health and Social Services  
 Title: An Act Related to Assisted Living Homes BRU: Community Mental Health Grants  
 Component: Gen Community Mental Hlth Grants  
 Sponsor: Senator Mike Miller COMPONENT SERIAL NO. 307  
 Requestor: House (FIN) See also (SN#): \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)  
 Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	921.7	1,588.0	2,081.8	2,081.8	2,081.8	2,081.8
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>921.7</b>	<b>1,588.0</b>	<b>2,081.8</b>	<b>2,081.8</b>	<b>2,081.8</b>	<b>2,081.8</b>

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	462.7	1,129.0	2,081.8	2,081.8	2,081.8	2,081.8
1092 MHTAAR	459.0	459.0				
<b>TOTAL</b>	<b>921.7</b>	<b>1,588.0</b>	<b>2,081.8</b>	<b>2,081.8</b>	<b>2,081.8</b>	<b>2,081.8</b>

Estimate of any current year (FY2000) cost: 50.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Assisted Living Homes (formerly known as Adult Residential Care) are a cost-effective alternative to institutional care for individuals choosing to remain in their home communities. The FY 2000 budget is \$622.2. 7AAC 47.450-470 governs the fee structure for Assisted Living Homes and has not been revised since 1982. The lack of cost of care adjustments to the ALH's fee structure jeopardizes the health and safety of residents and the future of ALH's options. This bill would require the Department of Health & Social Services, Division of Mental Health & Developmental Disabilities (DMHDD) to increase the rate paid to ALHs under the existing general relief assistance program for 131 consumers to a base rate of \$50/day starting Sept 1, 2000, \$60/day in FY 2002, and finally to \$70/day in FY 2003. The number of individuals receiving support for ALH services varies each year. This fiscal note would include a geographic cost of living differential. An augmented rate of \$35/day would be paid for 26 (20%) of consumers from the total population of 131 consumers. The augmented rate covers care of consumers with increased service needs. A personal needs allowance would be paid at \$100/month for all consumers. Both DMHDD and the Division of Senior Services are requesting this increase in the personal needs allowance from \$75/month.

Prepared by: Anne Henry *AH* Phone: 465-4852  
 Division: Mental Health & Dev. Disabilities Date/Time: 4/20/00 2:32 PM  
 Approved by Commissioner: Karen Perdue, Commissioner Date: 4/15/00  
 Agency: Department of Health & Social Services

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calculations, ALH fiscal notes (with geographic index applied)

Location	% of service	Geographic Index	RATE		
			\$60/day, 18 mo	\$60/day, 12 mo	\$70/day, 12 mo
Anch	77%	1.00	\$1,528,181	\$2,209,053	\$2,577,229
Palmar/Wash	5%	1.04	\$1,003,202	\$149,183	\$174,047
Southwest	5%	1.00	\$99,233	\$143,445	\$167,353
Northern	7%	1.15	\$159,784	\$230,946	\$269,438
Western	2%	1.33	\$131,979	\$190,787	\$227,579
N/Western	1%	1.38	\$27,368	\$39,591	\$46,189
Costs of Providers' Standard Service			\$2,049,747	\$2,861,000	\$3,458,833
client contrib of \$662 std rate x 11 mo x 131 clients			\$1,016,298	\$1,242,142	\$1,242,142
less: proposed pers needs allowance \$100/mo x 12 mo x 131 clients			\$131,000	\$157,200	\$157,200
Portion of Costs Paid by Clients			\$885,298	\$1,084,942	\$1,084,942
Proposed State's Portion of Costs			\$1,164,449	\$1,876,058	\$2,371,891
current state costs budgeted			\$518,500	\$622,200	\$622,200
Proposed Increase to Current State Costs			\$645,949	\$1,253,858	\$1,749,691
AUGMENTATION, \$35/day x 26 clients x 365 days			\$275,730	\$332,150	\$332,150
Proposed Increase Including Augmentation			\$921,679	\$1,586,008	\$2,081,841
rounded			\$921.7	\$1,586.0	\$2,081.8

With Geographic Index Applied:

		total	daily	
current rate	client portion	[((\$662 std monthly allowance x 11 mo) - (\$75 pers needs x 12 mo)) x 131 c]	\$1,124,242	\$23.51
	state portion	budgeted amount	\$622,200	\$13.01
	TOTAL		Total \$1,746,442	\$36.52
proposed \$50/day	TOTAL	\$50/day x 303 days x 131 clients (w/geogr index and spread)	\$2,049,747	\$44.64
	client portion	[((\$662 std monthly allowance x 9 mo) - (\$100 pers needs x 10 mo)) x 131 c]	\$885,298	\$22.30
	state portion	difference	\$1,164,449	\$29.34
proposed \$60/day	TOTAL	\$60/day x 365 days x 131 clients (w/geogr index and spread)	\$2,963,000	\$81.97
	client portion	[((\$662 std monthly allowance x 11 mo) - (\$100 pers needs x 12 mo)) x 131 c]	\$1,084,942	\$22.69
	state portion	difference	\$1,878,058	\$39.28
proposed \$70/day	TOTAL	\$70/day x 365 days x 131 clients (w/geogr index and spread)	\$3,458,833	\$72.36
	client portion	[((\$662 std monthly allowance x 11 mo) - (\$100 pers needs x 12 mo)) x 131 c]	\$1,084,942	\$22.69
	state portion	difference	\$2,371,891	\$49.61

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HCS CSSB 73 (FIN)

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calculations, ALH fiscal notes (with geographic index applied)

Location	% of service	geographic index	RATE		
			\$50/day, 18 mo	\$60/day, 12 mo	\$70/day, 12 mo
Arch	77%	1.00	\$1,528,181	\$2,209,053	\$2,577,229
Palmer/Wash	5%	1.04	\$103,202	\$149,183	\$174,047
Southeast	5%	1.00	\$99,233	\$143,445	\$167,353
Northern	7%	1.15	\$159,764	\$230,946	\$269,438
Western	5%	1.33	\$131,979	\$190,782	\$222,579
N/Western	1%	1.38	\$27,388	\$39,591	\$46,189
<b>Costs of Providers' Standard Service</b>			<b>\$2,049,747</b>	<b>\$2,981,000</b>	<b>\$3,456,833</b>
client contrib of \$862 std rate x 11 mo x 131 clients			\$1,016,238	\$1,242,142	\$1,242,142
less: proposed pers needs allowance \$100/mo x 12 mo x 131 clients			\$131,000	\$157,200	\$157,200
<b>Portion of Costs Paid by Clients</b>			<b>\$885,238</b>	<b>\$1,084,942</b>	<b>\$1,084,942</b>
<b>Proposed State's Portion of Costs</b>			<b>\$1,164,449</b>	<b>\$1,878,058</b>	<b>\$2,371,891</b>
current state costs budgeted			\$518,500	\$622,200	\$622,200
<b>Proposed Increase to Current State Costs</b>			<b>\$645,949</b>	<b>\$1,255,858</b>	<b>\$1,749,691</b>
<b>AUGMENTATION, \$35/day x 26 clients x 365 days</b>			<b>\$275,730</b>	<b>\$332,150</b>	<b>\$332,150</b>
<b>Proposed Increase Including Augmentation</b>			<b>\$921,679</b>	<b>\$1,588,008</b>	<b>\$2,081,841</b>
rounded			\$921.7	\$1,588.0	\$2,081.8

With Geographic Index Applied:

			total	daily
current rate	client portion	[((\$862 std monthly allowance x 11 mo) - (\$75 pers needs x 12 mo)) x 131 c]	\$1,124,242	\$23.51
	state portion	budgeted amount	\$622,200	\$13.01
	<b>TOTAL</b>		<b>Total \$1,746,442</b>	<b>\$36.52</b>
proposed \$50/day	<b>TOTAL</b>	\$50/day x 303 days x 131 clients (w/geogr index and spread)	\$2,049,747	\$51.64
	client portion	[((\$862 std monthly allowance x 9 mo) - (\$100 pers needs x 10 mo)) x 131 c]	\$885,238	\$22.30
	state portion	difference	\$1,164,449	\$29.34
proposed \$60/day	<b>TOTAL</b>	\$60/day x 365 days x 131 clients (w/geogr index and spread)	\$2,981,000	\$81.97
	client portion	[((\$862 std monthly allowance x 11 mo) - (\$100 pers needs x 12 mo)) x 131 c]	\$1,084,942	\$27.68
	state portion	difference	\$1,878,058	\$49.28
proposed \$70/day	<b>TOTAL</b>	\$70/day x 365 days x 131 clients (w/geogr index and spread)	\$3,456,833	\$87.30
	client portion	[((\$862 std monthly allowance x 11 mo) - (\$100 pers needs x 12 mo)) x 131 c]	\$1,084,942	\$27.68
	state portion	difference	\$2,371,891	\$61.61

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HCS CSSB 73 (Fin)

#8

FISCAL NOTE

No: 7  
 Bill Version: HCS CSSB 73 (FIN)  
 (H) Publish Date: 4/24/00

STATE OF ALASKA  
 2000 LEGISLATIVE SESSION

Revision Date: 04/21/00  
 Title: An act related to assisted living homes  
Increase Daily Rates to \$50, \$60, and \$70  
 Sponsor(s): Senator Miller  
 Requestor: (H) FIN

Department Affected: Administration  
 BRU: Central Administrative Services  
 Component: Protection, Community Services, Administration  
 COMPONENT SERIAL NO. 2083

EXPENDITURES/REVENUES:	10 months (Thousands of Dollars)					
OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	1,040.6	1,713.0	2,177.3	2,177.3	2,177.3	2,177.3
MISCELLANEOUS						
TOTAL OPERATING	1,040.6	1,713.0	2,177.3	2,177.3	2,177.3	2,177.3

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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FUND SOURCE:	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	204.0	876.4	1731.7	1731.7	1731.7	1731.7
1005 GF/Program Receipts						
1037 GF/Mental Health	445.6	445.6	445.6	445.6	445.6	445.6
OTHER MHTAAR	391.0	391.0				
TOTAL	1,040.6	1,713.0	2,177.3	2,177.3	2,177.3	2,177.3

Estimate of any current year (FY 2000) cost: \$ \_\_\_\_\_

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill would require the Department of Administration to increase the rate paid to assisted living homes under the existing general relief assistance program for 120 clients to a base rate of \$50 a day the first year for a period of 10 months, \$60 a day the second year, and \$70 a day the following years. This fiscal note would include a geographical cost of living differential. An augmentation rate of \$22 a day would be paid for 40 (33%) clients out of the total client population of 120 clients. A personal needs allowance would be paid at \$100 a month per client. The requested increase in the monthly personal needs allowance from \$75 to \$100 is needed for clients because they have increasing copayments to make for medical coverage, and the costs of personal items clients normally purchase are no longer affordable at the \$75 rate. DSS and DMHDD are jointly asking that this \$75 rate be increased to \$100 at this time.

Recommendation: This bill is consistent with the existing general relief assistance program objective to provide financial assistance to eligible vulnerable adults who are in need of assisted living resources. The current base rate of \$30 a day is not adequate to meet rising costs of providing assisted living care. A rate increase is overdue. This bill would require substantial funding which has not been approved by OMB. This bill would allow for improving the current system of general relief payment by increasing rates to an adequate amount based on the Alaska Rate Study Report completed December 1998. This analysis continues past practice of applying a regional geographic differential to rates paid across the state.

Prepared by: Dwight Becker  
 Division: Senior Services

Phone: 269-3674  
 Date: 04/21/00

Approved by Commissioner: Robert Poe, Jr.  
 Agency: Department of Administration

Date: 4/21/00

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FISCAL NOTE

#7

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

BILL NO. HCS CSSB 73(FIN)

ANALYSIS: (continued)

Calculation of General Relief Payment by State  
(including geographical differential)

First Year: FY 2001 with geographical differential (10 months 9/1/00 thru 6/30/01)

GR Rate	Anchorage	Matsu	Southeast	Northern	Western	N Western	
with Geographical							
<input type="text" value="50"/>	1,423,500.	113,880	109,500	377,775	145,635	151,110	2,321,400
Augmentation Rate	Augmentation Cost for 40 clients						
<input type="text" value="22"/>		321200					321,200
Personal Needs Allowance							144,000
<input type="text" value="100"/>							144,000
Client's Contributions							minus 1,137,840
Current FY 2001 General Relief Budget Request				400,000			minus 400,000
							Grand Total 1,248,760
							TOTAL (10 MONTHS) 1,040,590
							10 months = 83.33% of \$1,248,760

Second Year: FY 2002 with geographical differential

GR Rate	Anchorage	Matsu	Southeast	Northern	Western	N Western	
with Geographical							
<input type="text" value="60"/>	1,708,200	136,656	131,400	453,330	174,762	181,332	2,785,680
Augmentation Rate	Augmentation Cost for 40 clients						
<input type="text" value="22"/>		321200					321,200
Personal Needs Allowance							144,000
<input type="text" value="100"/>							144,000
Client's Contributions							minus 1,137.84
Current FY 2000 General Relief Budget Request				400,000			minus 400,000
							Grand Total 1,713,040

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STATE OF ALASKA  
2000 LEGISLATIVE SESSION

BILL NO. HCS CSSB 73(FN)

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Third Year FY 2003 and following years with geographical differential

GR Rate	Anchorage	Matsu	Southeast	Northern	Western	N Western	
with Geographical							
<input type="text" value="70"/>	1,992,900	159,432	153,300	528,885	203,889	211,554	3,249,960
Augmentation Cost for 40 clients							
Augmentation Rate							
<input type="text" value="22"/>	321200						321,200
Personal Needs Allowance							
<input type="text" value="100"/>							144,000
Client's Contributions							minus 1,137,840
Current FY 2000 General Relief Budget Request	400,000						minus 400,000
						<b>Grand Total</b>	<b>2,177,320</b>

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FISCAL NOTE

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STATE OF ALASKA  
2000 LEGISLATIVE SESSION

BILL NO. HCS CSSB 73(FIN)

Calculation of General Relief Payment by State

The general relief payment made by the state is the amount needed to supplement the client's contribution to meet the base rate indicated in the specific geographic region. An estimated 33% of the clients have higher needs and require augmented rates. The augmented rate is calculated at \$22 over the base rate multiplied by the index. The average contribution of the clients is the adult public assistance payment standard of \$862 per month or \$28.34 per day. Emergency protective service placements make up about one month or 1/12th of the total of 32,850 days which are paid by the by the state at the full rate without any contribution by clients because of the time needed to investigate and resolve client financial issues. The current budget request for FY2000 is 400.0. MHTA has committed 391.0 for each year FY2001 and FY2002.

Days of Service provided by General Relief Program

120 clients per month x 365 days = 43,800 days of service per year

Days of Service by Region

Anchorage	65%	of 43,800 days =	28,470 days
Palmer/Wasilla	5%	=	2,190
Southeast	5%	=	2,190
Northern	15%	=	6,570
Western	5%	=	2,190
N/Western	5%	=	2,190
			43,800 days

Client Contribution Towards Payment for Assisted Living

\$862 payment standard per mo. x 11 mo. x 120 clients = \$1,137,840

Cost Calculation for Geographical Differential

Region	Index
Anchorage	1.00
Palmer/Wasilla	1.04
Southeast	1.00
Northern	1.15
Western	1.33
N.Western	1.38

Personal Needs Allowance for all Clients

\$100 x 120 clients x 12 months = \$144,000

Augmentation Calculation

\$22 a day x 40 clients x 365 day = \$321,200

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 366  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health & Social Services  
Title: RELATING TO ASSISTED LIVING HOMES BRU: Community Mental Health Grants  
Component: Svcs/Chronically Mentally Ill  
Sponsor: COGHILL  
Requestor: HOUSE (HES) Component Number: 800

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2,711.9</b>	<b>2,711.9</b>	<b>2,711.9</b>	<b>2,711.9</b>	<b>2,711.9</b>	<b>2,711.9</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( 0 )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9	2,711.9
Other (Specify Type--do not abbreviate)						
<b>TOTAL</b>	<b>2,711.9</b>	<b>2,711.9</b>	<b>2,711.9</b>	<b>2,711.9</b>	<b>2,711.9</b>	<b>2,711.9</b>

Estimate of any current year (FY2002) cost: 607.3

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill separates the State's reimbursement for Assisted Living Home room & board from the reimbursement for services provided to ALH residents, and establishes a minimum floor for room & board reimbursement at \$60/day in FY02 and \$70/day as of July 1, 2002. See attached calculations. The assumptions behind the fiscal note figures are as follows:

- We would retain the same dollar figure currently allocated for Daily Living Activity services, \$36, or 60% of the total current FY02 \$60/day reimbursement rate. In FY03 this would rise to \$42, or 60% of \$70/day.
- Assumes a March 1, 2002 effective date and four months of FY02 costs at the new rates.

Prepared by: Sarah Brinkley, Administrative Manager Phone (907) 465-3167  
Division: Mental Health & DD Date/Time 02/04/2002  
Approved by: Elm A. Lindstrom, Deputy Commissioner Date 02/04/2002  
Agency: Department of Health & Social Services

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FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

BILL NO. HB 366

ANALYSIS CONTINUATION

- Augmentation for services would remain the same, an additional \$35/day for approximately 20% of the total ALH population.

See attached calculations.

HB 366 calculations, FY02 DMHDD ALH fiscal note (with geographic index applied)				
location	% of service	geographic index	RATE	
			\$60+36/day, 4 mo	\$70+42/day, 12 mo
Anch	77%	1.00	\$1,181,389	\$4,123,566
Palmer/Wasilla	5%	1.04	\$79,782	\$278,475
Southeast	5%	1.00	\$76,714	\$267,764
Northern	7%	1.15	\$123,509	\$431,100
Western	5%	1.33	\$102,029	\$356,126
N/Western	1%	1.38	\$21,173	\$73,903
Costs of Providers' Standard Service			\$1,584,596	\$5,530,932
AUGMENTATION, \$35/day x 26 clients x 365 days			\$110,717	\$332,150
<b>TOTAL SERVICE COST</b>			<b>\$ 1,695,313</b>	<b>\$ 5,863,083</b>
client contrib of \$862 std rate x 11 mo x 131 clients			\$451,688	\$1,242,142
less: pers needs allowance \$100/mo x 12 mo x 131 clients			\$52,400	\$157,200
<b>Portion of Total Service Costs Paid by Clients</b>			<b>\$399,288</b>	<b>\$1,084,942</b>
<b>Proposed State's Portion of Costs</b>			<b>\$1,296,025</b>	<b>\$4,778,141</b>
less current state costs budgeted			\$688,723	\$2,066,200
<b>Proposed Increase to Current State Costs</b>			<b>\$607,291</b>	<b>\$2,711,941</b>

These new rates would equate to an average monthly total service cost of \$3,235.33 per DMHDD client in FY02, climbing to \$3,729.70 in FY03.

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 366  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title Rates for Assisted Living Facilities BRU Central Administrative Services  
 Component Protection, Community Services  
 Sponsor Rep. COGHILL, James Administration  
 Requester House HES Component No. 2083

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	10,901.2	13,574.1	16,781.5	20,612.8	25,201.3	30,747.3
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>10,901.2</b>	<b>13,574.1</b>	<b>16,781.5</b>	<b>20,612.8</b>	<b>25,201.3</b>	<b>30,747.3</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	10,901.2	13,574.1	16,781.5	20,612.8	25,201.3	30,747.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>10,901.2</b>	<b>13,574.1</b>	<b>16,781.5</b>	<b>20,612.8</b>	<b>25,201.3</b>	<b>30,747.3</b>

Estimate of any current year (FY2002) cost: 2,822.1 Supplemental for 4 months  
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill would require the Department to pay a housing and food services rate to assisted living homes in 2002 at \$60 daily and in 2003 and subsequent years at \$70 daily. There are currently over 500 clients in assisted living homes funded by the Medicaid waiver. This bill would require these homes to be paid the minimum housing and food services rate. It is expected that 50 clients would not qualify for the Medicaid waiver, and would be paid through state general funds only. A growth rate of 20% is projected each year. This bill significantly increases the cost by requiring that all vulnerable adults including those on the waiver be paid the minimum rate for housing and food services and that other services provided by the assisted living home be paid through the Medicaid waiver or through an increased rate paid by general funds for other services. No rate increases are projected past 2003.

The Governor's budget contains \$364.3 of the amount identified as an increment for FY03

Prepared by: Dwight Becker, Program Coordinator Phone 269-3666  
 Division Senior Services Date/Time 2/4/02 5:50 PM  
 Approved by: Jim Duncan, Commissioner Date 2/4/2002  
 Agency Department of Administration

DSS Calculation Sheet for HB 366 Assisted Living Rates for 550 clients for 4 months 2002 @ \$60  
Place numerical entries for daily rates in boxes to the left

DAILY RATE	Anchorage	Matsu	Southeast	Northern	Western	N Western	Total
Housing and food services for 550 total clients for 365 days							
<input type="text" value="60"/>	7829250	626340	802250	2077783	800992.5	831105	12,767,700
Other Services Augmentation Cost exclusive of housing and food services for 50 non-waiver clients for 365 days							
<input type="text" value="22"/>	401500						401,500
Other Services exclusive of housing and food services for 50 non-waiver clients for 365 days							
<input type="text" value="36"/>	427050	34164	32850	113332.5	43690.5	45333	696,420
Other Services exclusive of housing and food services for 500 Medicaid waiver clients for 60 days							
<input type="text" value="36"/>	702000	56100	54000	186300	71820	74520	1,144,800
Personal Needs Allowance for 550 clients for 365 days							
<input type="text" value="100"/>							660,000
Client's Contributions for 550 clients for 10 months at \$862/mo							minus 4,741,000
Current FY 2002 General Relief Budget							minus 2,463,000
2002 supplemental budget request based on full year using current scenario							8,466,420
							New 2002 Total Budget 10,929,420
Supplemental Funds needed for 4 months remaining 2002							4 months (divide by 3) 2,822,140

Average rate for non-waiver client \$60 + \$36 or \$96 daily with augmentation up to \$22 more a day  
\$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client \$60 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day  
\$3750-\$4800 (FY02)

**DSS Calculation Sheet for HB 366 Assisted Living Rates for 550 clients for 12 months 2003 @ \$70**

Place numerical entries for daily rates in boxes to the left.

DAILY RATE	Anchorage	Matsig	Southeast	Northern	Western	N Western	Total
Housing and food services for 550 total clients for 365 days							
70	9134125	730730	702625	2424056	934491.3	969622.5	14,895,650
Other Services Augmentation Cost exclusive of housing and food services for 50 non-waiver clients for 365 days							
22							401,500
Other Services exclusive of housing and food services for 50 non-waiver clients for 365 days							
42	498225	39858	38325	132221.3	50972.25	52888.5	812,490
Other Services exclusive of housing and food services for 500 Medicaid waiver clients for 60 days							
42	819000	65520	63000	217350	83790	86940	1,335,600
Personal Needs Allowance for 550 clients for 365 days							
100							660,000
Client's Contributions for 550 clients for 10 months at \$862/mo							minus 4,741,000
Current FY 2002 General Relief Budget							minus 2,463,000
<b>Funds needed for 12 months 2003</b>							<b>See Note* 10,901,240</b>
New 2003 Total Budget							13,364,240

Average rate for non-waiver client      \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day  
 \$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client      \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day  
 \$3750-\$4800 (FY02)

**Note\*** The Governor's budget contains \$364 of the amount identified as an increment for FY 2003

**DSS Calculation Sheet for HB 366 Assisted Living Rates for 660 clients for 12 months 2004 @ \$70**  
 Place numerical entries for daily rates in boxes to the left

DAILY RATE	Anchorage	Matsu	Southeast	Northern	Western	N Western	Total
<b>Housing and food services for 660 total clients for 365 days</b>							
70	10960950	876876	843150	2908868	1121390	1163547	17,874,780
<b>Other Services: Augmentation Cost exclusive of housing and food services for 60 non-waiver clients for 365 days</b>							
22						481800	481,800
<b>Other Services exclusive of housing and food services for 60 non-waiver clients for 365 days</b>							
42	597870	47829.6	45990	158665.5	61166.7	63466.2	974,988
<b>Other Services exclusive of housing and food services for 600 Medicaid waiver clients for 60 days</b>							
42	982800	78624	75600	260820	100548	104328	1,602,720
<b>Personal Needs Allowance for 660 clients for 365 days</b>							
100							792,000
<b>Client's Contributions for 660 clients for 10 months at \$862/mo</b>							minus 5,689,200
<b>Current FY 2002 General Relief Budget</b>							minus 2,463,000
<b>Funds needed for 12 months 2004</b>						<b>Note*</b>	<b>13,574,088</b>
New 2004 Total Budget							16,937,088

Average rate for non-waiver client      \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day  
 \$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client      \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day  
 \$3760-\$4800 (FY02)

**Note\***      The Governors budget contains \$364 of the amount identified as an increment for FY 2003

DSS Calculation Sheet for HB 366 Assisted Living Rates for 792 clients for 12 months 2005 @ \$70  
 Place numerical entries for daily rates in boxes to the left.

DAILY RATE	Anchorag	Matsu	Southeast	Northern	Western	N Western	Total
<b>Housing and food services for 792 total clients for 365 days</b>							
<input type="text" value="70"/>	13153140	1052251	1011760	3490641	1345667	1396256	21,448,738
<b>Other Services Augmentation Cost exclusive of housing and food services for 72 non-waiver clients for 365 days</b>							
<input type="text" value="22"/>		578160					578,160
<b>Other Services exclusive of housing and food services for 72 non-waiver clients for 365 days</b>							
<input type="text" value="42"/>	717444	57395.52	55188	190398.6	73400.04	78159.44	1,169,980
<b>Other Services exclusive of housing and food services for 720 Medicaid waiver clients for 80 days</b>							
<input type="text" value="42"/>	1179360	94348.8	90720	312984	120057.6	125193.6	1,923,264
<b>Personal Needs Allowance for 782 clients for 365 days</b>							
<input type="text" value="100"/>							950,400
Client's Contributions for 792 clients for 10 months at \$862/mo							minus 6,827,040
Current FY 2002 General Relief Budget							minus 2,463,000
							<b>Funds needed for 12 months 2005 Note* 16,781,506</b>
							<b>Net 2005 Total Budget 19,244,506</b>

Average rate for non-waiver client \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day  
 \$2880-\$1658 (FY02)

Average Rate for Medicaid waiver client \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day  
 \$1750-\$4800 (FY02)

Note\* The Governors budget contains \$364 of the amount identified as an increment for FY 2003

**DSS Calculation Sheet for HB 366 Assisted Living Rates for 950 clients for 12 months 2006 @ \$70**  
Place numerical entries for daily rates in boxes to the left.

DAILY RATE	Anchorag	Matsu	Southeast	Northern	Western	N Western	Total
<b>Housing and food services for 950 total clients for 365 days</b>							
<input type="text" value="70"/>	15777125	1262170	1213625	4187006	1614121	1674803	25,728,650
<b>Other Services Augmentation Cost exclusive of housing and food services for 86 non-waiver clients for 365 days</b>							
<input type="text" value="22"/>		690500					690,580
<b>Other Services exclusive of housing and food services for 85 non-waiver clients for 365 days</b>							
<input type="text" value="42"/>	856947	68555.76	65919	227420.6	87672.27	90968.22	1,397,483
<b>Other Services exclusive of housing and food services for 864 Medicaid waiver clients for 60 days</b>							
<input type="text" value="42"/>	1415232	113218.6	108864	375580.8	144789.1	150232.3	2,307,917
<b>Personal Needs Allowance for 950 clients for 365 days</b>							
<input type="text" value="100"/>							1,140,000
Client's Contributions for 950 clients for 10 months at \$862/mo							minus 8,199,000
Current FY 2002 General Relief Budget							minus 2,463,000
<b>Funds needed for 12 months 2006</b>						<b>Note*</b>	<b>20,612,830</b>
New 2006 Total Budget							23,075,830

Average rate for non-waiver client      \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day  
\$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client      \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day  
\$3750-\$4800 (FY02)

Note\*      The Governors budget contains \$364 of the amount identified as an increment for FY 2003

**DSS Calculation Sheet for HB 366 Assisted Living Rates for 1139 clients for 12 months 2007 @ \$70**

Place numerical entries for daily rates in boxes to the left. Total

DAILY RATE

	Anchorage	Matsu	Southeast	Northern	Western	N Western	Total	
Housing and food services for 1139 total clients for 365 days								
<input type="text" value="70"/>	18915943	1513275	1455073	5020000	1935246	2008000	30,847,537	
Other Services Augmentation Cost exclusive of housing and food services for 103 non-waiver clients for 365 days								
<input type="text" value="22"/>		827090					827,090	
Other Services exclusive of housing and food services for 103 non-waiver clients for 365 days								
<input type="text" value="42"/>	1026344	82107.48	78949.5	272375.8	105002.8	108950.3	1,673,729	
Other Services exclusive of housing and food services for 1036 Medicaid waiver clients for 60 days								
<input type="text" value="42"/>	1696968	135757.4	130536	450349.2	173612.9	180139.7	2,767,363	
Personal Needs Allowance for 1139 clients for 365 days								
<input type="text" value="100"/>							1,366,800	
Client's Contributions for 1139 clients for 10 months at \$862/mo							minus 9,018,180	
Current FY 2002 General Relief Budget							minus 2,463,000	
<b>Funds needed for 12 months 2007</b>							<b>Note*</b>	<b>25,201,340</b>
New 2007 Total Budget								27,664,340

Average rate for non-waiver client      \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day  
 \$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client      \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day  
 \$3750-\$4800 (FY02)

Note\*      The Governors budget contains \$364 of the amount identified as an increment for FY 2003

**DSS Calculation Sheet for HB 366 Assisted Living Rates for 1367 clients for 12 months 2008 @ \$70**

Place numerical entries for daily rates in boxes to the left.

Total

DAILY  
RATE

	Anchorage	Matsu	Southeast	Northom	Western	N Western		Total
Housing and food services for 1367 total clients for 365 days								
<input type="text" value="70"/>	22702453	1816196	1746343	6024882	2322636	2409953		37,022,461
Other Services Augmentation Cost exclusive of housing and food services for 124 non-waiver clients for 365 days								
<input type="text" value="22"/>			995720					995,720
Other Services exclusive of housing and food services for 124 non-waiver clients for 365 days								
<input type="text" value="42"/>	1235598	98847.84	95046	327908.7	126411.2	131163.5		2,014,875
Other Services exclusive of housing and food services for 1243 Medicaid waiver clients for 60 days								
<input type="text" value="42"/>	2036034	162882.7	156618	540332.1	208301.9	216132.8		3,320,302
Personal Needs Allowance for 1367 clients for 365 days								
<input type="text" value="100"/>								1,640,400
Client's Contributions for 1367 clients for 10 months at \$862/mo							minus	11,783,540
Current FY 2002 General Relief Budget							minus	2,463,000
<b>Funds needed for 12 months 2008</b>							<b>Note*</b>	<b>30,747,318</b>
Now 2007 Total Budget								33,210,318

Average rate for non-waiver client      \$70 + \$42 or \$112 daily with augmentation up to \$22 more a day  
\$2880-\$3658 (FY02)

Average Rate for Medicaid waiver client      \$70 daily + \$ Medicaid waiver payment of \$55 to over \$100 a day  
\$3750-\$4800 (FY02)

Note\*      The Governor's budget contains \$364 of the amount identified as an increment for FY 2003



**SITE: Kenai LIO**

**COMMITTEE:** House Health,  
Education &  
Social Services

**DATE:** 2-5-02

**SUBJECT OF MEETING:**

**HB 366 RATES FOR ASSISTED LIVING  
FACILITIES**

**UPDATE #:**



## PLEASE SIGN IN

**P R I N T YOUR NAME**

**ADDRESS (MAILING & ZIP)**

**REPRESENTING**

**TESTIFYING?**

**Y or N**

<b>P R I N T YOUR NAME</b>	<b>ADDRESS (MAILING &amp; ZIP)</b>	<b>REPRESENTING</b>	<b>TESTIFYING? Y or N</b>
Mary Nicholson	PO Box 2495 Kenai, AK 99611	Nicholson ALH	Y
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			

SITE: FAIRBANKS LIO

COMMITTEE: (H) HES

DATE: 020502

SUBJECT OF MEETING:

HB 366

UPDATE #: 1



## PLEASE SIGN IN

**P R I N T YOUR NAME**

**DO YOU WANT**

**ADDRESS (MAILING & ZIP)**

**REPRESENTING**

**TO TESTIFY?  
Y or N**

<b>P R I N T YOUR NAME</b>	<b>DO YOU WANT ADDRESS (MAILING &amp; ZIP)</b>	<b>REPRESENTING</b>	<b>TO TESTIFY? Y or N</b>
Debbie Cash		Debbie's House Fireside	Y
Email address:			
Bobby Cash			Y
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			





# Alaska State Legislature

Please enter into the record my testimony to the House Health, Education, & Social Services  
committee name

Committee on HB 366 Rates for Assisted Living Facilities, dated February 5, 2002  
bill # / subject

Please do **NOT** support **HB 366**. The proposed **17% increase** is well above rate of inflation. Furthermore, the current \$60 per day should be **MORE** than enough to provide this service. In the future, recipient contributions should be increased to offset inflation, or we may need to completely eliminate this program if rates increase beyond our ability to pay.

Given the Governor's proposed budget, and fiscal notes attached to bills currently pending before the Alaska Legislature, this year's spending could easily exceed \$7,500,000,000. If you divide \$7,500,000,000 by the number of people who applied for a PFD in 2000 (607,596), it comes out to a whopping \$12,344.00 being spent for every man, woman, and child in the state! **For a family of four that equals \$49,375.00!** We all need to think about that number for a minute, and ask ourselves, are we really getting our money's worth? The majority of Alaskan voters I polled said, "**NO**"! The cost of funding HB 366 will only put an unnecessary burden on an already swollen budget.

We also need to think about who is going to pay for this bill. Right now, taxes are **NOT** the answer. Using Department of Labor statistics, it appears there are currently only about 279,000 potential taxpayers in the entire State. **Assuming 100% employment, and no other funding sources, the bill taxpayers would get to cover a \$7,500,000,000 budget would be about \$26,882 each!** Once all the oil money has been spent, and this budget is adjusted for inflation, you will find a population unable to continue living in Alaska because it **COST TOO MUCH!** Please think about the future, then vote **NO** on this and **ALL** non-essential spending bills that come before you this session. Thank you.

Signed: Mike McBride

Testifier

Self

Representing (optional)

PO Box 6 Kenai, Alaska 99611-0006

Address

(907) 776-5444

Phone number

**HB**

**367**

**(File 1)**

# ALASKA STATE HOUSE OF REPRESENTATIVES

**Interim Address:**

**119 N. Cushman, Suite 211  
Fairbanks, AK 99701  
(907)-456-5081  
Fax# (907)-456-8245**



**Session Contact:  
(907)-465-3719  
FAX# (907)-465-3258  
State Capitol  
Room 416**

## REPRESENTATIVE JOHN COGHILL

### HB 367 DENALI KID CARE QUALIFICATIONS SPONSOR STATEMENT

The federal government has slowly been imposing guidelines to provide more and more public assistance to more and more people, many of whom are not living in poverty. Working Alaskans are now not only being asked to provide medical care for the poor, they are being asked to provide medical care for Alaskans living at 250% of the poverty level.

This legislation serves two purposes. First, it brings the definition of poverty back to the basic assumption that a family is poor if they do not have the resources to provide for essential needs such as food, clothing and shelter. Persons 150% of the poverty level would qualify for medical coverage for children and pregnant women. Second, it tells the federal government that we disapprove of its move to provide public assistance to people who are not poor at the expense of people who are truly living at poverty level.

This legislation does not eliminate Denali Kid Care. It eliminates free medical services for a family of four who, with their PFD's is making over \$50,000 a year. Why in a state where unemployment is 5.8% are we providing medical assistance to 105,000 Alaskans. The simple truth is that we are broadening the definition of poor. This legislation frees up \$27 million in federal and state Medicaid dollars that can be used to provide medical services to the Alaskans who are poor and to the developmentally disabled.

# ALASKA STATE HOUSE OF REPRESENTATIVES

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Session Contact:  
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FAX# (907)-465-3258  
State Capitol  
Room 416

## REPRESENTATIVE JOHN COGHILL

### HB 367 MEDICAL HEALTH CARE

#### Sectional Analysis

**\*Section 1:** This section does four things:

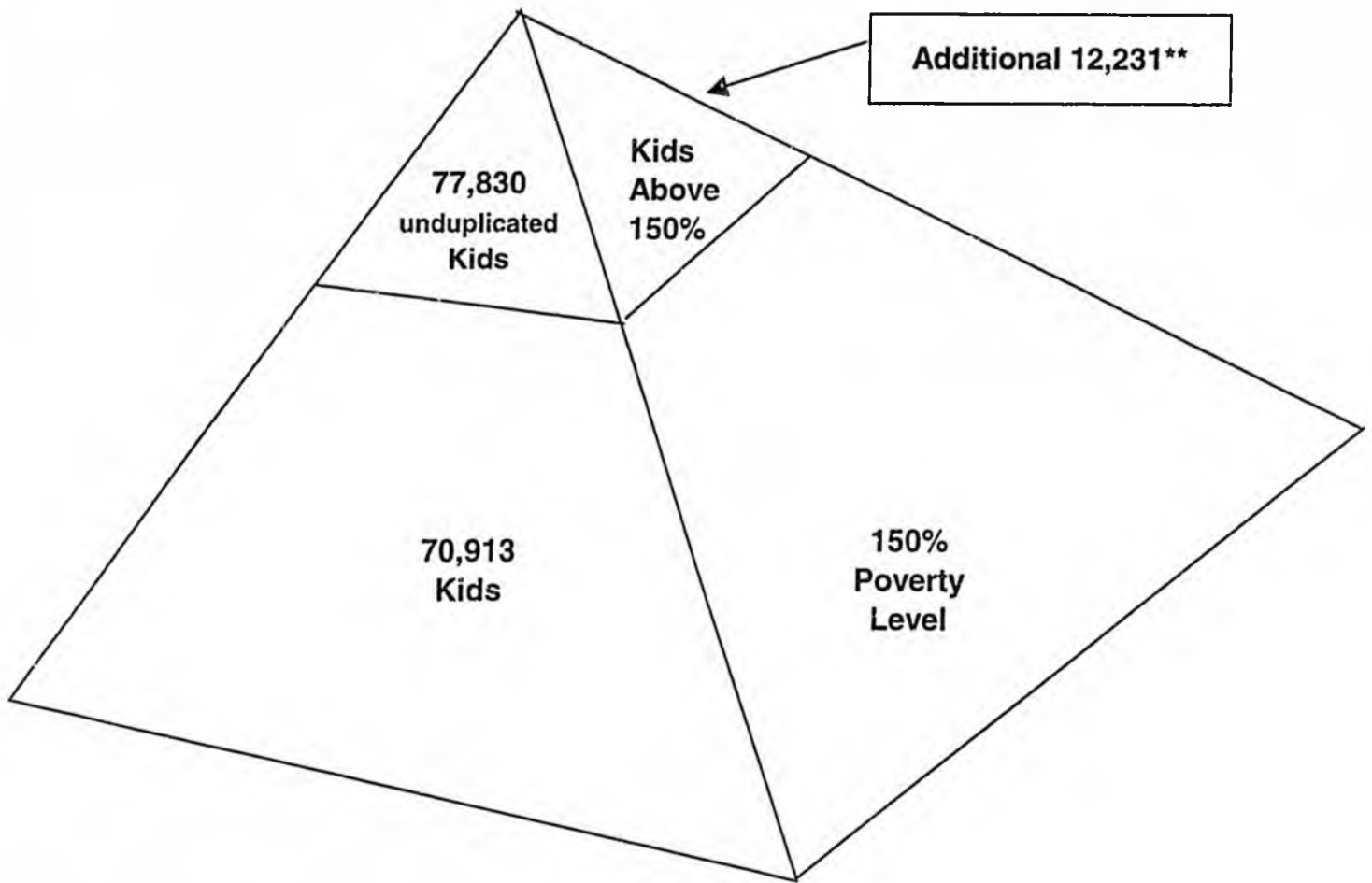
- a. Cleans up language in (b)(3) by deleting "child-care" and inserting child care because hyphens are avoided when possible.
- b. Cleans up language in (b)(7) by deleting a title cased "Aid to Families with Dependent Children" and inserting aid to families with dependent children then deleting an end parenthesis mark that was a grammatical error.
- c. Amends (b)(13) to provide that if a person does not qualify for Medical assistance under Medicaid, the household income must be 150% of the federal poverty level (replacing the standard set in 1998 of 200% of federal poverty level).
- d. Amends (b)(14) to provide that if a pregnant woman does not qualify for Medical assistance under Medicaid, the household income must be 150% of the federal poverty level (replacing the standard set in 1998 of 200% of federal poverty level).

**\*Section 2:** This is language clean up to reflect to repeal of AS 47.07.042(d) as provided for in Section 3.

**\*Section 3:** Deletes provision in AS 47.07.042 that allow for the department to require premiums or cost-sharing contributions from persons under nineteen years of age who are qualified for medical assistance under AS 47.07.020(b)(13) and whose household income is between 150 to 200 percent of federal poverty level. Section 1 eliminates the qualification of those persons.

**\*Section 4:** The effective date is July 1, 2000.

# CHILDREN'S HEALTH INSURANCE PROGRAM COVERAGE ELIGIBILITY



If a portion of these children were in the below 150% category at some time during the year, the total number of children (unduplicated) would be 77,423 which would result in a formula using FY'03 estimates of  $=\text{sum}(77,423 - 70,913) * (345.93 * 12)$  or a fiscal impact of \$27,024,052 for FY'03.

ELIGIBILITY LEVELS for CHIP	
150%	70,913
200%	77,830

Prepared by Representative Coghill's Office  
with Assistance from Anna Kim  
01/25/02

## HEALTHY FAMILIES ALASKA PLAN

Enacted with HB 369 in 1998

Now known as Denali Kid Care

### MONTHLY HOUSEHOLD ELIGIBILITY CRITERIA April 1, 2001 to April 2, 2002

Family Size*	Monthly Income Standard - Alaska 100% Federal Poverty Level	Monthly Income Standard - Alaska 125% Federal Poverty Level	Monthly Income Standard - Alaska 133% of (125%) Federal Poverty Level	Monthly Income Standard - Alaska 150% of (125%) Federal Poverty Level	Monthly Income Standard - Alaska 200% of (125%) Federal Poverty Level
1	\$716	\$895	\$1,193	\$1,343	\$1,790
2	\$968	\$1,210	\$1,613	\$1,815	\$2,420
3	\$1,220	\$1,525	\$2,033	\$2,288	\$3,050
4	\$1,472	\$1,840	\$2,453	\$2,760	\$3,680
5	\$1,724	\$2,155	\$2,873	\$3,233	\$4,310
6	\$1,976	\$2,470	\$3,293	\$3,705	\$4,940
7	\$2,228	\$2,785	\$3,712	\$4,178	\$5,570
8	\$2,480	\$3,100	\$4,132	\$4,650	\$6,200
9	\$2,732	\$3,415	\$4,552	\$5,123	\$6,830
10	\$3,064	\$3,830	\$5,105	\$5,745	\$7,660

**Household Income Exemptions: (This income is not calculated into the formula)**

1. Native Corporation Dividends up to \$2,000 per recipient
2. Alaska Permanent Fund Dividends
3. Income of stepparents are not counted if the inclusion of that income would disqualify the child.
4. Income of any household inhabitant who is not the biological or adoptive parent, even though that income may be considered in other public assistance programs.

**Other eligibility:**

1. Runaway teens qualify because there are no age restrictions on a person applying for Medicaid.
2. U.S. born children of illegal aliens qualify because DenaliKidCare and Medicaid are not permitted to report illegal aliens.
3. Anyone regardless of their relationship, non-relationship, legal or non-binding status with the child can apply for DenaliKidCare for a child.

## HEALTHY FAMILIES ALASKA PLAN

Enacted with HB 369 in 1998  
Now known as Denali Kid Care

### ANNUAL HOUSEHOLD ELIGIBILITY CRITERIA April 1, 2001 to April 1, 2002

Family Size*	Annual Income Standard 100% Federal Poverty Level	Annual Income Standard - Alaska 125% Federal Poverty Level	Annual Income Standard 133% of 125% Federal Poverty Level	Annual Income Standard 150% of 125% Federal Poverty Level	Annual Income Standard 200% of 125% Federal Poverty Level	Income Standard + PFD's 200% of 125% Federal Poverty Level
1	\$8,584	\$10,730	\$14,271	\$16,095	\$21,460	\$23,310
2	\$11,608	\$14,510	\$19,298	\$21,765	\$29,020	\$32,721
3	\$14,632	\$18,290	\$24,326	\$27,435	\$36,580	\$42,131
4	\$17,656	\$22,070	\$29,353	\$33,105	\$44,140	\$51,541
5	\$20,680	\$25,850	\$34,381	\$38,775	\$51,700	\$60,951
6	\$23,704	\$29,630	\$39,408	\$44,445	\$59,260	\$70,362
7	\$26,728	\$33,410	\$44,435	\$50,115	\$66,820	\$79,772
8	\$29,752	\$37,190	\$49,463	\$55,785	\$74,380	\$89,182
9	\$32,776	\$40,970	\$54,490	\$61,455	\$81,940	\$98,593
10	\$35,800	\$44,750	\$59,518	\$67,125	\$89,500	\$108,003

**Household Income Exemptions: (This income is not calculated into the formula)**

1. Native Corporation Dividends up to \$2,000 per recipient
2. Alaska Permanent Fund Dividends
3. Income of stepparents are not counted if the inclusion of that income would disqualify the child.
4. Income of any household inhabitant who is not the biological or adoptive parent, even though that income may be considered in other public assistance programs.

**Other eligibilities:**

1. Runaway teens qualify because there are no age restrictions on a person applying for Medicaid.
2. U.S. born children of illegal aliens qualify because DenaliKidCare and Medicaid are not permitted to report illegal aliens.
3. Anyone regardless of their relationship, non-relationship, legal or non-binding status with the child can apply for DenaliKidCare for a child.

## STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF ADMINISTRATIVE SERVICES

TONY KNOWLES, GOVERNOR

P.O. Box 110650  
 Juneau, AK 99811-0650  
 Phone: (907) 465-3082  
 Fax: (907) 465-2499

MEMORANDUM

**DATE:** January 28, 2002

**TO:** Anna Kim  
 Fiscal Analyst  
 Legislative Finance Division

**FROM:** Janet Clarke *J. Clarke*  
 Director  
 Administrative Services Division

**SUBJECT:** Denali Kid-Care benefits

Post-It® Fax Note	7671	Date	1/29/02	# of pages	1
To	Rynnika Mals	From	Anna Kim		
Co./Dept.	Co. 112	Co.	Leg Fin		
Phone #	5038	Phone #	5410		
Fax #	3258	Fax #			

The following information is being provided in response to your inquiry of January 24.

*How many people (kids and adults) would lose benefits with a shift of the poverty rate from 200% to 150%?*

Reducing Medicaid coverage for pregnant women and children from the current income limit of 200% of the federal poverty level to 150% of the federal poverty level will result in 6,972 children and 722 pregnant women losing coverage. Total savings realized will be \$27.3 million (\$5.2 million GF for children, and \$2.9 million GF for pregnant women).

Full cost savings will not be achieved for two years because children are eligible for six months under continuous eligibility provisions, pregnant women are eligible through 2 months postpartum, and regulations must be adopted to implement any law passed to affect Medicaid eligibility. Assuming that regulations go into effect on October 1, 2002, children will drop off Medicaid coverage through February 2003; pregnant women will drop off coverage through June of 2003. Claims for these services can be submitted up to one year from the date of service, although the majority of claims are filed within three months of service.

Please contact me at 465-1630 if you have any questions.

cc: Jay Ivey, Commissioner  
 Elmer Lindstrom, Deputy Commissioner  
 Bob Labbe/Nancy Burns, DMA  
 Laura Baker, Budget Chief, DAS

Log #6/2002

# Bill History/Action Display



BILL: HB 367

SHORT TITLE: MEDICAL ASSISTANCE PROGRAM  
COVERAGE

BILL VERSION:

SPONSOR(S): REPRESENTATIVE(S) COGHILL, Ogan, Dyson

CURRENT STATUS: (H) HES  
THEN FIN

STATUS DATE: 01/30/02

TITLE: "An Act relating to coverage of children and pregnant women under the medical assistance program; and providing for an effective date."

[Full Text](#)

No Fiscal Notes Available

## Committee Action with Bill History

Jrn-Date	Jrn-Page	Action
01/30/02	<a href="#">2098</a>	(H) READ THE FIRST TIME - REFERRALS
01/30/02	<a href="#">2098</a>	(H) HES, FIN
01/30/02	<a href="#">2098</a>	(H) REFERRED TO HES
02/04/02	<a href="#">2153</a>	(H) COSPONSOR(S): OGAN, DYSON

[Similar Subject Match](#) or [Exact Subject Match](#)

[FAMILIES](#)

[HEALTH & SOCIAL SERVICES](#)

[MEDICAL CARE](#)

[PUBLIC ASSISTANCE](#)

Bill Root:  [Display Bill Root](#)



[TO REPORT PROBLEMS WITH BASIS INQUIRY](#)

[LIVE KTOO STREAMS](#) 

[Return to Basis Main Menu \(22 Legislature\)](#)

[Return to Legislature Home Page](#)

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 367  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health & Social Services  
Title: RELATING TO MEDICAID COVERAGE FOR WOMEN AND CHILDREN BRU: Medical Assistance  
Component: Medicaid Services  
Sponsor: COGHILL  
Requestor: HOUSE (HES) Component Number: 2077

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(10,292.5)	(15,308.8)	(16,917.5)	(16,917.5)	(16,917.5)	(16,917.5)
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>(10,292.5)</b>	<b>(15,308.8)</b>	<b>(16,917.5)</b>	<b>(16,917.5)</b>	<b>(16,917.5)</b>	<b>(16,917.5)</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( 0 )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	(7,338.7)	(10,809.4)	(11,893.0)	(11,893.0)	(11,893.0)	(11,893.0)
1003 GF Match	(2,953.8)	(4,499.4)	(5,024.5)	(5,024.5)	(5,024.5)	(5,024.5)
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--do not abbreviate)						
<b>TOTAL</b>	<b>(10,292.5)</b>	<b>(15,308.8)</b>	<b>(16,917.5)</b>	<b>(16,917.5)</b>	<b>(16,917.5)</b>	<b>(16,917.5)</b>

Estimate of any current year (FY2002) cost: \_\_\_\_\_

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This bill would reduce eligibility income levels for pregnant women and children from 200 percent of the Federal Poverty Level to 150 percent. Regulations will be needed in order to discontinue Medicaid coverage, however, since pregnant women are guaranteed eligibility through two months post partum and children are eligible for six months, those already eligible when the regulations go into effect will remain eligible for the appropriate period.

This fiscal note assumes that regulations will go into effect October 1, 2002, that the projected 3,821 children and 722 pregnant women who will lose eligibility will drop off the program in proportional monthly increments, and that 95% of the claims for services for these people will be processed within 6

Prepared by: Nancy Weller Phone 465-5825  
Division: Medical Assistance Date/Time 02/06/2002  
Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 02/08/2002  
Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

**FISCAL NOTE**

**STATE OF ALASKA  
2002 LEGISLATIVE SESSION**

**BILL NO. HB 367**

**ANALYSIS CONTINUATION**

months of the date of service.

GROUP	NUMBER	TOTAL FUNDS	GF	EFFECTIVE GF MATCH RATE
PG women	722	\$9,883,001	\$3,305,117	33.44%
Children	3,821	\$7,034,507	\$1,719,415	24.44%
Annual cost:	PG women	\$13,696.56	Children	\$1,841.04
Monthly cost:	PG women	\$1,141.38	Children	\$153.42

This fiscal note assumes that beginning October 1, 2002, 722 pregnant women and 3821 children would newly be denied Medicaid coverage in the one year period following the regulations going into effect. The expenditures for these groups are indicated above on an annual and monthly projected cost for FY02. The match rate is the effective general fund match rate for these groups factoring in the 100% federal match for Alaska Native recipients receiving services at tribal health facilities. The fiscal note assumes that the pregnant women and children applied for coverage equally over months of the year and that claims for health care services are submitted equally over the six months following the dates of service.

FY03	EXPENDITURES	SAVINGS	GF	FFP
PG Women	\$5,012,940	(\$4,870,061)	(\$1,628,548)	(\$3,241,513)
Children	\$1,612,083	(\$5,422,424)	(\$1,325,240)	(\$4,097,180)

The projected expenditure for pregnant women and children for FY 03 are based on the eligibility segments for those groups who remain on Medicaid after October 1, 2002. Due to guaranteed six month eligibility for children, the children will drop off Medicaid coverage through February of 2003, and claims for their services should be processed by August of 2001. Pregnant women are required to receive coverage through two months postpartum, therefore, the last group of pregnant women will not lose coverage until June of 2004. Claims for these pregnant women should be mostly processed by December of 2004.

FY04	EXPENDITURES	SAVINGS	GF	FFP
PG Women	\$1,462,108	(\$8,420,893)	(\$2,815,947)	(\$5,604,946)
Children	\$146,553	(\$6,887,954)	(\$1,683,416)	(\$5,204,538)

The expenditures for pregnant women in FY04 are due to the delay in claims processing following services delivered (claims are processed on average 11.3 days from receipt, however providers delay claims submission for several months).

**Subject:** NYT story "States Face Hard Choices on Medicaid Cuts"  
**Date:** Sun, 13 Jan 2002 21:42:15 -0900  
**From:** Dan Saddler <Dan\_Saddler@legis.state.ak.us>  
**Organization:** House Majority  
**To:** reps <lsncdrs+housemajlegs@legis.state.ak.us>

HB 367

To House Majority Representatives -

The attached story in the New York Times provides a national perspective on escalating state costs for Medicaid, showing that we in Alaska are not alone. I hope you find it interesting.

-Dan Saddler

---

## States Face Hard Choices on Medicaid Cuts

By ROBERT PEAR and ROBIN TONER

WASHINGTON, Jan. 13 —

Medicaid, the insurance program for 44 million low-income people, is in a fiscal crisis, forcing state legislatures convening around the country this month to look for ways to cut benefits and reduce payments to hospitals, nursing homes and pharmacies.

The 36-year-old program, which pays for one-third of all births and nearly two-thirds of all nursing home patients, is caught in the financial vise of soaring costs and declining state revenues.

Overall Medicaid spending grew by 11 percent last year, and many states report that spending on prescription drugs, which are covered by Medicaid, is rising at an annual rate of more than 20 percent.

At the same time, state revenues are declining because of the national recession, and most states, unlike the federal government, must balance their budgets.

"I think it's quite serious," said Gov. John Engler of Michigan, a Republican who is chairman of the National Governors Association, noting that Medicaid now represented the fastest-growing item in state budgets. States are struggling to decide which services to trim and which groups should bear the brunt.

"These are terrible choices," Mr. Engler said, "extraordinarily difficult."

Gov. Howard Dean of Vermont, a Democrat and former chairman of the governors association, agreed, saying that Medicaid was "under enormous pressure everywhere because of the catastrophic increase in health care costs, particularly pharmaceutical costs and hospital costs."

The political fallout has already begun. Parents of children with severe illnesses and disabilities held a rally on Wednesday at the Capitol in Little Rock, Ark., to protest new cuts in Medicaid and requirements that families pay some of the costs in the form of co-payments.

Ray Hanley, the Medicaid director in Arkansas, said, "We are getting our brains beat out by health care providers and advocates" for patients who rely on the program.

C. J. Moorman, the father of a Medicaid patient, a 16-year-old boy with cerebral palsy, said, "They could easily co-pay a family to death."

Governors of both parties are putting pressure on the federal government to increase its contribution to Medicaid, which is financed by the federal government and the states.

The need is particularly acute in a recession, officials say, because many people turn to Medicaid when they lose their jobs and their health insurance.

"The need for Medicaid goes up just when the states' ability to pay for it goes down," said Vernon K. Smith, the former Medicaid director of Michigan, who is now a health policy consultant.

The situation in Oklahoma illustrates the hard choices facing many states. The board of the Oklahoma Health Care Authority, the state Medicaid agency, voted on Thursday to adopt stricter income tests for pregnant women, children and the elderly, blind and disabled; to reduce dental services for adults; to reduce payments for prescription drugs; and to delay indefinitely a scheduled increase of 3 percent in payments to hospitals and doctors. The state also decided to eliminate its Medicaid program for people deemed "medically needy" because of very high medical bills.

The cuts will affect at least 50,000 of the 461,000 Medicaid recipients in Oklahoma. Under the new policy, for example, Medicaid will no longer cover children 6 to 18 in families with incomes that are 100 percent to 185 percent of the federal poverty level (\$14,631 to \$27,065 for a family of three).

In Indiana, Gov. Frank L. O'Bannon, a Democrat, is trying to cut the state contribution to Medicaid by \$251 million, or about 10 percent, over the next two years. State officials made a first round of cuts last fall, reducing payments to hospitals, nursing homes and pharmacies by about 5 percent. The nursing homes and drugstores filed suit to block the cuts. At a forum this month, state officials unveiled a "Medicaid balanced budget plan" with two dozen options for further cuts.

Prescription drug spending for Medicaid recipients in Indiana grew 20 percent last year, to \$549 million, and state officials estimate that it will rise more than 50 percent in the next two years, to \$845 million.

To control costs, Indiana officials will develop a list of "preferred drugs" and want to require prior authorization for anyone trying to fill prescriptions for more than four brand-name drugs in a month.

In Idaho, Gov. Dirk Kempthorne, a Republican, told the State Legislature on Wednesday: "Prescription drugs are quickly becoming our single largest Medicaid expense. Prescriptions are expected to cost almost 40 percent more this year than they did two years ago." He, too, wants to require prior authorization. But drug companies oppose such requirements, saying they limit patients' access to medicines.

Like many governors, Mr. Kempthorne lamented that Medicaid was taking resources that might be used for other programs. If the state does nothing, he said, "we will see Medicaid growth that continues to outpace that of education and economic development."

In Maine, Gov. Angus King, an independent, proposed on Tuesday a 5.6 percent cut in Medicaid payments to doctors, with slightly deeper cuts for hospitals and nursing homes. Doctors said some Medicaid patients would inevitably be turned away if the Legislature approved the cuts.

Governor Dean of Vermont, a state that takes pride in its health policies, said he was committed to controlling Medicaid costs by reducing benefits, like podiatry or dental coverage, but not the number of people eligible for basic insurance coverage. He said it made no sense to preserve a generous benefit package for fewer and fewer people.

In his State of the State address on Tuesday, Mr. Dean declared, "As I have said annually for the past decade, I will not allow any child to be cut from the health care rolls."

New York has felt the same fiscal pressures as other states, but with special intensity. The state has lost hundreds of millions in tax revenue as a result of damage done to its economy by the Sept. 11 attacks. Layoffs increased the number of people without health insurance, and many turned to a special temporary program known as disaster-relief Medicaid, which makes benefits available with little screening or paperwork.

Gov. George E. Pataki, a Republican, has led the bipartisan effort by governors to persuade Congress to provide billions of dollars in additional aid for Medicaid.

In Illinois, Gov. George Ryan, a Republican, announced last month that he was cutting state Medicaid payments to hospitals by \$114 million, or 13 percent, to help fill a \$500 million gap in the state budget. After an outcry by hospital executives, Mr. Ryan said on Tuesday that he would restore \$24 million to hospitals.

To help pay for the restorations, Illinois officials said they would reduce Medicaid payments to doctors, dentists, chiropractors and other health care professionals.

Ohio's Medicaid director, Barbara Coulter Edwards, said the state had expected to see a net increase of about 43,000 in its Medicaid rolls from July to December. The actual increase, driven by the recession, was 84,000, raising the total number of recipients to 1.4 million. "While our service budget has not been cut, for which we're grateful, we have a real challenge because we're having to serve more people within it," Ms. Edwards said.

Advocates for low-income people are already sounding alarms here in Washington, arguing that Congress and the administration must confront the problem or face renewed growth in the number of uninsured. "I think this is going to be a very tough year for low-income and low-wage working families who depend on Medicaid as a lifeline," said Ronald F. Pollack, executive director of Families USA, a consumer advocacy group.

In recent years, Medicaid has been an important tool for extending coverage to children and families. In fact, state officials said, their success in adding people to the Medicaid rolls, encouraged by the federal government, is one reason the program is such a burden on states today.

Medicaid provides health insurance for one-fifth of all children and is the largest source of federal grants to states, accounting for nearly one-fifth of state budgets.

Dan Saddler <[Dan\\_Saddler@legis.state.ak.us](mailto:Dan_Saddler@legis.state.ak.us)>



3200 Providence Drive  
P O. Box 190604  
Anchorage, Alaska  
99519 6604

tel 907 562 2211

February 11, 2002

Alaska State House of Representatives  
Chairman, House Education and Social Services Committee  
State Capitol Room 104  
Juneau, Alaska 99801-1182

Dear Representative Dyson,

When Denali KidCare went into effect March 1, 1999, it's goal was to provide health care insurance primarily to uninsured children in both working and non-working families and additionally, to pregnant women. That goal was exceeded beyond anything we could have imagined. The Denali KidCare program in Alaska has been a tremendous success. As a result, the children of the state of Alaska have never been in better health. HB 367 proposes a cut in spending on Denali KidCare of more than \$5 million. That cut could have devastating effects on the children of Alaska and I urge you to reconsider.

The State Child Health Insurance Program, adopted by Congress in 1997 provides health care insurance for uninsured children. As a result of the S-Chip program, the federal government extends funding to the state of Alaska. The budget cuts proposed by HB 367 would affect a loss of about \$11.9 million in matching federal funds. HB 367, if adopted by the Legislature would not only reduce the income levels for Denali KidCare so that 3,821 children and 722 pregnant women would lose health care coverage but also cost the state of Alaska millions in matching funds. Those matching funds are used in many other areas of our state healthcare program and are critical.

Nearly 71 cents of every dollar spent on Denali KidCare comes from federal funds. That leaves only 29 cents coming from state general funds. Services for children enrolled in Denali KidCare who are also eligible for Native Health Services are paid 100% by federal funds.

- Vital to the wellbeing of Alaska's children, health care insurance for children is relatively inexpensive, approximately \$552 per year per child in state funds.



3200 Providence Drive  
P.O. Box 198604  
Anchorage, Alaska  
99519-6604

Tel 907.562.2211

- Children with health care coverage are more likely to receive well-baby and well-child care, timely immunizations and have health care problems discovered early.
- Working families in jobs with no health benefits can qualify for health care for their children.
- Prenatal care is the single most cost-effective health care expenditure. It ensures the best outcome for newborn babies and is the best possible way to assure a health start for Alaskan children.

As a physician in Alaska and the chairman of the Department of Pediatrics at Providence, I cannot stress strongly enough the importance of the Denali KidCare program. I see children each and every day from all over Alaska. Without Denali KidCare, those children would not be covered by insurance. Denali KidCare has expanded Medicaid income levels, assuring that more Alaskan children receive a healthy start in life. It is simply put, an incredibly successful program, one that Alaskans can and should be proud of. It is a program that must be preserved.

Sincerely,

Jeffrey G. Demain, M.D., FAAP, FAAAAI  
Chair, Department of Pediatrics, PAMC

# Alaska State Legislature



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(907) 465-3258 - Fax

Representative John Coghill

FOR IMMEDIATE RELEASE: Jan. 30, 2001

CONTACT: Rep. John Coghill, Jr.: (907) 465-3719

## **Coghill Bill Limits Threshold of "Poor"** **HB 367 Preserves Benefits for Alaskans at 150 Percent of Poverty**

(JUNEAU) – Saying it's unfair to make Alaska's working families subsidize health care for others living at twice the poverty rate, Rep. John Coghill (R-North Pole) today introduced a bill to lower the state Medicaid qualifying level to 150 percent of the federal poverty rate.

"The federal government has slowly been expanding its definition of who is considered poor, and I don't believe that we should be providing free medical care to a 'poor' family of four earning more almost \$51,500, including Permanent Fund Dividends," Coghill said. The cutoff line would be \$23,310 for one person, \$32,721 for a couple, and \$42,131 for a three-person family.

Adjusting the qualifying level for state Medicaid benefits from its current 200 percent to a more reasonable 150 percent, Coghill said, would save \$27.3 million - \$8.1 million in state general funds, and \$19.2 million in federal funds. This money could be available to cover the costs of other health care programs that Alaska provides to the poor, such as the Chronic and Acute Medical Assistance (CAMA), or to any other state service. Another source of health insurance is the Alaska Comprehensive Insurance Association (ACHIA), a nonprofit organization created by the legislature to provide health care insurance to Alaska residents who have a health condition that prevents them from qualifying for conventional health care insurance.

"Pregnant women and children in Alaska who are truly needy will continue to receive the medical care they need through the under the "Denali Kid Care" program," Coghill said. "But the program must be focused on those facing real hardships in obtaining food, shelter and medical care. Someone making twice the federal poverty rate may not be well-off, but they're not suffering as much as many others."

Medical benefits under the program would not be cut off precipitously, but would continue an additional six months in the case of children, and for up to two months past delivery date for expectant mothers, according to a state health department official.

At a time when Alaska faces projected annual budget shortfalls ranging from \$900 million to \$1.2 billion, the state needs to consider whether it can afford to extend generous social services to more people than really need it, Coghill said. If the legislation is approved, those people qualifying at 200% will be phased out over a period between October of 2002 and June of 2003.

HB 367 was referred to the House Health, Education and Social Services Committee, and to the State Affairs and Finance committees. ###

Representative\_John\_Coghill@LEGIS.state.ak.us

---

**Subject: Denali Kid Care - HB 367 Hearing Tuesday 3:00**

**Date: Fri, 8 Feb 2002 18:07:11 -0900**

**From: "Disanto, Diane" <Diane\_Disanto@health.state.ak.us>**

There will be a hearing in the House HESS committee on Tuesday, February 12 at 3:00. Please Call your LIO for teleconferencing information.

HB 367 - Changing Denali KidCare

Denali KidCare is a program that went into effect March 1, 1999 to provide health care insurance primarily to uninsured children in working and non-working families and to pregnant women. Funded mainly with federal dollars, this program expanded Medicaid income levels to assure that more Alaskan children receive a healthy start in life.

Denali KidCare takes advantage of enhanced federal funding under the State Child Health Insurance Program (S-CHIP) adopted by Congress in 1997 to provide health care insurance for uninsured children. S-CHIP was created to address the increase in the number of children without health insurance as employer coverage of dependents becomes less common.

HB 367, if adopted by the Legislature, will reduce the income levels for Denali KidCare so that 3,821 children and 722 pregnant women lose health care coverage. This change will save the state \$5 million dollars when fully implemented, while giving up \$11.9 million in Federal Funds.

#### WHY COVER HEALTH INSURANCE FOR CHILDREN?

§ Health care insurance coverage for children is cheap - \$552 per year, per child in state funds.

§ With Denali KidCare, nearly 71 cents of every dollar spent is federal funds; only 29 cents comes from state general funds.

§ Services for children enrolled in Denali KidCare who also are eligible for Tribal Health Services are paid for with 100% federal funds.

§ Health care insurance is vital to the wellbeing of Alaska's children.

§ Children with health care coverage are more likely to receive well-baby/well-child care, adequate immunizations, and have health care problems discovered early.

§ Denali KidCare helps working families who work in jobs with no benefits to provide health care for their children.

§ The state used part of the \$30 million savings from the Medicaid federal match rate change to expand coverage for children and pregnant women.

§ Program elimination will result in a huge loss of federal funds for health care.

#### WHY COVER HEALTH INSURANCE FOR PREGNANT WOMEN?

§ Prenatal care is the single most cost-effective health care


expenditure.

\$ Prenatal care ensures the best birth outcome for the baby.

\$ Prenatal care is the best method of assuring a healthy start for Alaskan children.

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## HB 367 – Changing Denali KidCare

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- Prenatal care ensures the best birth outcome for the baby.
- Prenatal care is the best method of assuring a healthy start for Alaskan children.

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**Margaret Parsons-Williams**

**From:** "Hagen, JoAnn" <JoAnn\_Hagen@health.state.ak.us>  
**To:** "hc hp" <hc\_hp@hotmail.com>; "bill galic" <bill\_galic@health.state.ak.us>; "cheri smith" <wrcc@alaska.net>; "cindie richman" <fcsei@pobox.alaska.net>; "cindy davis-bryant" <cindyd@kpbsd.k12.ak.us>; "debra kimbrell" <debra@kpccc.org>; "gary whiteley" <gwhiteley@kpbsd.k12.ak.us>; "henry novak" <cicada@alaska.net>; "james shill" <james@cpccservices.org>; "katie stafford" <katie\_stafford@health.state.ak.us>; "kim smith" <kim\_smith@health.state.ak.us>; "linda perry" <nakenu@alaska.net>; "margaret parsons-williams" <m\_parsonswilliams@fconline.org>; "sue olson" <susan\_olson@health.state.ak.us>; "tammy bidwell" <care@gci.net>; "todd mcgillivray" <tmcgillivray@ci.soldotna.ak.us>; "wini crosby" <fcsdirect@pobox.alaska.net>; "Barbara DeShong" <Barbara\_DeShong@health.state.ak.us>; "Bonnie Betley" <Bonnie\_Betley@health.state.ak.us>; "Carol Hestand" <Carol\_Hestand@health.state.ak.us>; "Cynthia Sawyer" <Cynthia\_Sawyer@health.state.ak.us>; "Daria Rosing" <Daria\_Rosing@health.state.ak.us>; "Dianne Hardy" <Diane\_Hardy@health.state.ak.us>; "Donna Fenske" <dfenske@alaska.net>; "Gayle Erickson" <Gayle\_Erickson@health.state.ak.us>; "Judith Dean" <Judith\_Dean@health.state.ak.us>; "Laurie Johnson" <Laurie\_Johnson@health.state.ak.us>; "Linda Noel" <Linda\_Noel@health.state.ak.us>; "Lois Daubney" <loisd@alaska.net>; "Marty Ellis" <Marty\_Ellis@health.state.ak.us>; "MaryJane Hanley" <MaryJane\_Hanley@health.state.ak.us>; "Nancy Schrag" <Nancy\_Schrag@health.state.ak.us>; "Patricia Little" <Patricia\_Little@health.state.ak.us>; "Patricia Morrison" <Patricia\_Morrison@health.state.ak.us>; "Regina Theisen" <Regina\_Theisen@health.state.ak.us>; "Roberta Nyce" <Robin\_Nyce@health.state.ak.us>; "Sharon Whytal" <Sharon\_Whytal@health.state.ak.us>; "Susan Olson" <Sue\_Olson@health.state.ak.us>; "Toni Carlisle" <toni\_carlisle@health.state.ak.us>  
**Sent:** Tuesday, February 12, 2002 9:02 AM  
**Attach:** Denali Kid Care Action FEB 11.doc  
**Subject:** FW: Action Alert to Preserve Denali Kidcare

FYI

-----Original Message-----

**From:** Senator Johnny Ellis [mailto:Senator\_Johnny\_Ellis@legis.state.ak.us]  
**Sent:** Monday, February 11, 2002 7:33 PM  
**Subject:** Action Alert to Preserve Denali Kidcare

Contact: Sen. Johnny Ellis, Senate Democratic Leader, 1-888-330-3704  
 Rep. Ethan Berkowitz, House Democratic Leader, 1-888-465-4919

**ACTION ALERT!!!**

**Oppose Rep. Coghill's House Bill 367:  
 "The NO KID-CARE BILL"**

House Bill 367 Cuts Denali KidCare -- Alaska's State Health Care Program for Kids

Juneau -- The House Health Education and Social Services Committee will take public testimony Tuesday, February 12 at 3:00pm on a bill that would cause 3,821 Children and 722 pregnant women lose health care coverage.

\*\*\*\*If you object to this bill, please call, fax, email, or send a public opinion message to the Republican members of the House HESS committee voicing your concerns!\*\*\*\*

House HESS Committee  
 Republican Members:

Representative Fred Dyson (chair) (907) 465-2199 Representative\_Fred\_Dyson@legis.state.ak.us  
 Representative Peggy Wilson (907) 465-3824 Representative\_Peggy\_Wilson@legis.state.ak.us

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF MEDICAL ASSISTANCE

P. O. BOX 110660  
JUNEAU, ALASKA 99811-0660  
PHONE: (907) 465-3355  
FAX: (907) 465-2204

February 13, 2002

The Honorable Fred Dyson, Chair  
House Health Education and Social Services Committee  
Alaska State House of Representatives  
State Capitol  
Juneau, Alaska 99801-1182

Dear Representative Dyson:

At the February 12<sup>th</sup> hearing on HB 367, related to coverage of children and pregnant women under the medical assistance program, a number of questions were asked by members of the committee. This letter is in response to those inquiries.

1. Does the WIC Program and Medicaid Program duplicate services.

No. The Women Infants and Children (WIC) Program is a federally funded Program administered by the Division of Public Health through grantees in the state. WIC is a nutrition program for pregnant women, nursing mothers and children that provides nutritional counseling and vouchers for the purchase of infant formula and certain food products such as cereal, milk and cheese. Women and children on Medicaid are eligible for WIC services, but since Medicaid pays only for medical services, there is no duplication of service provision.

2. Is 200% of the Federal Poverty Level for Alaska equal to 250% of the Federal Poverty Level for the lower 48 states?

No. The Federal Poverty Level (FPL) for Alaska is 25% higher in order to account for the higher cost of living in the state. 200% of the FPL for the lower 48 is \$17,180 annual income for a family of one and \$21,460 in Alaska, roughly a 25% increase.

3. What constitutes a "good cause" exemption for a family becoming voluntarily uninsured?

Good cause for becoming uninsured in the year prior to application to Denali KidCare or while on it is defined in 7 AAC 43.020(i). The reasons include: the death of the dependent's insured parent; expiration of COBRA coverage; involuntary termination due to long-term disability or another medical condition; changing to a new employer who does not offer an option for dependent coverage or the likelihood that continuing coverage would have caused severe economic hardship on the individual.

If an individual claims severe economic hardship a determination is made by the Division of Medical Assistance if the family's circumstances meet the criteria (only 40 requests have been received since program inception). Typically, an individual is required to show that basic living expenses, e.g., food, clothing, shelter, transportation, and work expenses, could not be met if they continued paying for health insurance.

4. How does the state assure that applicants for Denali KidCare are correctly reporting insurance status?

The Division of Public Assistance maintains a staff of Quality Control personnel who perform statistically valid sampling reviews of cases to detect situations of fraud and program abuse. These activities are required under federal program rules. In 2000, the Quality Control Unit reviewed a sample of 130 cases and found only one case in which private insurance was dropped before applying for Denali KidCare. Follow-up on this case revealed that the family was no longer insured because the parent lost their job. The reviewers typically interview the parents and may also contact employers to determine the availability of health insurance in the workplace. Proof of income submitted by the parent in applying for Denali KidCare, typically a pay stub, will indicate any deductions made by the employer for benefits such as health insurance.

In applying for Medicaid, a person makes a statement that the information provided is true and correct. Under AS 11.56.210, Unsworn Falsification, a person submitting a false written or recorded statement to a public servant in applying for benefits may be found guilty of a class A misdemeanor.

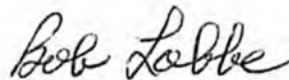
5. What is the nature of funding for Indian health facilities, and will the 100% Federal funding continue for health care for Alaska Natives.

The federal government acknowledged a responsibility for the health care of American Indian and Alaska Native people with the passage of the Indian Health Care Improvement Act in 1976. The Act also allowed the Indian Health Service (IHS) and tribal health providers authorized to operate health programs under PL 93-638 (The Indian Self Determination and Education Assistance Act) to bill Medicaid, Medicare and other insurance for services provided by them to their beneficiaries. This makes the IHS and tribes the payers of last resort; they are the only entities recognized by federal laws and rules that do not have to pay prior to Medicaid. Congress allowed states to claim 100% federal funds for payments made to the IHS and tribes for American Indians and Alaska Natives by Medicaid in order to prevent creating a financial burden for states that is a federal responsibility. Access to free health care provided by the IHS and tribes is a right of members of federally recognized tribes in the US, and is therefore not recognized as health insurance under federal rules.

The tribes in Alaska have taken over the operation of all health care services formerly run by the IHS, and are directly funded by the federal Indian Health Service under funding agreements negotiated annually. Operation of IHS facilities by the tribes is authorized under self-determination rules and allows the tribes to set the priorities for health care spending. The funding available for Indian health available through the Indian Health Service (IHS) is generally recognized as appropriated at about 60% of the need for health services for the beneficiaries. With limited funding, the tribes cannot pay for all services needed unless additional funding can be generated from other sources, such as billing Medicaid, Medicare and other health insurance. The tribes can only bill Medicaid for eligible beneficiaries, so a reduction in the Denali KidCare income criteria will effect their funding. Currently, the percentage of Alaska Natives in the 150-200% FPL category is 33% for children and 34% for pregnant women.

Please contact me if there are any additional questions on these issues.

Sincerely,

A handwritten signature in cursive script that reads "Bob Labbe".

Bob Labbe,  
Director

CC: Laura Baker

# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPARTMENT OF HEALTH AND SOCIAL SERVICES

### DIVISION OF MEDICAL ASSISTANCE

February 14, 2002

P.O. BOX 110660  
JUNEAU, ALASKA 99811-0660  
PHONE: (907) 465-3355  
FAX: (907) 465-2204

The Honorable Fred Dyson  
House of Representatives  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99501

Dear Representative Dyson:

In response to questions raised at Tuesday's hearing on HB 367, the Department of Health and Social Services thought it would be helpful to provide you with a comparison of the cost of private (Blue Cross) individual health insurance plans and the incomes of eligible families. The attached tables include the health insurance and out-of-pocket costs for children, the monthly disposable income for single parent and two-parent families with incomes at 200 percent of the Federal Poverty Level, and their monthly disposable income after paying health insurance and out-of-pocket costs. For example, a single mother with 2 children (a family of three) has \$2,248 per month in disposable income. After paying for health insurance and out-of-pocket costs, the family's disposable income drops to \$1,784 per month.

The department believes these families with small disposable incomes do not have enough discretionary income to pay the monthly health insurance premiums and out-of-pocket costs. Further, health insurance premiums increased on average 8.3 percent in 2001 and premiums for small employers (3-199 employees) that dominate Alaska's economy grew by 12.5 percent in 2001. We are also aware that Alaska employers offer health insurance to their employees at much lower rates than the U.S. employers as a whole. Cost is consistently reported by employers as the most important reason for not offering insurance. Finally, the department recently learned that the cost of medical services for private payers in Alaska is 25 percent higher than the average for all states. Alaskan residents are likely to find it increasingly difficult to afford private health insurance plans.

We appreciate your consideration of these important issues.

Sincerely,



Bob Labbe  
Director

Attachment

**HEALTH INSURANCE and out-of-pocket COSTS for Individual plans for Alaska children**

<b>HEALTH INSURANCE and out-of-pocket COSTS</b>	<b>For ONE CHILD Blue Cross Individual Plan<sup>1</sup></b>	<b>For TWO CHILDREN Blue Cross Individual Plan<sup>2</sup></b>	<b>For THREE CHILDREN Blue Cross Individual Plan<sup>3</sup></b>
<i>Premium</i>	\$182 x 12 = \$2,184	\$182 x 2 x 12 = \$4,368	\$377 x 12 = \$4,524
<i>Deductible</i>	200	200	200
<i>20 percent co-payment on annual medical expenses<sup>4</sup></i>	679	1,000	1,000
<b>TOTAL Health Insurance and Out-of-pocket costs (and average monthly cost)</b>	<b>\$3,063  (or \$255 per month)</b>	<b>\$5,568  (or \$464 per month)</b>	<b>\$5,724  (or \$477 per month)</b>

**Monthly Disposable Income<sup>5</sup> NOT INCLUDING HEALTH INSURANCE AND OUT-OF-POCKET COSTS at 200 percent of the FPL by family size and single and 2-parent families**

	<b>One child</b>	<b>Two children</b>	<b>Three children</b>
<i>for Single-Parent Family at 200 percent of the FPL</i>	<b>\$1,840 per month</b> (family size = 2)	<b>\$2,248 per month</b> (family size = 3)	<b>\$2,657 per month</b> (family size = 4)
<i>for Two-Parent Family at 200 percent of the FPL</i>	<b>\$2,348 per month</b> (family size = 3)	<b>\$2,835 per month</b> (family size = 4)	<b>\$3,254 per month</b> (family size = 5)

**Monthly Disposable Income<sup>5</sup> AFTER PAYING HEALTH INSURANCE AND OUT-OF-POCKET COSTS at 200 percent of the FPL by family size, single and 2-parent families**

	<b>One child</b>	<b>Two children</b>	<b>Three children</b>
<i>for Single-Parent Family at 200 percent of the FPL</i>	<b>\$1,585 per month</b> (family size = 2)	<b>\$1,784 per month</b> (family size = 3)	<b>\$2,180 per month</b> (family size = 4)
<i>for Two-Parent Family at 200 percent of the FPL</i>	<b>\$2,093 per month</b> (family size = 3)	<b>\$2,371 per month</b> (family size = 4)	<b>\$2,777 per month</b> (family size = 5)

<sup>1</sup> (One) subscriber rate, under 30 years, non-smoker.

<sup>2</sup> (One) subscriber rate x 2, under 30 years, non-smoker.

<sup>3</sup> (One) subscriber and children rate, under 30 years, non-smoker.

<sup>4</sup> Assumed Medicaid costs at \$283 per month. Maximum out-of-pocket costs on insurance plan = \$1,000

<sup>5</sup> Monthly disposable income is gross income minus federal and state taxes.

Eligible Children 150% to 200% of the Federal Poverty  
Level by Village

Village	Monthly Average Enrollees
ADAK	3
AKHIOK	1
AKIACHAK	11
AKIAK	3
ALAKANUK	9
ALEKNAGIK	5
ALLAKAKET	3
AMBLER	4
ANAKTUVUK PASS	4
ANCHOR POINT	21
ANCHORAGE AIRPORT	1,192
ANDERSON	3
ANGOON	5
ANIAK	7
ATKA	1
ATMAUTLUAK	5
BARROW	25
BEAVER	1
BETHEL	21
BIG LAKE	22
BREVIG MISSION	8
BUCKLAND	7
CANTWELL	7
CHALKYITSIK	2
CHEFORNAK	12
CHEVAK	18
CHICKALOON	1
CHIGNIK	1
CHIGNIK LAKE	2
CHITINA	4
CHUATHBALUK	3
CLAM GULCH	1
COFFMAN COVE	2
COOPER LANDING	3
COPPER CENTER	10
CORDOVA	14
CRAIG	20
CROOKED CREEK	1
DEERING	1
DELTA JUNCTION	26
DILLINGHAM	15

DIOMEDE	2
EEK	4
EGEGIK	1
EIELSON AFB	1
EKLUTNA	1
ELIM	13
EMMONAK	28
ESTER	2
FAIRBANKS	239
FALSE PASS	1
FORT YUKON	10
FRITZ CREEK	1
GAKONA	3
GALENA	4
GAMBELL	13
GLENNALLEN	10
GOLOVIN	3
GOODNEWS BAY	3
GRAYLING	1
GUSTAVUS	4
HAINES	18
HALIBUT COVE	1
HEALY	2
HOMER	126
HOONAH	11
HOOPER BAY	9
HOPE	1
HOUSTON	12
HUGHES	4
HUSLIA	8
HYDABURG	6
IGIUGIG	2
ILIAMNA	2
JUNEAU	101
KAKE	18
KAKTOVIK	5
KALTAG	4
KARLUK	3
KASIGLUK	3
KASILOF	10
KENAI	63
KENNY LAKE	2
KETCHIKAN	65
KIANA	4
KING COVE	8
KING SALMON	5

KIPNUK	4
KIVALINA	5
KLAWOCK	7
KLUKWAN	2
KOBUK	2
KODIAK	106
KOKHANOK	5
KOLIGANEK	5
KOTLIK	25
KOTZEBUE	33
KOYUK	4
KOYUKUK	3
KWETHLUK	10
KWIGILLINGOK	3
LARSEN BAY	4
LEVELOCK	1
MANOKOTAK	4
MCCARTHY	1
MCGRATH	2
MEKORYUK	5
MENTASTA LAKE	4
METLAKATLA	19
NAKNEK	7
NANWALEK	7
NAPAKIAK	7
NAPASKIAK	2
NELSON LAGOON	2
NENANA	7
NEW STUYAHOK	3
NEWHALEN	4
NEWTOK	10
NIGHTMUTE	3
NIKISKI	28
NIKOLAEVSK	1
NIKOLAI	1
NINILCHIK	16
NOATAK	10
NOME	13
NONDALTON	4
NOORVIK	8
NORTH POLE	75
NORTHWAY	3
NUIQSUT	10
NULATO	9
NUNAPITCHUK	4
OUZINKIE	1

PALMER	149
PEDRO BAY	1
PELICAN	1
PETERSBURG	34
PILOT STATION	4
PLATINUM	1
POINT HOPE	2
POINT LAY	3
PORT ALEXANDER	2
PORT GRAHAM	8
PORT HEIDEN	2
PORT LIONS	4
QUINHAGAK	11
RUBY	3
RUSSIAN MISSION	3
SALCHA	7
SAND POINT	4
SAVOONGA	12
SEALYMAN	1
SCAMMON BAY	3
SELAWIK	13
SELDOVIA	1
SEWARD	28
SHAGELUK	1
SHAKTOOLIK	3
SHELDON POINT	2
SHISHMAREF	7
SHUNGNAK	11
SITKA	45
SKAGWAY	2
SKWENTNA	2
SLANA	1
SLEETMUTE	1
SOLDOTNA	94
STEBBINS	21
STERLING	19
STEVENS VILLAGE	3
SUTTON	6
TAKOTNA	1
TALKEETNA	6
TANACROSS	1
TANANA	2
TATITLEK	1
TELLER	1
TETLIN	1
THORNE BAY	6

TOGIAK	21
TOK	10
TOKSOOK BAY	8
TRAPPER CREEK	5
TULUKSAK	4
TUNTUTULIAK	3
TUNUNAK	2
TWIN HILLS	2
TWO RIVERS	6
TYONEK	5
UNALAKLEET	6
UNALASKA	4
VALDEZ	19
VENETIE	1
WAINWRIGHT	3
WASILA	315
WHITE MOUNTAIN	2
WHITTIER	1
WILLOW	16
WISEMAN	1
WRANGELL	33
YAKUTAT	11
<b>Totals</b>	<b>3,821</b>

~~2/14/02~~  
2/14/02

The Chairman Dyson,

I support the continuation of  
Daniel Kid Care income guidelines  
as they are currently in place.

No cuts - no changes - if anything  
let us increase the gross amount.

I am grateful each month for the  
benefits of Daniel Kid Care. Without  
the program, I would pay \$400/mo  
for Blue Cross insurance coverage for  
my two children. On a salary of  
\$2800/month - 10 months of the  
year - this is significant. As a  
single mom, no child support, who  
works a 50/hr week to provide  
for my children - I need Daniel  
Kid Care. Please support the

benefits to children and families.

Rebecca Paul

POB 1031

Home AK

99603

rkpaul@xyz.net

## **In Support of the 200% Income Eligibility for Denali Kid Care**

Reducing the income eligibility for Denali KidCare will result in a reduction of funds for the State of Alaska only if the families who are affected by the reduction purchase health insurance for their children.

If approximately 722 fewer pregnant women are served, and these women do not enroll in private insurance companies, the costs to the state may far exceed the cost of insuring them through Denali KidCare. For example the basic costs for a "normal" delivery range between \$3300 and \$4800. For C-section deliveries, the range is between \$8300 and \$9600, not including Physician fees, lab tests, and the anesthesiologist fees.

A family with an income of \$44,000 per year, generally have few assets, and unpaid hospital bills are passed along to increase the costs for future patients.

Some families who are not insured will not seek medical attention for their children. These also cause high costs to be passed along to the State of Alaska. For example, if ear infections go untreated, hearing loss can result, which can lead to costly special education and therapy services.

The question is, how many of these families in the 150% to 200% of poverty range will be able to maintain insurance for their children? The missing equation for these families is their child care costs. Families in this income range are working families. They do not qualify for child care assistance. The cost for one preschooler is approximately \$550 per month in Juneau.

A family of four with a gross income of \$44,160 (\$3680) will find it a struggle to pay for both health insurance and childcare for two children. Some examples of typical monthly expenses for a family of four:

Food <sup>1</sup>	424
Rent <sup>2</sup>	1,464
Child care:	1,100 for two pre-school age children
Total:	\$2,988

With a 25% income tax payment the "disposable income" for this families transportation, clothing, and supplies would be less than \$228 per month.

\* December 2001, Alaska Cooperative Extension

\*Alaska Housing Finance Corp. Fair Market Value in Juneau, includes utilities.

Respectfully submitted by:

Joy Lyon

789-1235

[ilyon@naeycsea.org](mailto:ilyon@naeycsea.org)

Marilyn Eaton, PA-C  
PO Box 2285  
Cordova, AK 99574

Representative Jack Coghill  
Alaska State House

Dear Mr. Coghill and Committee:

I want to voice my concern about proposed HB367 and its effect on the working poor of this state.

I am wondering if the reasoning behind this bill is to save money or to negate a measure taken by the opposing party. I can understand the latter more than the former, as the savings would be at the expense of children who have no say about how their families spend their money. Just because the parents may be above the poverty level does not mean that they will spend their money on health care. In fact, that is one of the last things that the working poor can afford. When it's a choice between feeding the whole family and taking one child in for a well child exam, the child does without. The same holds true with medications, glasses, specialty care, etc.

I am appalled that you would even think of presenting this bill. We should not be saving money on the backs of pregnant women and children. This means higher infant and maternal mortality, as women who cannot afford the care will not get the early care they need. Children of the **WORKING POOR** who cannot afford insurance will do without care.

I urge you to rethink this issue.

Respectfully,

Marilyn Eaton, PA-C

February 14, 2002

Representative John Coghill  
State Capitol  
Juneau Ak 99801

Dear Representative Coghill:

As you know ,HB 380, Medicare Part B Reimbursement has been introduced and cosponsored by two Fairbanks representative, Jeannette James and Joe Hayes. It is a bill that is very important to elderly citizens who have given this state many years of service. Your support of this bill means a great deal to me and to my fellow retirees. Under the constitution we are guaranteed no diminishment of benefits and paying an extra \$50 a month, an 11% increase from a little more than a year ago, is certainly a diminishment.

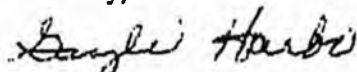
In 1999 when I was first eligible to apply for Social Security, I was told I didn't qualify , on my own or from my husband, because of the Government Pension Offset which affects all of us on government pensions who were not eligible for full retirement before 1983. Now, at age 65, I will apply again and expect the same response, except I will then qualify, and must apply for, Medicare Part B. Part A as you know is automatic. There are at least three scenarios for TRS and PERS employees when they reach 65 and I am under number two:

1. Apply for Social Security - eligible - Medicare Part B deducted from monthly check
2. Apply - denied -have spouse on SS - Part B deducted from spouse's check
3. Apply - denied - no spouse - Must send monthly Medicare Part B payment in

The third scenario concerns me the most. Many seniors are on a fixed income and as they age have many additional costs simply for caring for their home, if they have one, and for themselves. This additional burden of having to pay more than \$ 600 a year in medical insurance costs, and having to remember to write a monthly check, does not seem right. I'm not sure what happens if a senior forgets to write a check. Our seniors who devoted their lives to working and caring for the children in Alaska deserve more.

I thank you once again for sponsoring HB 380 and hope many of your fellow legislators will give it their support. Good luck and let me know what I can do to help.

Sincerely,



Gayle Harbo, Box 10201, Fairbanks Ak 99710  
email: sjharbo@mailcity.com

**Fax Cover Sheet**

Alaska State Office | 3601 "C" Street, Suite 1420 | Anchorage, AK 99503  
907-341-2277 | 907-341-2270 (FAX) | [www.aarp.org](http://www.aarp.org)

To: REPRESENTATIVE JOHN COGHILL

From: PAT LUBY (CELL) 907-599-0839

Company: \_\_\_\_\_

Date: 2-14-02

Fax number: 907-465-3258

Total number of pages including cover: 2

Notes/Comments:

AARP is a nonprofit, nonpartisan membership organization for people 50 and over. We provide information and resources; advocate on legislative, consumer, and legal issues; assist members to serve their communities; and offer a wide range of unique benefits, special products, and services for our members. These benefits include AARP Webplace at [www.aarp.org](http://www.aarp.org), *Modern Maturity* and *My Generation* magazines, and the monthly *AARP Bulletin*. Active in every U.S. state and territory, AARP celebrates the attitude that age isn't just a number — it's about how you live your life.

# AARP Alaska

Honorable Fred Dyson, Chair  
House Health, Education and Social Service Committee  
Alaska Capitol Room 104 (MS3100)  
Juneau, AK 99801-1182

RE: HB 367 -- Oppose

Dear Representative Dyson,

On behalf of the 112,000 members of AARP in Alaska, we oppose HB 367, authored by Representative John Coghill.

We understand the Legislature's need to resolve our fiscal problems but we do not believe it is good public policy nor good health policy to take families off the Denali KidCare program and increase the number of uninsured in our state.

Most of our uninsured are working families whose employer does not provide insurance. Denali KidCare provides a valuable safety net for many children in these families as well as for pregnant women. Health insurance increases the chances for good health throughout one's life.

AARP will support fiscal decisions that you and your colleagues make that are fair and make sense. We do not feel it makes sense to take Alaskans currently receiving health insurance benefits off that coverage.

AARP recommends a "NAY" vote on HB 367.

Should you have any questions about our position, please feel free to contact Marie Darlin (586-3637), Coordinator of the AARP Capitol City Task Force; Patrick Luby, AARP Legislative Representative (907-762-3314); or me (907-245-5259).

Thank you for your consideration.

Sincerely,  
  
Marguerite Stetson  
AARP Alaska Executive Council Member for Advocacy

cc: Vice-Chair Representative Peggy Wilson  
Representative John Coghill, Jr.  
Representative Vic Kohring  
Representative Gary Stevens  
Representative Sharon Cissna  
Representative Reggie Joule

Alaska State Office | 3801 "C" Street, Suite 1420 | Anchorage, AK 99503 | Phone: 907-341-2277 | Fax: 907-341-2270 | [www.aarp.org](http://www.aarp.org)

AARP is a nonprofit, nonpartisan membership organization for people 50 and over. We provide information and resources; advocate on legislative, consumer, and legal issues; assist members to serve their communities; and offer a wide range of unique benefits, special products, and services for our members. These benefits include AARP Webplace at [www.aarp.org](http://www.aarp.org), *Modern Maturity* and *My Generation* magazines, and the monthly *AARP Bulletin*. Active in every U.S. state and territory, AARP celebrates the attitude that age isn't just a number -- it's about how you live your life.

FAX 458-3346

POM to Antivirus Delegation

Object to lowering the maximum allowable income for the Denali Kid Care Program.

I am a member of the lower income middle class who is not eligible for health care through native heritage or government employment. The current threshold is actually TOO LOW. For example, the expense of having a baby is approximately \$10,000-\$12,000! Private insurance for a family of 3 costs well over \$1000/month. Individuals in my category must go without medical insurance.

Please take a hard look at the Denali Kid Care Program and adjust it so that Children and pregnant mothers in our category can qualify.

Janet A. McCormick  
878 Lynnwood Way  
North Pole, AK 99705

Anchorage, Craig, Homer, Juneau, Kenai, Ketchikan, Mat Su,  
Metlakatla, Petersburg, Seward, Sitka, Soldotna, Wrangell

Family Size:	2		3		4		5		6		7		8	
	From	To	From	To	From	To	From	To	From	To	From	To	From	To
97%	\$0	\$1,131	\$0	\$1,423	\$0	\$1,714	\$0	\$2,006	\$0	\$2,298	\$0	\$2,589	\$0	\$2,881
85%	\$1,132	\$1,414	\$1,424	\$1,778	\$1,715	\$2,143	\$2,007	\$2,507	\$2,299	\$2,872	\$2,590	\$3,236	\$2,882	\$3,601
75%	\$1,415	\$1,696	\$1,779	\$2,134	\$2,144	\$2,571	\$2,508	\$3,009	\$2,873	\$3,446	\$3,237	\$3,884	\$3,602	\$4,321
50%	\$1,697	\$1,979	\$2,135	\$2,489	\$2,572	\$3,000	\$3,010	\$3,510	\$3,447	\$4,021	\$3,885	\$4,531	\$4,322	\$5,041
25%	\$1,980	\$2,990	\$2,490	\$3,694	\$3,001	\$4,397	\$3,511	\$5,101	\$4,022	\$5,804	\$4,532	\$6,508	\$5,042	\$7,211
0%	>\$2,990		>\$3,694		>\$4,397		>\$5,101		>\$5,804		>\$6,508		>\$7,211	



UNIVERSITY OF ALASKA  
**FAIRBANKS**

College of Rural Alaska

Cooperative Extension Service

# Cost of Food at Home

## Decem

	Anchorage	Belthel	Cordova	Delta	Dillingham	Fairbanks	Greater Copper River Valley	Haines
1 Sales Tax	0	5	6	0	6	0	0	5.5
2 Percent of Food Unavailable	0	0	0	0	2	0	0	3
3 Child, 1 year	15.10	27.76	25.87	19.25	28.25	14.96	20.28	21.23
4 Child, 2 years	15.10	27.76	25.87	19.25	28.25	14.96	20.28	21.23
5 Child, 3-5 years	16.57	30.47	28.39	21.13	31.01	16.42	22.26	23.31
6 Child, 6-8 years	22.01	40.47	37.71	28.07	41.18	21.81	29.57	30.95
7 Child, 9-11 years	24.98	45.93	42.80	31.85	46.74	24.75	33.56	35.13
8 Males, 12-14 years	28.25	51.95	48.41	36.03	52.87	27.99	37.96	39.74
9 Males, 15-19 years	29.14	53.59	49.94	37.17	54.54	28.88	39.16	40.99
10 Males, 20-50 years	28.99	53.31	49.67	36.97	54.25	28.72	38.95	40.77
11 Males, 51 years and over	27.58	50.72	47.26	35.18	51.62	27.33	37.06	38.79
12 Females, 12-19 years	24.38	44.82	41.77	31.09	45.61	24.15	32.75	34.28
13 Females, 20-50 years	25.27	46.46	43.30	32.22	47.28	25.04	33.95	35.54
14 Females, 51 years and over	24.68	45.39	42.30	31.48	46.19	24.46	33.17	34.72
15 Family of 2 (20-50 years)	59.68	109.74	102.26	76.11	111.67	59.13	80.18	83.83
16 Family of 2 (51 & older)	57.50	105.73	98.53	73.33	107.60	56.97	77.26	80.87
17 Family of 4, children 1-5 years	85.92	158.00	147.23	109.58	160.79	85.13	115.45	120.85
18 Family of 4, children 6-11 years	101.24	186.17	173.48	129.11	189.45	100.31	136.03	142.39
<b>% Change From:</b>								
19 Anchorage, December 2001	0	84	71	28	87	-1	2	41
20 Anchorage, September 2001	-5	70	55	16	73	-3	21	35
21 Anchorage, December 2000	0	65	59	23	84	4	24	28
22 Anchorage, December 1999	3	61	41	15	72	-2	25	
23 Anchorage, December 1998	4	55	48	22	71	3	17	29
24 Electricity, 1000 kwh (bold denotes communities receiving PCE)	112.38	<b>231.59</b>	<b>191.76</b>	96.62	<b>180.98</b>	96.62	181.40	<b>183.65</b>
25 Heating oil, 55 gal	61.88	124.19	121.00	72.55	122.65	72.05	86.08	78.10
26 Gas, 55 gal, unleaded auto	77.55	155.05	119.90	92.90	138.55	79.70	96.02	94.60
27 Lumber, 2X4X8	3.04	5.57	4.28	3.68	5.04	3.60	3.39	2.75
28 Propane, 100 lb refill	44.52	126.50	57.54	44.13	106.09	43.90	50.03	65.09

For further information contact: Dr. Bret Luick

Phone (907) 474-6338; Fax (907) 474-5139

or visit our website at: <http://www.uaf.edu/ace/fcs/fcs/html>

The University of Alaska Fairbanks Cooperative Extension Service programs are available to all, furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with

University of Alaska Fairbanks is an

# for a Week in Alaska er 2001

	Juneau	Kenai-Soldotna	Ketchikan	Kodiak	Matanuska-Susitna	Nome	Seward	Sitka	Tok	Valdez	Portland, OR	US Average
5	5	5	5.5	6	2.5	4	5	5	0	0	0	
0	0	0	0	4	2	0	1	0	0	3	0	
3	17.37	17.31	16.28	22.44	19.02	25.35	18.24	18.61	20.15	17.67	13.04	
3	17.37	17.91	16.28	22.44	19.02	25.35	18.24	18.61	20.15	17.67	13.04	
3	19.07	19.66	17.87	24.64	20.88	27.83	20.03	20.43	22.11	19.40	14.31	
3	25.32	26.11	23.74	32.72	27.73	36.96	26.60	27.14	29.37	25.76	19.01	
3	28.74	28.63	26.94	37.14	31.47	41.94	30.18	30.80	33.33	29.23	21.58	
3	32.51	33.51	30.47	42.01	35.60	47.45	34.14	34.83	37.70	33.07	24.41	
1	33.53	34.57	31.43	43.33	36.73	48.94	35.22	35.93	38.89	34.11	25.18	
0	33.36	34.39	31.27	43.10	36.53	48.88	35.03	35.74	38.69	33.93	25.04	
1	31.74	32.72	29.75	41.01	34.76	46.32	33.33	34.01	36.81	32.29	23.83	
3	28.05	28.91	26.29	36.24	30.72	40.94	29.46	30.05	32.53	28.53	21.06	
4	29.07	29.97	27.25	37.57	31.84	42.43	30.54	31.15	33.72	29.57	21.83	
2	28.40	29.28	26.62	36.70	31.11	41.45	29.83	30.44	32.94	28.89	21.32	
3	68.67	70.79	64.36	88.73	75.20	100.22	72.12	73.58	79.64	69.85	51.55	
1	66.16	68.20	62.01	85.49	72.46	96.56	69.49	70.90	76.73	67.30	49.67	
1	98.86	101.92	92.67	127.75	108.28	144.30	103.84	105.94	114.67	100.57	74.23	
2	116.49	120.09	109.19	150.53	127.58	170.02	122.35	124.83	135.11	118.50	87.46	
1	15	19	8	49	26	68	21	23	33	17	-14	0
0	6	12	7	32	14	66	28	16	33	14	-16	0
4	4	8	1	37	14		32	16	39	12	-19	3
9	3	9	5	26	17	61		14	41	15	-22	6
	6	9	8	30	13	52		13	32	16	-23	8
2	104.85	122.05	93.50	156.21	119.60	177.78	134.61	91.35	190.38	163.80	82.29	
5	81.40		65.45		80.30	114.95	67.10	83.05	74.25	83.60	104.50	
5	84.65	80.12	88.50	86.85	82.45	123.20	91.85	94.92	92.35	94.55	65.95	
7	2.81	3.13	2.10		2.89	5.71	2.84	2.22	3.84	3.59	2.58	
5	61.20	43.42	43.79		36.80	103.58	48.38	55.45	37.76	47.20	41.30	

regard to race, color, age, sex, creed, national origin, or disability and in accordance with all applicable federal laws. Provided in Department of Agriculture, Anthony T. Nakazawa, Director, Cooperative Extension Service, University of Alaska Fairbanks.

ive action/equal opportunity employer and educational institution.

**FY01 Child Care Assistance Program Rate Schedule  
Rates Effective July 1, 2001**

Rate schedule issued by the Department of Education Early Development, State of Alaska.  
For more information call (907) 269-4500

**SOUTHEAST**

Craig, Haines, Juneau, Ketchikan, Metlakatla, Petersburg, Sitka, Skagway, Wrangell, Yakutat

Issued: April 2, 2001

Effective Date: July 1, 2001

Infant: 0-18 months

Toddler: 19 months - 36 months

Child: 37 months - 6 years

School Age: 7 years - 12 years

Area Max Monthly Subsidy per Child By Age	
Infant	\$1,035
Toddler	\$983
Child	\$880
School-Age	\$859

	Licensed or Military Center Care				
	Enrollment/Month		Attendance		
	F/T	P/T	F/T	P/T day	Hr
Infant	\$647	\$388	\$39	\$23	\$4.75
Toddler	\$615	\$369	\$37	\$22	\$4.50
Child	\$550	\$330	\$33	\$20	\$4.00
School-Age	\$537	\$322	\$32	\$19	\$4.00

	Licensed or Military Home Care				
	Enrollment/Month		Attendance		
	F/T	P/T	F/T	P/T day	Hr
Infant	\$582	\$349	\$35	\$21	\$4.25
Toddler	\$553	\$332	\$33	\$20	\$4.00
Child	\$495	\$297	\$30	\$18	\$3.50
School-Age	\$483	\$290	\$29	\$17	\$3.50

	Registered Exempt Care				
	Enrollment/Month		Attendance		
	F/T	P/T	F/T	P/T day	Hr
Infant	\$520	\$311	\$31	\$19	\$4.00
Toddler	\$492	\$300	\$30	\$18	\$3.50
Child	\$450	\$275	\$26	\$16	\$3.25
School-Age	\$450	\$275	\$26	\$15	\$3.00

# Bartlett Regional Hospital

3260 Hospital Drive • Juneau, Alaska 99801 • Telephone 907-586-2611

You have asked for an estimate for **C-Section Delivery (mother)**. This is usually an in patient service of 3 to 4 days. If you stay longer the charge will be higher. Based on an average of charges for this type of service in the past six months, we anticipate your charges to be approximately **\$6500.00 to \$7500.00**.

This is **only an estimate**; it is not a guaranteed price.

This estimate does not include your Physician's fee, the Surgeon or Assistant Surgeons fees, the fee for Diagnostic Radiology Services, the Anesthesiologist's fee, or any Pathology or Laboratory tests sent to an outside laboratory.

This estimate does not include complications.

**Prices are subject to change without notice.**

# LEGISLATIVE RESEARCH REPORT

DECEMBER 18, 2000



REPORT NUMBER 01.009

## FEDERAL FUNDS APPROPRIATED TO ALASKA IN FEDERAL FISCAL YEAR 1999

PREPARED FOR REPRESENTATIVE JOHN COGHILL, JR.

BY MEILANI CLARK, LEGISLATIVE ANALYST

You asked about funds appropriated to Alaska during federal fiscal year 1999 that were not included in the Alaska State budget. You were specifically interested in funds distributed to Native regional non-profit corporations, native village councils and entities, and rural municipalities. You also asked about funds used for municipal water programs, economic and community development, and alcohol and drug treatment programs.

### SUMMARY

According to the U.S. Census Bureau's *Consolidated Federal Funds Report*, \$5.3 billion was appropriated to Alaska by federal agencies in federal fiscal year 1999. Of this figure, \$1.4 billion was spent on defense related activities.<sup>1</sup> According to our analysis of the Federal Assistance Award Data System, a database maintained by the Census Bureau, approximately \$1.3 billion of the remaining \$3.9 billion appears to have been appropriated through the state budget.<sup>2</sup> Although not definitively conclusive, the remaining \$2.6 billion appears not to have been accounted for in the state budget process.

Assuming our methodology is correct, and \$2.6 billion did not go through the state budget, the figures can be summarized as follows:

<sup>1</sup> U.S. Census Bureau, *Fiscal Year 1999 Consolidated Federal Funds Alaska*, <http://www.census.gov/govs/cffr/99cfffakv.txt> (accessed December 8, 2000.)

<sup>2</sup> According to the Legislative Finance Division, Alaska lawmakers authorized \$902,048,100 in federal spending through the state operating budget (\$868.9 million authorized, \$6.5 million supplemental, \$26.6 million Revised Program/Legislative) and \$591,264,370 through the capital budget for state fiscal year 1999.

- \$120.3 million was appropriated to Native regional non-profits. The sources and specific recipients of these funds are presented in Table 1.
- \$64.7 million was appropriated to Native village councils and entities. The sources and specific recipients of these funds are presented in Table 2.
- \$37.7 million was appropriated to Alaska cities and communities. The sources and specific recipients of these funds are presented in Table 3.
- \$31.8 million was appropriated for municipal water programs, \$20.7 million for economic and community development, and \$6.2 million for alcohol and drug treatment programs, \$46.8 million for tribal programs, and \$14.9 million for environmental programs. The amount of funds distributed by these programs, and the towns that received funding in these categories are presented in Table 4.

Because the same data may be captured in more than one table, the figures contained in Tables 1-4 cannot be added together.

## METHODOLOGY

To determine total federal dollars spent in Alaska, we compiled data in the four quarterly Federal Assistance Award Data System (FAADS) reports for federal fiscal year 1999. The FAADS reports provide detailed information on the assistance programs, the recipients, and the type of projects being funded by each federal agency. Coverage includes most grants, direct payment to individuals and others, insurance, and loans. Data submitted by federal agencies for FAADS serve as a central source of information on domestic financial assistance programs of the U.S. Government.

It is important to understand, however, that FAADS has limitations that are reflected in the data we are presenting to you. One of the main difficulties in using FAADS for this report is that it was not always possible to determine if federal awards were accounted for in the state budget. We attempted to subtract from the totals any award that went through the state budget. For the purposes of this report, we considered the following entries to be funded through the state budget process:

- Award recipients specifically named "State of Alaska;"
- Awards listing recipient type as "State Government;"
- Awards paid to state agencies and state university programs;
- Awards paid to other state administered programs (e.g. Alaska State Housing Authority, Alaska Housing Finance Corporation).

Because the database contains nearly 8,000 recipient awards, pinpointing state-administered programs that did not fall into the above categories is difficult, and thus we may have missed some. In addition to the uncertainty about excluding all state budgeted programs, we note the following other limitations in the source data:

1. The FAADS database is made up of entries from many different federal departments and agencies, each using their own interpretations, definitions, entry styles, and reporting bases (such as obligations vs. expenditures, or fiscal year vs. calendar year vs. program year),

resulting in vastly inconsistent data.<sup>3</sup> Although we "cleaned up" the database to the extent we were able and customized it for use on this project, the lack of consistency is most likely reflected in the data we present to you.

2. Although federal agencies report multi-year grants or funding programs in instaliments, they do not necessarily report these installments in equal parts every year. While our report represents the flow of federal dollars into Alaska programs by specific agencies, we cannot with certainty determine what percentage of the award totals listed were actually granted during federal fiscal year 1999.<sup>4</sup>
3. Funds in the database may be either obligations or expenditures, with no distinction made between the two. Obligations may be de-obligated and subtracted from FAADS in a subsequent quarter. Negative numbers in this report refer to pre-1999 obligated funds that were de-obligated in 1999. Moreover, it is possible that funds listed may be de-obligated in subsequent fiscal years.
4. Finally, the database we worked with on this project is immense. We had several individuals and organizations review our work on the database to ensure we were presenting the data in an accurate manner; however, because of the scope of the project, we were unable to verify all the data used in our report.<sup>5</sup>

In an additional effort to verify data, we contacted the accounting offices of two Native village organizations—Ketchikan Indian Corporation, and Klawock Cooperative Association—to compare the information we compiled using FAADS with their own figures for federal awards during FFY99. The FAADS data for Klawock matched their accounts exactly. The data we had for Ketchikan Indian Corporation differed slightly. Two two-year grants were issued by the same agency for the same purpose; however, only one-fourth of one grant was included in FAADS for FFY99, while three-fourths of the other grant was included. The rest of our data were verified as correct.

Uncertainties regarding whether or not a particular award went through the state budget process, combined with the limitations of the FAADS database itself, cause us to caution readers on the proper use of these data. The attached tables should be used to generally indicate federal appropriations, not to account for exact expenditures in FFY99.

I hope you find this information useful. Please do not hesitate to contact us if you have questions or need additional information.

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<sup>3</sup> The Office of Management and Budget, U.S. Department of Commerce, Bureau of the Census, *Federal Assistance Award Data System User's Guide 1998*, p. 6, <http://www.census.gov/govs/faads/98bguide.pdf> (accessed December 7, 2000).

<sup>4</sup> Personal communication with Dan Pflum, Project Supervisor FAADS, Census Bureau, December 13, 2000.

<sup>5</sup> We discussed our methodology and approach with the following individuals: Dan Pflum, project supervisor FAADS, U.S. Census Bureau; Linda DeConti, planning specialist for the Policy Development and Planning Division for the State of Connecticut; Gregg Erickson, economist, Capital Information Group; David Teal and Rob Carpenter, fiscal analysts, Legislative Finance; and Stephanie Martin, research associate, Institute of Social and Economic Research, University of Anchorage Alaska.

**Table 1 - Federal Expenditures or Obligations Paid Directly to Nonprofit Regional Native Organizations, FFY99**

Recipient	Totals	Federal Departments and Agencies								
		Commerce		Interior				Health and Human Services		
		EDA	NOAA	BLM	BIA	NPS	USFWS	IOS	Indian Health Service	SAMHA
Aleutian Pribilof Islands Association	\$5,177,187				\$1,881,652			\$921,506	\$1,819,479	
Association of Village Council Presidents	\$9,615,600	\$118,000		\$823,437	\$6,283,753		\$26,893	\$1,837,387		
Bristol Bay Native Association	\$7,537,289	\$142,000	\$48,800		\$5,345,298		\$74,313	\$1,382,974		
Central Council Tlingit and Haida Tribes	\$9,582,149	\$46,794			\$5,161,142	\$113,690		\$3,026,015	\$145,000	
Cook Inlet Tribal Council, Inc.	\$1,319,681				\$6,494			\$584,246	\$227,615	
Copper River Native Association	\$1,649,897				\$988,524			\$156,527		\$424,846
Inupiat Community of Arctic Slope	\$199,994									
Kawerak, Inc.	\$6,707,603	\$110,000		\$26,460	\$5,222,172			\$1,348,971		
Kodiak Area Native Association	\$6,324,464				\$16,562			\$108,560	\$5,727,415	
Maniilaq Association	\$33,169,358			\$2,316,946	\$1,421,672		\$32,000	\$155,387	\$29,168,353	
North Pacific Rim	\$50,000									
Tanana Chiefs Conference	\$39,010,551	\$95,000		\$1,133,848	\$7,761,595	\$47,300	\$79,651	\$2,519,145	\$25,943,784	
<b>Totals</b>	<b>\$120,343,773</b>	<b>\$511,794</b>	<b>\$48,800</b>	<b>\$4,300,691</b>	<b>\$34,088,864</b>	<b>\$160,990</b>	<b>\$212,857</b>	<b>\$12,040,718</b>	<b>\$63,031,676</b>	<b>\$424,846</b>

**Table 1 - Federal Expenditures or Obligations Paid Directly to Nonprofit Regional Native Organizations, FFY99 (continued)**

Recipient	Federal Departments and Agencies									
	Education		Corporation for National and Community Service	DOJ	Energy	EPA	Institute of Museum and Library Services	DOL - Employment and Training Administration	NSF	DOA - Food and Nutrition Service
	Elementary and Secondary Education	Rehabilitation Services Administration								
Aleutian Pribilof Islands Association		\$350,000		\$122,083	\$55,634	(\$2,972)		\$29,805		
Association of Village Council Presidents		\$328,862	\$349					\$150,000	\$46,919	
Bristol Bay Native Association		\$341,965		\$105,014		\$96,925				
Central Council Tlingit and Haida Tribes	\$836,830	\$211,000		\$50,000		(\$14,822)	\$6,500			
Cook Inlet Tribal Council, Inc.	\$501,326									
Copper River Native Association						\$80,000				
Inupiat Community of Arctic Slope						\$199,994				
Kawerak, Inc.										
Kodiak Area Native Association		\$332,597		\$105,766				\$31,000		\$2,534
Maniilaq Association						\$75,000				
North Pacific Rim								\$50,000		
Tanana Chiefs Conference		\$287,663	\$144,314	\$142,361				\$855,890		
<b>Totals</b>	<b>\$1,338,156</b>	<b>\$1,852,087</b>	<b>\$144,663</b>	<b>\$525,224</b>	<b>\$55,634</b>	<b>\$434,125</b>	<b>\$6,500</b>	<b>\$1,116,695</b>	<b>\$46,919</b>	<b>\$2,534</b>

Notes: To produce this table, we compiled data in the four quarterly Federal Assistance Award Data System (FAADS) reports for FFY99. We then attempted to subtract all awards that went through the state budget process. We considered the following entries to be funded through the state budget process: award recipients specifically named "State of Alaska;" awards listing recipient type as "State Government;" awards paid to state agencies and state university programs; and awards paid to other state administered programs. There may have been additional programs funded through the state, but we were unable to identify them using FAADS. Other FAADS limitations include the following: 1) The various federal agencies contributing to FAADS report data very differently, resulting in substantial data inconsistencies. 2) It is difficult to determine what percentage of multi-year awards were actually awarded during federal fiscal year 1999. 3) Funds in the database may be either obligations or expenditures; obligations may be de-obligated and subtracted from FAADS in a subsequent quarter. Negative numbers in this report refer to pre-1999 obligated funds that were de-obligated in FFY99. Any funds listed above may be de-obligated in subsequent years. 4) The database we worked with on this project is immense, containing nearly 8,000 federal awards, and due to the scope of the project, we were unable to verify all the data used in this report. Uncertainties regarding whether or not a particular award went through the state budget process, combined with the limitations of the FAADS database itself, cause us to caution readers that our data should be used to generally indicate federal appropriations, not to account for exact expenditures in FFY99.

Federal funds for health corporations and housing authorities are not included in the above figures unless these funds were paid directly to the Regional Native Nonprofits listed above.

Sources: U.S. Census Bureau, Governments Division, "Federal Assistance Award Data System, Alaska 1999," 1st through 4th Quarters, Flat File - Individual States, <http://www.census.gov/govs/www/laads994.html> (accessed December 1, 2000); Personal communication with Dan Pllum, Project Supervisor, FAADS, U.S. Census Bureau (October 26, 2000); Office of Management and Budget, U.S. Department of Commerce, Bureau of the Census, *Federal Assistance Award Data System User's Guide 1998*, page 6, <http://www.census.gov/govs/laads/98bguide.pdf> (accessed December 7, 2000).

Acronyms: EDA - Economic Development Administration; NOAA - National Oceanic and Atmospheric Administration; BLM - Bureau of Land Management; BIA - Bureau of Indian Affairs; NPS - National Park Service; USFWS - U.S. Fish and Wildlife Service; IOS - Immediate Office of the Secretary; CDC - Centers for Disease Control; SAMHA - Substance Abuse and Mental Health Administration; DOJ - Department of Justice; EPA - Environmental Protection Agency; DOL - Department of Labor; DOA - Department of Agriculture.

Table 2 - Federal Expenditures or Obligations Paid Directly to Native Tribes and Communities, FFY99

Recipient	Totals	Federal Departments and Agencies										
		Agriculture			Commerce		Interior				Health and Human Services	
		Food and Nutrition Service	Rural Housing Service	Rural Utilities Service	Economic Development	NOAA	BLM	BIA	NPS	USFWS	IOS	Indian Health Services
Agdaagux Tribal	\$92,529						\$68,931				\$23,598	
Akiachak	\$2,841,552			\$1,500,000							\$124,721	\$231,533
Akiak	\$990,554			\$733,500							\$22,436	
Alakanuk	\$4,500											
Allakaket	\$4,500											
Aniak	\$106,500											
Anvik	\$417,760			\$328,500					\$9,760			
Arctic Village	\$147,000											
Asa' Carsarmiut	\$24,205							\$15,710			\$3,995	
Barrow	\$6,556,345							\$477,179			\$79,166	
Beaver	\$329,025			\$239,025								
Bill Moore's Slough	\$80,269											
Birch Creek Village	\$557,500			\$462,500								
Brevig Mission	\$1,890,000			\$1,875,000	\$15,000							
Buckland	\$350,000			\$350,000								
Cantwell	\$4,500											
Chalkyitsik	\$180,938							\$115,758			\$56,586	
Chefornak	\$509,168											
Chenega Bay	\$42,922											
Chevak	\$4,051,033			\$3,793,000								
Chickaloon Village	\$271,430											
Chignik	\$1,304,500				\$1,300,000							
Chistochina	\$138,166							\$93,666				
Chitina	\$251,403						\$251,403					
Chuathbaluk	\$4,500											
Circle Village	\$83,676											
Craig	\$387,480										\$130,546	
Crooked Creek	\$111,057											
Curyung	\$379,800											
Deering	\$4,500											
Diomedes	\$174,436											\$174,436
Eagle	\$4,500											
Eyegik	\$766,803											
Eklutna	\$180,248											
Ekuk	\$240,010											
Ekwok	\$109,637											
Elim	\$162,850											