

March 7, 2019

Senate Health and Social Services Finance Sub-Committee

Senator Natasha von Imhof, Chair

Senator John Coghill, Member

Senator Lora Reinbold, Member

Senator Elvi Gray-Jackson, Member

Attached is a letter that we received from the Pioneer Home Division Director last week regarding a rate increase for residents of the Alaska Pioneer Homes.

My mother has lived at the Juneau Pioneer Home since September 2015 and does not receive state assistance. She's self-pay for her level III care each month. She is billed a "Residential Service Rate" of \$6,216.00 and a "Room and Board Rate" of \$579.00, bringing the total to \$6,795.00 per month. This does not include the pharmacy charges she incurs each month which varies at around \$400.00 per month. When I asked the Pioneer Home staff what level they believed she would be considered under the proposed plan, they responded she more than likely would be evaluated as at least a level IV which is \$13,333 per month. Mom is on a fixed income of federal government retirement and social security which pays for less than half her current monthly rate. The remainder is paid from her savings account which is dwindling.

I find it quite disturbing that the director intends to raise rates in one move rather than to phase it in over a period of time. In my mother's case the monthly increase is a whopping \$6,538.00 over what she is currently paying or to put it another way, a 96% increase! A reasonable cost of living increase would be tolerable this is not reasonable. I seem to recall that within the last couple of years the rates did go up a bit but I don't believe it was more than about \$500 per month.

Mom was told long ago that if she moved her assets into a trust or transferred them to another family member at least 5 years before going into the Pioneer Home her assets could not be taken and the State would provide for her monthly charges in excess of her retirement/social security checks. My mother did not choose to do that and instead calculated the cost of paying her own way before she made the decision to move in when space became available. She considered the variables such as life expectancy and levels of care, reviewed all of the information and what she could afford and made the decision to move to the Pioneer Home in September 2015. Since she entered the Pioneer Home, she has gone from level I care at \$2,600.00 per month to level III at her current rate of \$6,795.00.

While mom enjoys living at the Pioneer Home where she has activities and interaction with staff and other residents, the proposed increase is excessive. The two alternatives that come to mind are for her to stay where she is until she runs out of savings and the state will be subsidizing her, or bring her back to my home and hire someone to come in and take care of

her. In checking with sources in Juneau who provide services of this kind, hiring a caregiver would actually cost less than what she is currently paying to live at the Pioneer Home.

The Pioneer Home division director's letter says that the State of Alaska is subsidizing more than \$30 million a year to operate the Pioneer Homes. At the proposed rates, I believe (1) the state will subsidize a larger number of residents as fewer people will be able to self-pay, and (2) other less costly options will be sought to pay for elder care for those that have the means to pay.

The impact of the State's decision to so drastically raise the Pioneer Home rates and the effect it would have on the mental and emotional well-being of our elderly must be carefully considered. Please ask yourself what your reaction would be and what you would do if out of the blue your bank doubled your mortgage or your landlord doubled your rent.

Respectfully,



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