



Senate Majority News

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Senate Passes Gov's Health & Social Services Bills **Package Reduces State Spending and Protects Services for the Truly Needy**

(JUNEAU) – Five pieces of legislation passed the Senate Thursday designed to implement cost saving measures through responsible departmental reorganization, while assuring that health services will remain available to those Alaskans that truly need them.

The five bills introduced by the governor provide the tools necessary to help curb the runaway growth at the Department of Health and Social Services. This will be accomplished by allowing the Legislature to consider when it is appropriate to increase program eligibility levels; and eliminates unnecessary bureaucracy.

“This package of bills has had hours of committee review and debate and I believe it represents a fair balance of fiscal restraint, while protecting essential social services for needy Alaskans now and into the future,” said Senate President Gene Therriault. “Any negative reaction to this plan could only rise from opponents who have short-sighted political agendas, or simply are not thinking about the future.”

Senate Bills 108 and 109 give attention to the growing issue of how to deal with Medicaid. SB 108 accomplishes two things: It brings the state into compliance with current Federal law and removes the unneeded duplicative process performed by the Medicaid Rate Advisory Commission.

Senate Bill 109 empowers the Department of Health and Social Services to implement cost containment strategies.

“It is no secret that our Medicaid system, like many Medicaid systems around the country are facing troubled times. Gov. Murkowski has proposed and the Senate has passed two measures toward repairing this vital program,” said Sen. Lyda Green (R-Mat-Su). “Senate Bill 108 removes a bureaucracy that is no longer needed and Senate Bill 109 allows the Health and Social Services Department to implement their own cost containment procedures. This protects Alaskans in need of healthcare from being denied necessary and cost-effective services.”

Also in the governor's health and social services package passed by the Senate today were Senate Bills 123 and 124. Senate Bill 123 will save the State \$270,000 annually by eliminating the need for an annual evaluation of subsidy payments paid to people who adopt or take legal guardianship of “hard-to-place children.”

“Once a court finalizes an adoption or guardianship to a family and sets a subsidy for the care and support of that child, the adults and child become an independent family,” said Senate Majority Leader Ben Stevens (R-Anchorage). “The annual subsidy evaluation is a completely unnecessary and expensive annual intrusion by state government.”

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According to Stevens this bill does not eliminate the subsidy review process. He says a family retains the right to request a review of their subsidy payment at any time.

Stevens also spoke about Senate Bill 124, which changes the local match from 10 percent to the standard 25 percent on alcohol and drug abuse program grants from the Department of Health and Social Services, for communities that can afford it.

“The ten percent match for drug and alcohol grants is an anomaly,” said Stevens. “And while in time of fiscal prosperity I would continue to support the ten percent match, we are facing fiscal austerity and therefore we must foster more collaboration between state and local government in supporting these services.”

Stevens went on to say that the department reserves the right to waive the match for communities that can not afford it – and also said that many programs, such as those that provide services to women, families and children are exempt. Grants that are \$30,000 or less are also exempt from the 25 percent match.

According to the Murkowski administration Senate Bill 124 would reduce the State’s budget by more than \$1.6 million.

The most misunderstood piece of the legislative package is Senate Bill 105, which is designed to save Denali Kid Care. In an era where ballooning Medicaid costs, reductions in Federal funding, and with more than half the states in this nation facing incredible fiscal challenges – many states have been forced to cut critical programs similar to Denali Kid Care completely. To prevent this we can no longer shoulder automatic annual increases to the eligibility standards for enrollment into Denali Kid Care. SB 105 puts into statute fixed income levels of 175 percent of the 2003 “Federal Poverty Guidelines.”

“This bill protects and insures that Denali Kid Care will be here and available to those families that have to rely on it, now and into the future,” said Sen. Gary Wilken (R-Fairbanks). “The number of persons that will lose eligibility on July 1, 2003 is projected to be very small, especially when one takes into account the number of low income families that would be effected if we don’t exercise this fiscal restraint.”

Wilken points out that with an \$806 million projected budget to Denali Kid Care for FY 04, no one will be “lopped off” the system.

“This adjustment will effect a maximum of 4 percent of the people receiving assistance from Denali Kid Care,” said Wilken. “Furthermore anyone enrolled in the program as of June 30, 2003 will be able to continue receiving services. In the case of pregnancy, women will continue to receive services through the birth. While families with children will be allowed to continue for up to six month as they secure alternative methods for medical payment.”

These five bills will now move to the House of Representatives for their consideration.

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