

Representative Seaton,

I hope this message find you well. To begin, I would like to thank you for your advocacy on behalf of Alaska's children and families. Your continued advocacy for common-sense approaches to health and wellness are a stellar example of leadership in action. Your current Medicaid reform bill is no exception. I applaud many of the initiatives and efficiencies highlighted by your legislation, including

- Application for 1115 and 1915 i/k waivers
- Increased efficiency and coordination of administrative audits
- Improved management of super-utilizers

Each of these steps promises to improve the efficiency and delivery of health care services while controlling, and in some cases reducing, the cost of care. Along with my general support of your efforts, I must also voice a word of caution. Included in your proposed legislation is language which, at first glance, appears to remove the grantee requirement for medical assistance providers of behavioral health services. The exact of impact of this change is not entirely clear to me, but I'm concerned that it could carry with it a host of unintended consequences. Removing the grantee language would surely increase the pool of behavioral health providers; however, it would also open the door to providers who, for various reasons, may not operate according to the standards with which the State and the provider community have become accustomed. For example, under the current requirements, in order to qualify for a behavioral health grant, an applicant must be a non-profit corporation (or State or tribal entity) which is accredited by a national accrediting body. These requirements may be unnecessary for the provision of clinical services (which constitute a relatively small percentage of Medicaid behavioral health expenditures); however, **I strongly urge you to retain the current grantee requirements for the provision of behavioral health rehabilitative services.** In order to provide these services, providers need to have well-structured, mission-driven service programs which are closely monitored by regulatory and accrediting bodies. Poorly monitored, profit-driven companies should not be granted access to expensive, high volume billing opportunities paid for at public expense. Allowing such access would significantly increase the probability of fraud, waste, and abuse (as we've seen in other community-based healthcare services), and could jeopardize the behavioral health rehabilitative services sector.

If the legislature wishes to increase access to behavioral health rehabilitative services, I suggest that, rather than increasing the number of providers, there should be a concerted effort to streamline the current service delivery system through regionalization of grant funds,

consolidation of service providers, integration with primary care, and expansion of recipient eligibility.

Again, I believe that there is some justification for expanding the pool of providers for clinical services (i.e. to include all licensed behavioral health providers), as these providers are vetted and monitored by State boards and the cost of clinical services is relatively modest. However, I strongly urge you to retain the grantee requirement for rehabilitative services. Thank you for considering these suggestions, and do let me know if there is anything I can do to support you in your efforts.

Sincerely,

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