

House Finance Committee
Public Testimony

HB 2001

Emails received to

HouseFinance@akleg.gov

July 17, 2019

Part 4

From: Angie <angelaschmidt.ak@gmail.com>
Sent: Wednesday, July 17, 2019 3:52 PM
To: LIO Fairbanks <Lio.Fairbanks@akleg.gov>
Subject: Committee Substitute for House Bill 2001 (CSHB2001)

Dear members of the House Finance Committee,

Thank you for your all your hard work and sacrifices during this very dynamic and stressful time. I do NOT support the governor's vetoes, and ask that you restore funding to areas that have been cut. The legislature advanced a very well thought out and workable budget plan to the governor prior to his vetoes - please restore that budget. I believe a moderate PFD of \$928 is wholly acceptable.

It is imperative to restore funding to the University of Alaska as soon as possible. The university is an enormous economic engine that brings millions of federal dollars into our communities. It attracts the best and brightest here with their families to live in and contribute to Alaska. It provides an avenue for the youth of Alaska to develop their aptitudes and to live their fullest lives. It serves as a factory of ideas for diversifying our economy. Cutting funding to this institution is cynical and short-sighted and will have detrimental effects that will last for generations.

This current crisis is a political crisis - not a budget crisis. We do not need to slash and burn all that makes life meaningful within the next two weeks. We as Alaskans must tighten our belts and work together to build a future that continues to be bright, despite declining oil revenues. I believe the legislature's proposed budget (prior to the governor's vetoes) would allow us to do that. Please restore funding to those levels. It is imperative if this state is to continue.

With respect,
Angela Schmidt
413 Cowles
Fairbanks, AK

(24-year resident of Alaska, current University of Alaska Fairbanks employee and part owner of private businesses in Fairbanks and Palmer)

From: Sarah Keller <swkeller18@gmail.com>
Sent: Wednesday, July 17, 2019 3:53 PM
To: House Finance <House.Finance@akleg.gov>
Subject: HB2001 and the PFD

Thank you for the opportunity to share my views with you regarding HB2001 and Governor Dunleavy's vetoes across the coalition budget. I appreciate you taking the time to listen.

I am strongly interested in overriding the Governor's vetoes and I support the legislature's efforts to restore the funding as agreed to in the coalition budget.

I don't think the Governor took the serious efforts of the entire legislature to heart. He seeming without much thought eliminated most funding statewide for the arts, the Alaska Ferry system, public radio and TV, for the education system including our brilliant University system, health care that will potentially cripple hospitals (who are obligated by law to treat anyone who walks in the door), and more. He cut many programs that people need and deeply appreciate.

The Governor's choices are financially illogical. He is being poorly advised. He cut programs so that the matching funds from other sources become completely unavailable. All of those funds have important ripple effects on individual communities and statewide.

Re the PFD: I personally do not think I am "owed" a PFD of any size when those funds could be used to fund services that benefit all of us. If it is politically expedient to have a PFD of some size, I advocate for the smallest size you can wrangle. To use the PFD as a government handout and then justify it by cutting programs we all value and many desperately need....well, that makes no financial sense.

It also makes no financial sense to give away oil tax credits to an industry that is making more money than many small countries while we have to gut our university and our public safety network (public health, social services, transportation including the ferry system, public radio and more) in order to pay them.

I believe in paying one's own way and I encourage the application of an income tax at the next possible opportunity. I think it's important to snag a piece from those who earn money in Alaska, but do not actually live here and invest in our communities. I will remind you of this when this issue comes around again and you can do something about it.

In short, reinstate the funding and minimize the PFD so we have the funds this year to pay for the government we need. And let's prepare for other sources of funding next year.

Please act as true stewards of the people of Alaska, ALL of them, especially those who cannot speak for themselves. Please reinstate the funding as agreed to in the coalition budget. And let's get ready for next year.

Again, I thank you,

Sarah W. Keller
169 Eagle Ridge Rd
Fairbanks, AK 99712

From: Alicia Duncan <alicia.duncan@sealaska.com>

Sent: Wednesday, July 17, 2019 3:54 PM

To: House Finance <House.Finance@akleg.gov>

Subject: Supporting HB 2001

Dear Senator or Representative,

I write to convey my support House Bill 2001. My position is rooted in the Legislature's constitutional responsibilities to Alaskans.

Article VII of Alaska's constitution obligates the Legislature to provide for the public education (including a state university system), public health, and public welfare of Alaskans. Upholding these responsibilities should

be the Legislature's sole concern. Prolonged focus on the location of the second special session or the amount of the Permanent Fund dividend, as various members continue to do, absolves individual lawmakers of their Article VII constitutional responsibilities to Alaskans.

For this reason, I urge the Legislature to reinstate the operating budget it passed on June 10 through HB 2001.

Sincerely,

Alicia Duncan
Archives Intern
Sealaska Heritage Institute
105 S. Seward St. Juneau AK 99801

From: J. Jason Lazarus <lazarus@obscura-works.com>
Sent: Wednesday, July 17, 2019 3:54 PM
To: House Finance <House.Finance@akleg.gov>
Subject: Testimony on HB2001

My Name is Jason Lazarus and I represent myself here.

My legislators are Bart LeBon and Scott Kawasaki I thank you for hearing my testimony.

I've been a resident for 23 years and a UAF instructor for over 14.

After surviving years of cuts at the university I have seen this: My department has been combined with another to reduce costs. We've reduced full time faculty and increased the number of courses we teach. We've lost multiple adjunct and staff positions, meaning that we all carry the workload of 2-3 positions - if not more. We have streamlined, cut bonuses, and nearly eliminated raises. We have cut through the meat and have already reached the bone.

My child, a sixth grader, who plays viola, enjoys classic literature and loves technology - he will suffer because of the cuts to K-12. His classrooms will crowd him out, leaving him ignored, unable to access the tools he needs and to develop the passion for his future career as an engineer. Assuming that these cuts allow him to test high enough, it's uncertain if UAF will even be around, likely forcing him to leave the state he so dearly loves.

My wife and I are both artists and see the value in funding ASCA - as it brings outside culture to the interior and provides amazing opportunities for our home-bred artists to be seen in the rest of the world.

I find it appalling that we debate on which matters more to our state: a hefty PFD payout for one year or having a well-funded educational system, funding for the arts and various social programs that our needest Alaskans rely upon. Sacrificing some of the PFD this year is worth saving our state from ruin.

J. Jason Lazarus
Instructor of Photography
University of Alaska Fairbanks

From: Scott Grundy <sgrundy55ply@gmail.com>
Sent: Wednesday, July 17, 2019 3:55 PM
To: House Finance <House.Finance@akleg.gov>; Rep. Tammie Wilson <Rep.Tammie.Wilson@akleg.gov>; Rep. David Talerico <Rep.David.Talerico@akleg.gov>; Rep. Steve Thompson <Rep.Steve.Thompson@akleg.gov>; Sen. John Coghill <Sen.John.Coghill@akleg.gov>; Sen. Scott Kawasaki <Sen.Scott.Kawasaki@akleg.gov>; Sen. Click Bishop

<Sen.Click.Bishop@akleg.gov>

Subject: Budget Vetoes

Thank you for this additional opportunity to communicate,

There is little doubt that the state operating budget must be reduced in the near future and additional revenue must be acquired. The legislature presented a reasonable hard fought cost-reducing budget that reflected the will of the populous. But our governor's response is insulting and fiscally foolish. If allowed to stand, the impacts will be disastrous and will not reflect the will of the people. We are astounded to watch a republican governor support a \$3,000 dollar dividend to each and every resident to the detriment of government services. To do so is irresponsible and is pure welfare that is taxable buy the federal government.

Jay Hammond must be rolling in his grave. As a legislator, you must know the Permanent Fund was developed to help future generations of Alaskans fund government services. Jay astutely helped implement the PFD to keep the public eye on the fund. This has been accomplished but balance is currently needed.

In the **SHORT TERM** use your leverage to:

- 1.) Restore funding of matching money to acquire out-of-state funds (UA, ADF&G, etc.). It's irresponsible to reject such income that amounts to millions of dollars to the state.
- 2.) Overturn the vindictive political cuts of specific positions and the judiciary.
- 3.) Restore funding for education, the arts, poor, etc.
- 4.) Establish a reasonable PFD (\$1,000?) for the foreseeable future.

In the **LONG TERM**:

Additional income is essential and may be acquired by:

- 1.) Eliminating giving our resources away to Industry; repeal SB 21 for example.
- 2.) Increase user fees - start by doubling all. Our DMV, harbor fees & gasoline tax are all foolishly low.
- 3.) An income or other tax must eventually be implemented.
- 4.) OUR ALASKA CONSTITUTION PROVIDES UNREALISTIC POWER TO OUR GOVERNOR. A 75% support by a legislature is not realistic nor reasonable. Alaskans want balance - not an autocrat.

Thank you for your attention,

Independent Voters who are 56 year residents of Fairbanks and patriots of the great state of Alaska

J. Scott and Linda E. Grundy

Fairbanks

907-457-3526

From: Nostalgia à la Mode <nostalgia@obscura-works.com>

Sent: Wednesday, July 17, 2019 3:55 PM

To: House Finance <House.Finance@akleg.gov>

Subject: Testimony on HB2001

My Name is Deanna Lazarus

I'm representing myself

My Legislators are Bart LeBon and Scott Kawasaki

Thank you for hearing my testimony.

This Veto is hurting thousands of Alaskans with an uncertain future. Not just those that are part of the UA System, but our children that will be responsible for this Great State when they are all grown up and those that are most vulnerable. In the last few weeks I have watched people in this state become even more divided, pitting neighbors, friends and families against one another, all over a promise of \$3000 PFD. The PFD was never meant to be a "RIGHT" it was more of a "Perk" for living in Alaska. As it is known "Perks" eventually shrink or go away.

It is not just for my job as a UA employee that I am here. It is for the future of my son that I'm here, with public school cuts this year and over the last few years; his education will not be to the standards that Alaska has been known for and why many stay here. I have to think about him, if he does not get the education he deserves both in K-12 and at an amazing University. On top of that I may lose my job. I will be forced to leave the state for him and I know that he loves this state and it will break his heart if we have to leave.

Is 3000.00 worth the loss of generations of Alaskans?

Deanna Lazarus

From: Breylan Martin <breylan.martin@sealaska.com>

Sent: Wednesday, July 17, 2019 3:55 PM

To: House Finance <House.Finance@akleg.gov>

Subject: Support for House Bill 2001

Dear Senator or Representative,

I write to convey my support House Bill 2001. My position is rooted in the Legislature's constitutional responsibilities to Alaskans.

Article VII of Alaska's constitution obligates the Legislature to provide for the public education (including a state university system), public health, and public welfare of Alaskans. **Upholding these responsibilities should be the Legislature's sole concern.** Prolonged focus on the location of the second special session or the amount of the Permanent Fund dividend, as various members continue to do, absolves individual lawmakers of their Article VII constitutional responsibilities to Alaskans.

I am urging you to fulfill your Article VII constitutional responsibilities to Alaskans by overriding the Governor's vetoes through HB 2001.

Thank you for your service to Alaska and Alaskans.

Sincerely,

Breylan Martin

Archives Intern. Sealaska Heritage Institute
105 S. Seward St. Suite 201. Juneau, AK 99801

From: Amelia B <ameliajocelyne@gmail.com>

Sent: Wednesday, July 17, 2019 3:56 PM

To: House Finance <House.Finance@akleg.gov>; House Finance <House.Finance@akleg.gov>

Subject: Budget & HB 2001

Good afternoon,

First off, thank you for your service and the work you've done on behalf of the people of Alaska. As a working parent, I reach out with grave concerns shared by many individuals, organizations, and businesses across the state, about the

devastating social and economic impacts of the Governor's vetoes. I'm sure it's clear, based on the unprecedented engagement of Alaskans, that citizens and voters are worried and paying attention, and counting on your leadership.

I urge you to restore all vetoed funding along with designated funds lost in the sweep. Going forward, I also support a progressive income tax, repeal or reduction of oil tax credits, and a reduced PFD with a formula that ensures longevity of the program and funding for state services like forward-funded education, arts, ferry service, the Pioneer Home system, the university system, and services for homeless and severely mentally ill Alaskans.

Along with the many moral and ethical issues involved in cutting services that Alaskans depend on with no notice, there are clearly immediate, long-lasting, and deep economic impacts. A diverse group of individuals, businesses, and non-profits including the Alaska Bankers Association, Rasmuson Foundation, AARP, and many others have put forward compelling research and information showing the negative economic impacts the Governor's actions are already having on our state.

I support you in restoring vetoed funds and starting the long path of regaining the trust and confidence of the students, parents, business owners, and investors of Alaska and beyond.

Thank you,

Amelia Budd

From: Sherry Lewis <bunkyak48@gmail.com>
Sent: Wednesday, July 17, 2019 3:59 PM
To: House Finance <House.Finance@akleg.gov>
Subject: HB2001

I support HB 2001. We need to limit the PFD and restore vetoed funds.

Sherry Lewis
2036 Teton Ct.
Fairbanks, AK 99709
44 year resident.

From: Melissa Prince <m_joy_p@hotmail.com>
Sent: Wednesday, July 17, 2019 3:59 PM
To: House Finance <House.Finance@akleg.gov>
Subject: Please fund UA

I am writing to ask legislators to reduce the PFD and use those funds to reducing the cuts to the University of Alaska

Thank you,
Melissa

From: Carly Wier <alaskacarly@gmail.com>
Sent: Wednesday, July 17, 2019 3:59 PM
To: House Finance <House.Finance@akleg.gov>
Subject: Please restore the funding (all funding) from the vetoes.

Dear House Finance Committee,

I can't take time off to testify this week, so please accept these written comments.

I don't have children of my own, but my husband and I would gladly trade our PFD for services that support early childhood education, like HeadStart, and programs that help new parents create healthy homes for their children. When our community's children are healthy, our community is healthy.

I am not an artist, but I value the arts in our community. My husband and I would gladly trade our PFD for the Alaska Council on the Arts that leverages state dollars to support community art programs around the state, including in our community. Arts are an important part of a healthy, informed community.

I do not have parents in the Pioneer Home or other assisted living yet, but I know that taking care of our elderly -- all of our elderly -- is an important part of a healthy society and community. My husband and I would gladly trade our PFD for a support network for our elderly in Alaska.

I don't attend UAA or UAF or UAS, but I know that Alaska -- and the world -- needs a strong accredited university system here in Alaska. We would trade our PFD for a strong university system.

I do eat, and I do know that Alaska has a growing agriculture industry and that food security in Alaska is not a catch phrase, but a matter of life and death, especially in emergencies. Cutting the division of agriculture is just wrong.

I would trade all of my PFD to restore funding, but I shouldn't have to. That is not a fair choice. You all did your jobs when you created and passed an operating budget. You did your jobs of governing, and compromising.

If you want a deeper conversation, then let's recognize the other player in this: the oil companies. In the end, this is really about whether we give \$12 billion in tax credits to the world's richest corporations or cut basic services that make us human, and Alaskan. If you want a real conversation about balancing the budget and "living within our means" then let's talk about the oil tax structure in Alaska.

This is about the future of Alaska, our home. We can do better. We are better than this. **You can do better.**

Please don't be bullied into accepting this cruel and unethical mess created by the Governor.

Sincerely,
Carly Wier
PO Box 1156
Homer, AK 99603

From: Heather Koponen <posopps@yahoo.com>
Sent: Wednesday, July 17, 2019 4:00 PM
To: House Finance <House.Finance@akleg.gov>
Subject: HB 2001 - Please pass!

Honorable Alaska House Finance Committee Members,

Thank you for holding these hearings. I regret that I cannot make it there in person.

Please pass HB 2001 authorizing a reasonable permanent fund dividend distribution and funding needed state services this year.

Families who really need the distribution will survive, as will businesses that depend on the annual influx of government money. Neither will survive if needed education and services are slashed, thousands are laid off from work, and many move away.

Our governor has been pushing a dangerous gambit by getting elected by buying votes while claiming during campaigning that he would not do the harms he is doing. Let him know we are not for sale.

Heather Koponen

687 Chena Ridge

Fairbanks, AK 99709

t.907-479-0981

From: Angela Larson <alarson@goldstreamgroup.com>

Sent: Wednesday, July 17, 2019 3:58 PM

To: House Finance <House.Finance@akleg.gov>

Subject: PFD and the Budget

Hello House Finance Committee – I was not able to make it to testify in person today, but again want to encourage you to fund the vetoed budget items in both the capital budget and the operating budget.

Only after the budgets are fully funded should you consider distributing permanent fund dividends. \$3,000 dividends are ridiculous and will run the permanent fund down to zero – this is our long-term savings account to be used in times of emergency – just like now! Please maintain it!

AND – although I know this is not on your agenda -- please consider a state income tax. It is the only way to have stable government services and ensure the viability of our state! The fastest growing state economies all have high state income taxes and I truly believe it is time that we have one as well!

Thank you. I appreciate the time you have taken to listen to your constituents and hope that you and will act on their behalf to save our state!

Angela Larson

President/Principal

GOLDSTREAM
group, inc.

PO Box 83418

Fairbanks, Alaska 99708

Phone: 907.452-4365 extension 1

www.goldstreamgroup.com

From: Ken Pleasants <ken@ccfairbanks.org>

Sent: Wednesday, July 17, 2019 4:01 PM

To: House Finance <House.Finance@akleg.gov>

Cc: Rachel Cell <rachel@ccfairbanks.org>

Subject: Fairbanks Care Coordination

Good Afternoon,

I sit on the board and am a certified Care Coordinator for Coordination Centre Fairbanks a Fairbanks based non profit. We have been in business the past 4+ years. We serve clients through Medicaid waivers. A cut to Seniors and Disabilities services is one of the most despicably outrageous moves the legislature can do as Alaska works to correct a decades old budgetary issue.

Not only will these cuts drastically affect the clients we serve by limiting services the people can receive, but it will also impact the agencies working to serve this population across Alaska. A 5% reduction in rates takes the payment for services back to levels that were seen 10 years ago on top of not allowing for inflation going forward. As Medicaid expansion continues in Alaska, Care Coordination services are in high demand while the pool of certified Care Coordinators is down 30%. We would like to continue to grow with the demand, but our agency operates on a tight budget. It takes approximately 6 months to get a coordinator trained and certified for such a specialized job. We do our best to offer competitive pay, but with these cuts we are having to readjust when we will be able to hire more employees and offering benefits is a non starter.

It is appalling that seniors and the disabled will be cut at all before oil companies are considered along with a head tax on cruise lines.

I have lived in Fairbanks most of my 46 years but watching the way our State government has kicked the fiscal can down the road for years only to still struggle for any solution is disheartening, confusing and worrisome.

Please, put down political or ideological division and get back to the pioneering /last-frontier mentality this great state was founded upon.

Sincerely,

Ken Pleasants
Care Coordinator
Coordination Centre Fairbanks
607 Old Steese HWY Ste B 176
Fairbanks, AK 99701
Ken@ccfairbanks.org (907)799-4334
Office (907)457-1158 Fax (907)457-1198

Tara Smith, President
ILS Program Director
Cornerstone Home Care
tsmith@chhcare.com
(907)586-6838 FAX (907)586-8114
June 10, 2019
Alaska Department of Health and Social Services
Medicaid and Health Care Policy
PO Box 110635
Juneau, AK 99811

Dear Commissioner Crum, Deputy Commissioner Steward, and OMB Director Donna Arduin,
We believe that our current Governor seeks

- an honest budget
- to care about vulnerable Alaskans who experience disabilities
- to be different from the previous administration
- belief in the sanctity and dignity of life
- "a full PFD," but not funded at the expense of vulnerable Alaskans

An Honest Budget

An honest budget addresses the fiscal realities of the State, and becomes a statement of the values of the Governor and his Administration. An honest budget should also provide accountability measures to which departments should

compare their ongoing performance. Regarding Medicaid Services, recent Operating Budgets contained an overall funding appropriation with allocations to different sectors of Medicaid providers. This allows some transparency regarding the effectiveness of management of the Medicaid funding. The current version of the Governor's budget, prepared by the Office of Management and Budget, decreases transparency by rolling the funding into a single appropriation without allocations. **We believe that there should be increased transparency in an honest budget**, and even though our efforts failed in this legislative session to separate Medicaid Senior and Disability Services as its own appropriation, **the Governor's budget should at minimum, contain allocations for accountability.**

Caring about Vulnerable Alaskans who experience disabilities

During the Governor's Council on Disabilities and Special Education and Key Campaign visit to Juneau in February 2019, Governor Dunleavy generously hosted vulnerable Alaskans at the Governor's mansion and then spent quality time at the Unity Dinner. These Alaskans received the clear impression that he cares about them and that they could count on him to champion their rights to lead a life of dignity in our State. He is well aware that many who traveled to Juneau seek and desire to be productive members of our communities, whether through work, volunteerism, or other community engagement. They need daily support to overcome the barriers that their disabilities present. Following the Juneau visit at Governor Dunleavy's invitation, a list of efficiencies to reduce provider costs and State of Alaska administration costs was offered to him on February 12, 2019. The Administration proposed provider rate reductions instead. From the Medicaid data presented above, the Senior and Disability savings realized over the past 3 completed fiscal years would have easily funded additional waitlist (DD Registry) reductions by increasing draws from 50 to 100 per year. Instead, the savings were applied to other areas of Medicaid. **We are asking for the demonstration of care for vulnerable Alaskans, by not ignoring the real impacts of recent reductions to their services through utilization caps, and eliminating further provider rate reductions.**

Being Different from the Previous Administration

The Department of Health and Social Services presents three levers for reducing Medicaid spending:

1. Eligibility criteria narrowing
2. Services authorized to reduce utilization
3. Provider rates

Data from the past three fiscal years clearly shows the leverage of reduced services authorized in Senior and Disability services. These significant savings have been shifted to offset other areas of Medicaid growth before requesting supplemental appropriations. The Governor's budget includes the Administration's proposal to reduce provider reimbursement rates by 5% in Phase I.

An across the board 5% provider rate reduction is not an equitable reduction based on the previous administration's use of these levers. Health Care service providers have received rate rebasing in addition to some inflationary adjustments. Senior & Disability Services have not received rate rebasing, and received few inflationary adjustments while significantly underspending in contrast to Health Care and Behavioral Health sectors. The negative impact of recruitment and retention on the workforce through denying cost of living increases in Senior & Disability Services is reflected in the amount of authorized services that remain undelivered. Department projections which assume suppressed workforce capacity instead of assisting the attraction of quality workers through reasonable pay and benefits have direct consequences on the recipients of the plans authorized. Increased regulation compliance and audit burdens have been placed on providers instead of promoting increased compensation and training for direct service employees.

Leaders of provider organizations in Alaska have longevity and experience with the Alaska Medicaid program which extends well beyond those in the current and previous administrations. Providers are under no illusion that recipients of SDS long term services are also eligible for health care and behavioral health services. Providers are well aware that while they wait for SDS services on the waitlist (DD Registry), they are eligible for and receive, Medicaid Medical services. SDS services are not a "bundle" of comprehensive Medicaid services but add a more cost effective, community-based solution to addressing residential and community engagement alternatives to institutional care. No funding shift from SDS services towards their medical care is justified by their qualification for long term supports.

The FY2018 Annual Medicaid Reform Report (Executive Summary) shows very clearly that no other Medicaid sector has received service utilization reductions to the degree that SDS Home and Community Based Services have. Primarily, the Medicaid Reform efforts have focused on reductions and cost avoidance of nearly \$140 million in:

Federal Tribal Reimbursement	48%	\$67.2 million	Refinancing to increase Federal reimbursement
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Surveillance & Utilization Review, Audit Recovery	20%	\$28.1 million	Primarily one-time MMIS Advance repayments from the Medicaid payment agent conversion in 2013
Pharmacy Payment Reform	15%	\$20.2 million	More cost effective options using generic drugs and National Average Drug Acquisition Costs implementation
SDS Home & Community Based Services reduction	7%	\$10.4 million	Regulatory caps on services, lowered levels of services authorized, waitlist draws reduced
Case Management Reform	6%	\$8.5 million	Enhanced management of “super-utilizers” or “over-utilizers” of medical care
Prisoner Enrollment in Medicaid	3%	\$4.6 million	Refinancing to increase Federal reimbursement

Growth in Health Care and Behavioral Health sectors was driven by increased Medicaid enrollments during an economic recession, Medicaid expansion, and increased Tribal Health services.

Medicaid Services	FY16 Over (Under) Budget Allocation	FY17 Over (Under) Budget Allocation	FY18 Over (Under) Budget Allocation	Total
Adult Dental Preventative	\$(462K)	\$6,419K	\$6,475K	\$12,431K
Behavioral Health	\$84,428K	\$88,720K	\$95,104K	\$268,252K
Health Care	\$171,686K	\$396,391K	\$320,139K	\$888,216K
Senior & Disability	\$(101,271K)	\$(50,512K)	\$(92,310K)	\$(244,093K)

Some growth attracted additional Federal funding but each year a supplemental appropriation request to the legislature was made, after absorbing the savings from service cutbacks to vulnerable Alaskans.

The argument that a separate appropriation for SDS Medicaid Services would require an additional \$50 million to be added to the Medicaid budget is an acknowledgement that the cutbacks in SDS services have been utilized to fund the growth in the other Medicaid services, not the result of growth in SDS Medicaid services. The previous Administration has not provided any transparency regarding any historical addition to SDS services from other Medicaid services allocations, if that occurred.

On the contrary, it appears that there was sufficient allocation in the Medicaid SDS allocation to avoid the measure taken in 2015 to reduce the annual release of 200 recipients who were waiting for services down to 50 recipients annually. Since June 2010, the DD registry (wait list) dropped from 1052 individuals to 535 in June 2016, but has risen again to 906 in June 2018.

Home and Community Based Services under SDS are long term services and supports, not primarily treatment services. Please demonstrate “being different” by preserving existing rates for critical supports for vulnerable Alaskans, who have already contributed more than their fair share (over 7% of Medicaid reform efforts) to reducing Medicaid spending and will lose access to services through provider rate reductions. **If rate reductions must be applied, please limit the amount of reduction to rebasing and inflationary increases applied during the past 3 fiscal years (FY17- FY19).**

Sanctity and Dignity of Life

Non-profits and religious organizations fill important gaps in communities that Government is unable or unwilling to cover. Supporting the right to life morally must be congruent with Alaskans born with disabilities accessing supports to living with a sense of dignity in community. **Properly funding the skilled and appropriate supports for these vulnerable Alaskans remains a Government responsibility** while promoting as many natural and volunteer supports as possible. Please ensure that these moral values are also reflected in the Governor’s final budget.

“Full PFD,” but not funded at the expense of vulnerable Alaskans

The same Senate Finance Committee that put forward a budget including a \$3,000 dividend payout included the following intent language in their version HB0039F:

17 It is the intent of the legislature that skilled nursing facilities and senior and disabilities
18 services providers (nursing homes, section 1915 (c) of the Social Security Act and other
19 waiver service providers, and personal care attendant services) that serve vulnerable Alaskans
20 be exempt from the five percent Medicaid rate reduction proposed by the Department of
21 Health and Social Services.

This intent language expresses a desire to avoid balancing Alaska's fiscal crisis on the back of its most vulnerable citizens who, through no fault of their own, have been denied the same economic opportunities as Alaskans without disabilities.

Please honor this intent language as you authorize the State Operating Budget.

For these reasons, we are asking for the demonstration of your care for vulnerable Alaskans. Please use your authority to eliminate (or limit to the 2.5% inflationary increase of FY19) the proposed 5% provider rate reductions for Medicaid Senior and Disability Services providers.

Alaska Association on Developmental Disabilities

Alaska Association for Personal Care Supports

Alaska Mental Health Trust Authority

Disability Law Center

Governor's Council on Disabilities and Special Education

Key Coalition of Alaska

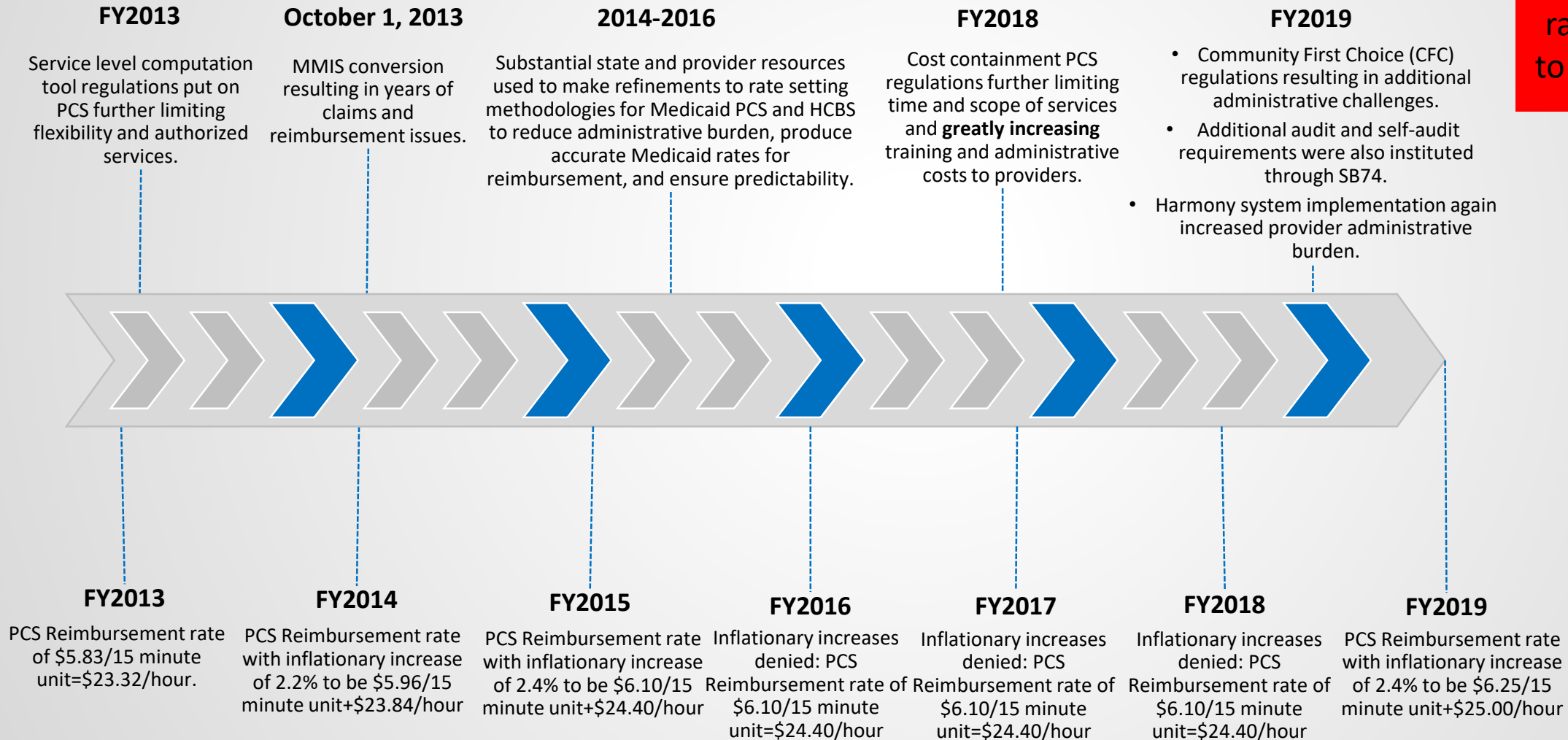
Pdf mcd

Alaska Medicaid Personal Care Services Reimbursement and Regulatory Increases

The Alaska Personal Care Services (PCS) Program is a Medicaid program which allows a qualifying person (Consumer) with a functional disability to receive in-home hands on care to maintain their health and safety. Sustainable and predictable reimbursement rates are vital to allow providers to increase quality and adequately pay direct service workers is essential to the continued capacity of this service to continue to play an important role in the continuum of care.

Proposed 5%
reduction to PCS
reimbursement
rate = \$5.93/unit
to be \$23.72/hour

Only direct services are billable (not training, oversight, travel, or other required expenditures). Current direct service wages and required quality oversight constitutes approx. 95% of every dollar reimbursed to the PCS Provider.



The Value of Medicaid in Alaska

Medicaid provides health coverage that helps low-income seniors, children, and people with disabilities get needed health care. It gives parents and other adults economic security through health coverage that protects them from medical debt and allows them to stay healthy and engaged in their community. It is jointly managed and funded through the federal and state governments.

Medicaid Helps Alaska's Kids, Seniors, People with Disabilities, and Families

215,816

Alaskans get quality health coverage through Medicaid.

Most are children, seniors, or people with disabilities.



94,066 of Alaska's children get health care through Medicaid.

That's **2 of 4** Alaskan kids seeing a doctor to stay healthy, thanks to Medicaid.

Medicaid Improves Health

- Research shows that Medicaid beneficiaries have far better access to care than the uninsured and are far less likely to postpone or go without needed care due to cost. ^[1]
- Medicaid coverage of low-income pregnant women and children has contributed to **dramatic declines in infant and child mortality in the U.S.** ^[2]
- Research also shows that state Medicaid expansions to adults are associated with increased access to care, improved self-reported health, and reduced mortality among adults. ^[3]

Medicaid Provides Vital Support

- **11,218** of Alaska's seniors get health care through Medicaid, including nursing home care and services that help them live at home. That's **9%** of Alaska's senior population.
- Medicaid provides **15,107** people with disabilities in Alaska access to critical care that helps them live independently.
- Medicaid covers people who are struggling with opioid addiction and enhances state capacity to provide access to early interventions and treatment services. **Medicaid covers 4 in 10 non-elderly adults with opioid addiction.** ^[4]

The Public Has a Favorable View of Medicaid

- **7 in 10** Americans say they have ever had a connection with Medicaid including three in ten who were ever covered themselves. Across political parties, majorities have a favorable opinion of Medicaid. ^[5]

[1] Medicaid and CHIP Payment and Access Commission (MACPAC) with the Urban Institute and University of Minnesota - *National Findings on Access to Health Care and Service Use for Children Enrolled in Medicaid or CHIP*, 2012 [2] NICHD UM Population Studies Center Traineeship, the University of California-Berkeley's Center on the Economics and Demography of Aging, and the Robert Wood Johnson Foundation's Health Policy Scholars program - *Public Insurance and Mortality: Evidence from Medicaid Implementation*, 2015 [3] New England Journal of Medicine - *Mortality and Access to Care among Adults after State Medicaid Expansions*, 2012 [4] Kaiser Family Foundation - *Medicaid's Role in Addressing the Opioid Epidemic*, 2018 [5] Kaiser Family Foundation: *Kaiser Health Tracking Poll – February 2018: Health Care and the 2018 Midterms, Attitudes Towards Proposed Changes to Medicaid*, 2018

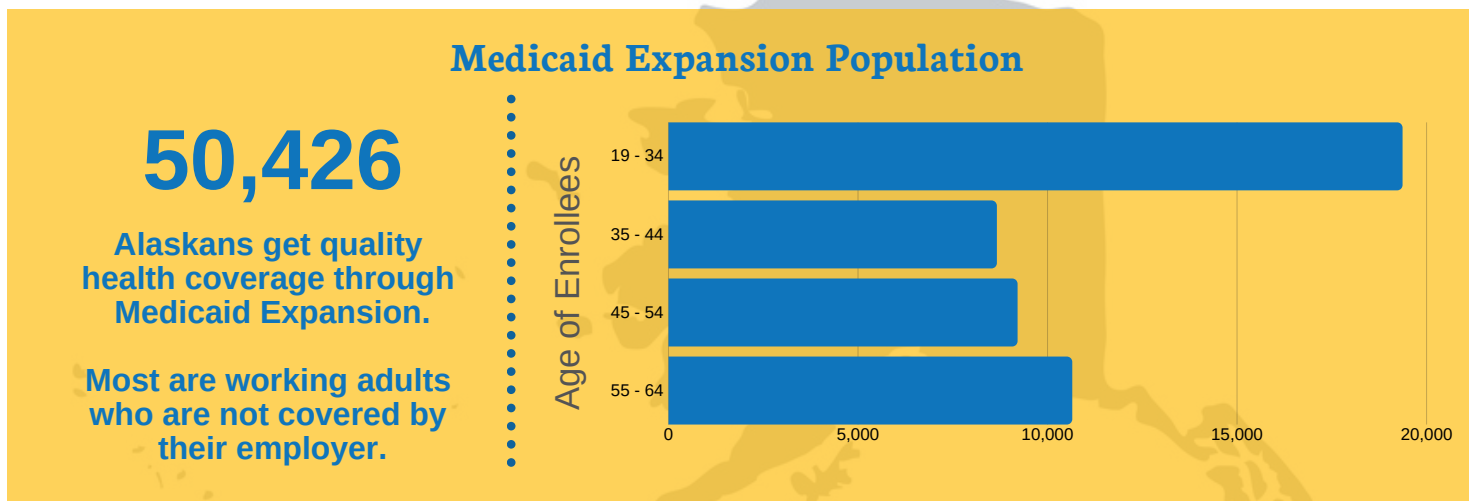
The Value of Medicaid Expansion in Alaska



Medicaid eligibility in Alaska was expanded in September 2015. As of January 31, 2019, enrollment in Alaska's expanded Medicaid has grown by 50,426 individuals. The US Census Bureau reported that the uninsured rate in Alaska dropped from 18.5 percent in 2013 to 13.7 percent in 2017.

The Federal Government Pays the Lion's Share of the Cost of Medicaid Expansion

- September 2015 through 2016 federal funds paid 100% of the cost of expansion.
- The state began paying 5% of the cost in 2017, and 6% in 2018.
- That's scheduled to increase to 10% by 2020 and stay at that level going forward.
- **\$1 billion** in federal funding has flowed into Alaska since September 2015 as a result of Medicaid expansion.



Medicaid Expansion Supports Work

- Only **35%** of private-sector employers in Alaska offer health benefits to their employees.^[6] Many workers who don't get coverage through their jobs rely on Medicaid coverage for themselves and their families.
- State studies have documented significant job growth and retention resulting from Medicaid expansion.^[7]

Medicaid Expansion Budget Effects

- National, multi-state, and single state studies show that states expanding Medicaid have realized budget savings, revenue gains, and overall economic growth.^[7]
- Medicaid expansion can result in state savings by offsetting state costs in other areas, including state costs related to **behavioral health services, crime and the criminal justice system.**^[7]

Local Economies Are Supported By Medicaid Expansion

- Medicaid expansion is associated with improved hospital financial performance and significant reductions in the probability of hospital closure, especially in **rural areas** and areas with higher previous uninsured rates.^[7]
- Studies show that Medicaid expansions result in reductions in uncompensated care costs for hospitals and clinics as well as positive or neutral effects on employment and the labor market.^[7]

[6] Institute of Social and Economic Research University of Alaska Anchorage (ISER) - *Alaska Employer Health-Care Benefits: A Survey of Alaska Employers*, 2014 [7] Kaiser Family Foundation - *The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review*, 2018

From: Darlene Supplee <nscoa.manager@alaska.net>

Sent: Wednesday, July 17, 2019 3:10 PM

To: House Finance <House.Finance@akleg.gov>

Cc: 'Pat Ivey' <iveypat@gmail.com>; Sen. Click Bishop <Sen.Click.Bishop@akleg.gov>; Sen. Scott Kawasaki <Sen.Scott.Kawasaki@akleg.gov>; Sen. John Coghill <Sen.John.Coghill@akleg.gov>; Rep. Bart LeBon <Rep.Bart.Lebon@akleg.gov>; Rep. Steve Thompson <Rep.Steve.Thompson@akleg.gov>; Rep. Grier Hopkins <Rep.Grier.Hopkins@akleg.gov>; Rep. David Talerico <Rep.David.Talerico@akleg.gov>; Rep. Tammie Wilson <Rep.Tammie.Wilson@akleg.gov>; Rep. Adam Wool <Rep.Adam.Wool@akleg.gov>

Subject: Fairbanks Senior Center Voice For Budget Cuts

Dear Finance Committee and Fairbanks North Star Borough Legislatures,

Attached is the Fairbanks Senior Center voice on how the budgetary cuts proposed will affect our senior population.

We thank you for your careful consideration as Alaska sees the largest growing senior population our state's history.

Also attached is a draft copy of a Senior Needs Assessment for the Fairbanks North Star Borough. This reports speaks volumes to the urgent needs to an aging population.

Respectfully,

Darlene Supplee
Executive Director
Fairbanks Senior Center
North Star Council on Aging
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Pdf senior



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July 16, 2019

To House Finance Committee

cc: Fairbanks North Star Borough Members of the Alaska State Legislature

My name is Darlene Supplee and I represent the Fairbanks Senior Center and the Meals on Wheels program (MOW). The vetoes by the Governor that directly impact our seniors are massive and the lack of funding for programs that support our pioneers is astronomical.

There are many programs vetoed that have direct benefits to our seniors (they are listed below). However, I am going to focus in on one veto in particular, and that is the Human Services Community Matching Grant that has been eliminated in total. The Fairbanks MOW program is set to experience a \$55,000 cut in funding with the removal of this program. This \$55,000 goes directly to food and labor which produces a 600 to 800 daily caloric meal for a homebound senior. The Senior Center cost per meal is \$5.00, that equates to a loss of 11,000 meals being cut from the MOW program. Last fiscal year we delivered 57,000 meals and that equals 57,000 wellness checks. A wellness check that serves as the very eyes for our community.

At 61%, Alaska has the fastest growing senior population, also known as the "Silver Tsunami Wave". Now is the time to be proactive in assuring no pioneer goes without. Aging carries no shame or blame, and how we care for our aging is a testimony to our moral values as a community. There are currently 17,000 seniors 60 and over in FNSB, and that number will increase to over 20,000 in the next few years. Retired seniors as a whole contribute over \$3 billion annually to Alaska's economy which includes their retirement income, health care spending, and revenue from other sources. Our seniors

are one of the state's top economic sectors. How can we let them leave Alaska due to lack of supportive services and take their investment along with them?

The proposed budgetary cuts in senior programs will create an alarming lack of support that brings security, nutrition, personal care, legal assistance, medical attention, and dignity to their lives. After all, we live in a state that was built by the very people our seniors program serves. A loss of 11,000 meals - how do we explain that to an aging population that needs us most?

In almost every program listed below there is a matching dollar lost from additional funding sources outside the state budget. These funding cuts remove our state dollar matches which give us the ability to strengthen and multiply every dollar invested for the betterment of our Alaska Pioneers. Providing these services prevents the state from spending in even larger amounts for hospitalization, long term care and legal services for those abused. Just to name a few was investment now is a long term proactive solution.

- **Senior Benefits, Division of Public Assistance** – Eliminated total funding (100% General Funds) in the amount of \$20,786,100 GF that includes \$19,986,100 GF and \$800,000 GF from the Supplemental to cover May and June 2019 unpaid Senior Benefit payments. The Senior Benefit program remains in statute however, there are no funds to provide monthly payments to eligible seniors.
- **Adult Preventative Dental Medicaid Program, Division of Health Care Services** – Eliminated 100% Federal and State GF for this program in the amount of \$18,730,900 Federal and \$8,273,600 GF for a total reduction of 427,004,500. This program is important for seniors as Medicare does not cover routine dental visits.
- **Medicaid Services** – Eliminated \$50 million in addition to the Legislature's proposed reduction for Medicaid cost containment measures. This reduction, largely undesignated, is Phase 1 of the Department's overall plan to reduce Medicaid spending.
- **Adult Public Assistance (APA), Division of Public Assistance** – Eliminated \$7,471,200 GF. This funding reduction is realized by reducing APA payments to the 1983 Standard.
- **Public Assistance Administration, Division of Public Assistance** – Eliminated \$471,500 from various fund sources to remove four vacant positions.
- **Human Services Community Matching Grant Program** – Eliminated total funding in the amount of \$1,387,000 GF. This program is used by many health and social service nonprofit organizations in Anchorage, Fairbanks, Mat-Su and elsewhere for operational and project support funds.
- **General Relief, Division of Public Assistance** – The Governor supported the Legislature's reduction of \$600,000 GF for General Relief. This program is used largely to cover burial expenses for indigent persons.

- **Energy Assistance Program, Division of Public Assistance** – The Governor's budget approved \$861,400 reduction of federal funding for Energy Assistance, possibly due to lower program demand in Alaska. The Low-Income Home Energy Assistance Program (LIHEAP) is funded 100% with federal funding.

Below is a recap of vetoes in the Capital Budget for Mental Health Budget Items that total \$11,700,000 :

- **Assistive Technology, Department of Health and Social Services Facilities** - Removed \$500,000 GF for assisted technology devices across the technology continuum to help Trust beneficiaries with sensory impairments such as hearing, vision, speech, etc. that includes eligible seniors insured by Medicare who need devices not covered by Medicare.
- **Home Modification and Upgrades to Retain Housing, Department of Health and Social Services Facilities** – Removed \$750,000 GF for this program which supports home accessibility improvements for seniors and Alaskans with disabilities (ramps and other accessibility improvements) so that they may live longer at home. Retains \$300,000 in Mental Health Trust Authority Authorized Receipt (MHTAAR) funds.
- **Deferred Maintenance/Accessibility Improvements, Department of Health and Social Services Facilities** – Removed \$250,000 GF for this program which provides competitive grants to agencies that serve Trust beneficiaries to support their necessary deferred maintenance projects such as roof repairs and fire safety. Maintains the \$250,000 MHTAAR funds.
- **AHFC Homeless Assistance Program, Department of Revenue** – Removed \$7,200,000 General Fund/Mental Health (GF/MH) for statewide homeless assistance services to prevent homelessness as well as to rapidly re-house those who have been displaced. Based on 2018 data from the Homeless Coalition, there were 2,062 adults age 55+ who received homeless assistance statewide and represented 16% of the total clients served. MHTAAR funding in the amount of \$950,000 is retained.
- **Coordinated Transportation and Vehicles, Department of Transportation** – Removed \$1 million GF for the purchase and maintenance of vehicles used for coordinated transportation systems and provides funding for taxi vouchers and alternate transportation means. MHTAAR funding in the amount of \$300,000 was retained.

Respectfully,



Darlene Supplee
Executive Director



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Resolution 19-13

**Supporting the State Fiscal Year 2020 Operating Budget As Passed by the Alaska
Legislature and Urging the Legislature to Restore Funding to the Power Cost Equalization
Program**

WHEREAS, Alaska faces a fiscal uncertainty unrivaled in State history; and

WHEREAS, the State of Alaska has a constitutional responsibility to provide for the public education, public health, and public welfare of all Alaskans pursuant to Article VII of the Alaska Constitution; and

WHEREAS, the Governor's proposed FY20 operating budget contained an unprecedented number of cuts to State government totaling more than \$1.5 billion, which reduced or eliminated services and supports for public education, public health, and public welfare; and

WHEREAS, the Alaska Legislature took an unprecedented level of public testimony on the Governor's proposed budget through a series of statewide hearings, and an overwhelming majority of Alaskans who testified strongly opposed it due to its harmful economic and social impacts; and

WHEREAS, responding to the needs of Alaskans, the Legislature sent the Governor a constitutionally responsible FY20 operating budget; and

WHEREAS, on June 28, 2019, Governor Dunleavy vetoed \$444 million from the FY20 operating budget, which together with the \$190 million in reductions by the Legislature represents the largest single-year reductions in State history; and

WHEREAS, the vetoes will cause a statewide economic recession, loss of thousands of jobs, and immediate, irreparable harm to Alaskans; and

WHEREAS, additionally, the Governor has clearly expressed an intent to eliminate the Power Cost Equalization, Community Assistance, and other important programs, an action which will cripple Rural Alaska.

NOW, THEREFORE, BE IT RESOLVED, that the Native Village of Deering supports the FY20 operating budget as adopted by the Legislature, and urges the Legislature to fund all of the programs vetoed by the Governor to prevent an economic recession and immediate, irreparable harm to Alaskans.

BE IT FURTHER RESOLVED, that the Native Village of Deering urges the Alaska Legislature to restore funding to the Power Cost Equalization Program.


Certification

Passed and adopted at the duly convened meeting of the Native Village of Deering held July____, 2019, by a vote of ____ ayes, ____ nays and ____ abstaining.



Tribal President

ATTEST:



Secretary