



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

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March 19, 2014

Representative Shelly Hughes
Alaska Capitol, Room 409
Juneau, Alaska 99801-1182

Regarding: Support CSHB 254, Strengthening Powers of Attorney

Dear Representative Hughes:

The Alaska Commission on Aging is pleased to express our support for CSHB 254, as authored by you and co-sponsored by Representative Max Gruenberg, to reform Alaska's durable power of attorney statute (AS 14.26). CSHB 254 will strengthen Alaska's statutes by clarifying the responsibilities of the person receiving the power of attorney. In addition, CSHB 254 will make Alaska's power of attorney statute interstate compatible by incorporating provisions from the model Uniform Power of Attorney Act used by most states which will help to eliminate problems when the older adult and the power of attorney live in different states. Although CSHB 254 addresses the needs of all vulnerable adults, we focus our attention on the benefits of this legislation we perceive for vulnerable older Alaskans.

An estimated 116,880 Alaskans are age 60 years and older and comprise nearly 15% of the state's population. The number of older Alaskans has nearly doubled since 2000, with persons who are age 85 years and older being one of the state's fastest growing age sectors in the senior population (Alaska Department of Labor Population Estimates 2013). Due to infirmities and cognitive impairment, Older Alaskans are often the victims of financial exploitation.

According to the state's Office of Elder Fraud and Assistance program, the most common type of fraud perpetrated against older Alaskans involves the abuse of a durable power of attorney. The Office of the Long Term Care Ombudsman concurs, finding that residents with dementia are particularly vulnerable.

As the Alaska senior population increases, so have reports to Adult Protective Services, the Office of the Long-Term Care Ombudsman and the Office of Elder Fraud and Assistance. Reports of harm to Adult Protective Services, for example, have risen by 118% over the last 5 years with the highest number of reports related to self-neglect and financial exploitation.

By incorporating provisions of the model 2006 Uniform Power of Attorney Act promulgated by the Uniform Law Commission into Alaska's power of attorney statute, there will be clearer guidance related to the fiduciary duties of the agent to act in the best interests of a vulnerable elderly person. Further, CSHB 254 will provide a new statutory power of attorney form that will require the senior to expressly approve the authority to sell, dispose, convey, and encumber real and personal property belonging to the senior. Under current law, a vulnerable adult who signs the power of attorney form can provide blanket approval for all powers to the agent unless otherwise indicated. CSHB 254 requires the principal to give special consideration and approve each power delegated to an agent.

Financial exploitation against older adults is a widespread social problem that can affect any vulnerable older adult cutting across all socio-economic, cultural, racial, and ethnic divisions. The Commission believes that CSHB 254 builds on the provisions approved by the Governor's bill (SB 86) in 2012 and furthers efforts that strengthen protection for Alaska's vulnerable adults against financial exploitation. Thank you for your leadership on CSHB 254.

Sincerely,



Mary E. Shields
Chair, Alaska Commission on Aging

Cc: Representative Max Gruenberg

Sincerely,



Denise Daniello
ACoA Executive Director