

HB 96

Home Care Employment Standards Act

34th Alaska Legislature · 2025–2026 Session

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PROBLEM 1

Workforce Crisis

A shrinking caregiver workforce and low wages are driving workers out of the profession — leaving those in need without care.

PROBLEM 2

Medicaid Funding Isn't Reaching Workers

Rate increases passed by the legislature have not always translated into higher wages for frontline caregivers.

HB 96 SOLUTIONS:

Home Care Employment Standards Advisory Board | 70% Wage Floor for PCA Medicaid Funding

Alaska's Home Care Workforce Crisis

Growing demand. Shrinking workforce. Stagnant wages.

2×

Alaska's 65+ population
doubled 2010–2024

55K → 107K seniors

500%

Projected growth in 85+
population by 2050

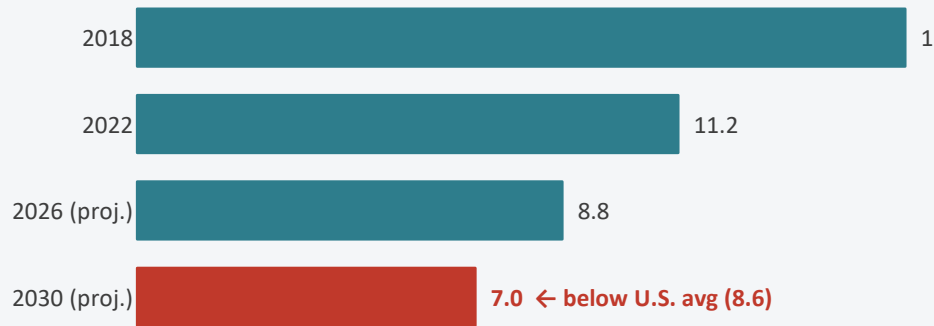
Fastest-growing age group in AK

7

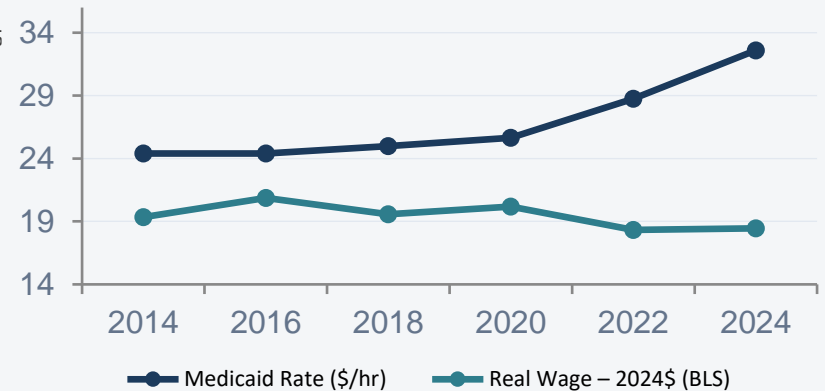
Potential caregivers per
senior 80+ by 2030

Down from 15.9 in 2018

Potential Caregiver-to-Senior Ratio (Ages 40–64 per Senior 80+)



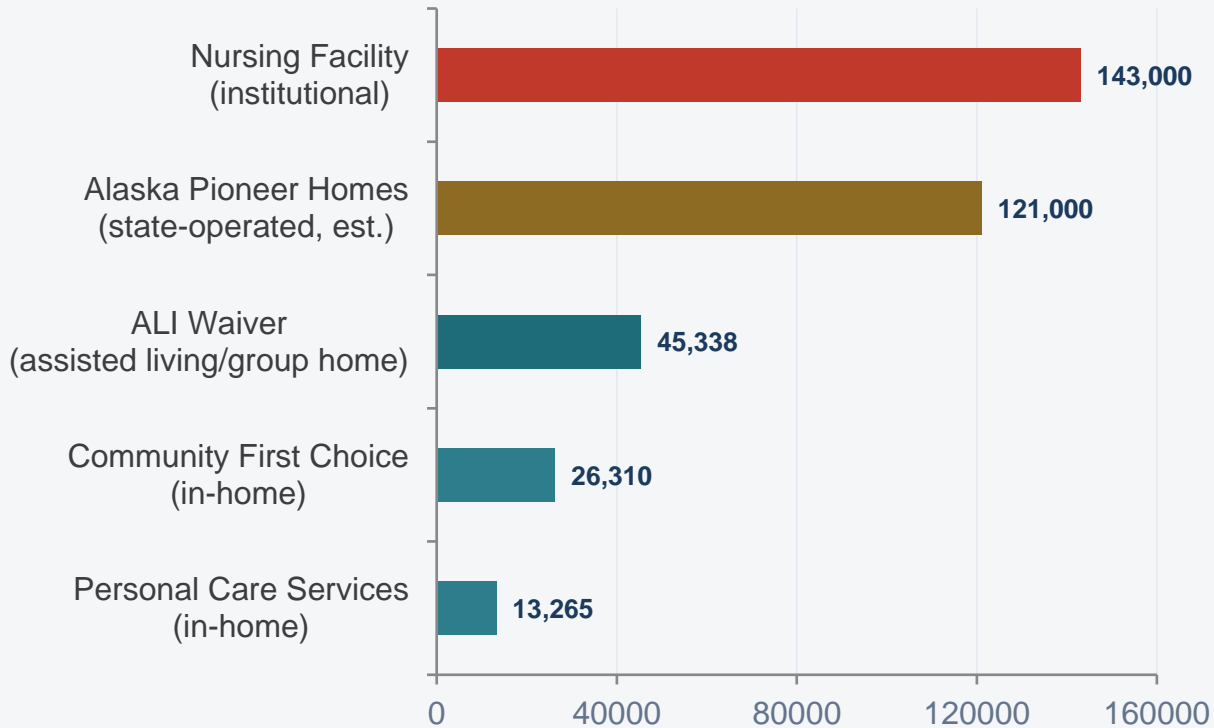
Medicaid Rate vs. Real Wages 2014–2024



Sources: AK Dept. of Labor & Workforce Development; BLS; PHI Workforce Data Center; AK Commission on Aging

Home Care Costs Far Less Than Institutional Care

Annual per-person Medicaid cost — Alaska FY 2024



11x

Nursing facility cost vs.
personal care services

45–90%

Less costly than nursing
home care (HCBS avg.)

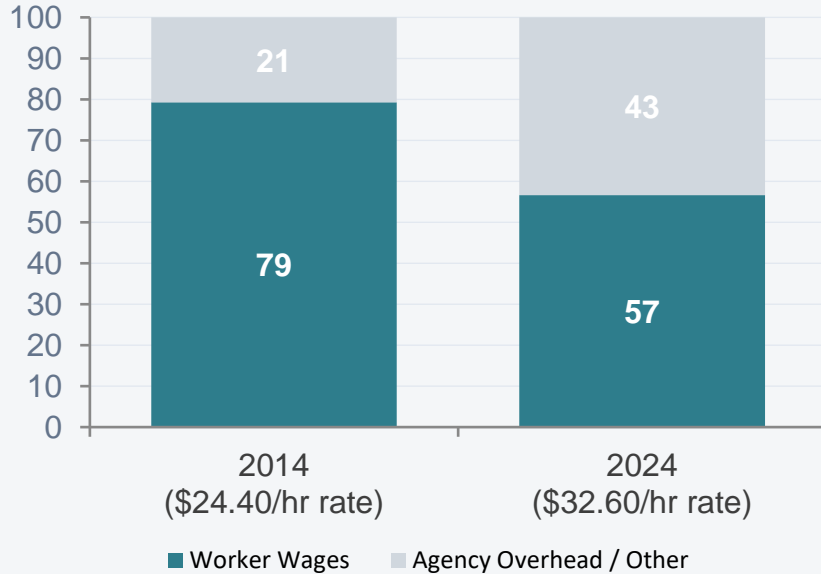
Keeping Alaskans home
saves state resources

Sources: AK DOH/DSDS; LRS Report 25-128 (March 2025). Pioneer Homes figure estimated from DFCS FY2024 operating data.

The 70% Wage Floor: Accountability for Medicaid Dollars

Ensuring rate increases actually reach the workers who deliver care

The Problem: Rates Up, Worker Wages Down



Guidehouse (2024): Admin overhead in Alaska is disproportionately high vs. comparable states, without clear justification.

The Solution: 70% (moving to 80%) Wage Floor

$\geq 70\%$

of Medicaid PCS funding must go directly to worker pay & benefits

Applies to all agencies receiving Medicaid PCS funding

Measured annually — creates ongoing accountability

Modeled on successful wage pass-through laws in WA, OR, and other states

The Home Care Employment Standards Advisory Board

Ongoing oversight, accountability, and a formal voice for workers and agencies

INVESTIGATE

Collect statewide data on worker wages, benefits, turnover, and recruitment challenges

ADVISE

Provide independent analysis of how Medicaid rate funding flows to direct care workers

RECOMMEND

Develop proposals for rate adjustments, benefit standards, and workforce pipeline investment

Why Create a Permanent Board?

Ongoing monitoring

Rate-setting is not a one-time fix — workforce conditions change and need continuous attention

Worker voice

Direct care workers and agencies gain a formal seat at the table in policy decisions

Legislative accountability

Creates a structured feedback loop between DOH, providers, and the legislature

Proven model

States with similar boards have seen improved wage stability and reduced workforce turnover