



4/30/26

Dear Senator Olson,

Thank you for your leadership as Co-Chair of the Senate Finance Committee and for the opportunity to provide written testimony on HB 96/SB 154. My name is Jenny Kimble, and I am writing on behalf of the Alaska Association for Personal Care Supports (AAPCS), a nonprofit organization representing personal care providers serving Alaskans across the state.

We support the goal of strengthening the direct care workforce and improving compensation for caregivers. This is a priority providers share and actively work toward every day.

AAPCS supports Section 1 of this legislation and the creation of a Home Care Employment Standards Advisory Board. If structured thoughtfully, the Board can play an important role in examining workforce challenges, evaluating reimbursement adequacy, and developing data-driven recommendations to strengthen the long-term sustainability of home and community-based services in Alaska.

However, **AAPCS opposes Section 2 as currently written.**

Section 2 would require that a fixed percentage of the Medicaid reimbursement rate be directed to caregiver wages and benefits. While well-intended, this approach does not reflect the full cost structure required to deliver compliant, high-quality personal care services.

The delivery of care depends on far more than caregiver wages alone. Agencies are responsible for compliance oversight, Electronic Visit Verification (EVV) monitoring, documentation review, workforce onboarding, supervision, training, and ongoing service coordination—all of which are required under current regulations.

To illustrate the impact, consider a mid-sized agency with \$1,000,000 in annual revenue. Under a 70–80% wage pass-through requirement, only approximately \$200,000–\$300,000

would remain to cover all non-wage operational costs. From that amount, agencies must fund:

- Required physical office space and infrastructure
- Program administrators and supervisory staff
- Case managers
- Administrative support staff
- Compliance and billing specialists
- Human resources, accounting, and legal services

Many of these functions are required to meet state and federal program standards, while others represent essential business operations necessary to sustain service delivery. The proposed structure does not leave sufficient funding to support this full range of required and necessary components.

This structure creates a fundamental mismatch between program requirements and available funding. Without sufficient resources to support required operations, providers may be forced to reduce services or exit the program. In those cases, individuals may seek care in higher-cost settings such as assisted living, institutional care, or rely on emergency services, ultimately increasing costs to the state.

Additionally, the Department of Health's Fiscal Note indicates that implementation of this legislation would require the state to add two full-time positions at a Range 19 level, along with ongoing administrative and reporting costs. This underscores the complexity and administrative burden associated with the program. However, providers are expected to absorb similar and greater administrative responsibilities within a fixed rate that would be significantly constrained under Section 2.

There is no corresponding adjustment to reimbursement rates or reduction in administrative requirements to make this mandate feasible. As a result, providers would be forced to absorb these costs, reduce services, or reconsider participation in the program. This risk is particularly acute in rural communities, where provider capacity is already limited and the cost-of-service delivery is significantly higher. Travel alone can be a substantial and unpredictable expense, often requiring air transportation and careful coordination around seasonal conditions, further straining already limited resources.

Further, the bill invests state resources in establishing an advisory board to study wages, workforce conditions, and system sustainability. Advancing a rigid wage mandate in Section 2 prior to the Board completing this work is premature and may undermine the

purpose of that process. Allowing the Board to evaluate these issues and develop informed recommendations would better support effective, sustainable policy decisions.


Without changes, we are concerned that Section 2 may not achieve its intended outcomes and could instead reduce access to care, shift individuals into higher-cost settings, and place additional strain on the broader healthcare system.

For these reasons, AAPCS respectfully recommends that Section 2 be removed from the legislation, or at a minimum, delayed until further analysis, rate adjustments, and program modernization efforts are completed.

We would welcome the opportunity to continue working with the Department and the Legislature to strengthen the personal care program in a way that supports both the workforce and long-term system sustainability. We are also available to provide additional detail or clarification on any of the points outlined above.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to be 'JK', with a long horizontal line extending to the right.

Jenny Kimble | Executive Director

Alaska Association for Personal Care Supports

907.727.4142 | AAPCS907@gmail.com