



ALASKA ASSOCIATION ON DEVELOPMENTAL DISABILITIES

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To facilitate a united provider voice for best practices, advocacy, partnerships and networking.

May 6, 2026

Alaska Senate Finance Committee
Alaska State Capitol, Room 532
Juneau, AK 99801

Re: SB 154 – Home Care Employment Standards Advisory Board

Dear Members of the Senate Finance Committee,

I write on behalf of the Alaska Association on Developmental Disabilities (AADD), a statewide membership organization representing over 100 provider organizations and approximately 4,000 direct support workers delivering home and community-based services to children and adults with disabilities across Alaska.

We appreciate the legislature's recognition that Alaska faces a serious direct care workforce crisis. However, we have significant concerns about SB 154 that we urge the committee to consider before moving this bill forward.

The bill was developed without meaningful stakeholder engagement. SB 154 was introduced by a labor union without consultation with key Alaska-based stakeholders — including AADD, the Governor's Council on Disabilities and Special Education (which is named in the bill), the Key Coalition of Alaska, or the Alaska Personal Care Services Association. Legislation of this scope and consequence deserves a broader foundation.

The proposed labor rate mandate is premature and potentially harmful. The federal requirement establishing a labor rate floor of up to 80% was withdrawn precisely because of widespread concern that it would drive providers out of the market. This will be particularly true in rural Alaska where operating costs are highest and margins are thinnest. Imposing a mandated labor rate on top of what the Guidehouse Rate Study has already identified as a reimbursement rate that is "low and unsustainable" will not help direct care workers or the people who depend on them. It will accelerate provider exits and push individuals with disabilities into more costly institutional settings — the opposite of the bill's intent. While there is a hardship exemption, this is undefined and we anticipate every provider would apply for such an exemption at the current reimbursement rate. It is also a mischaracterization to suggest that Alaskans receiving consumer-directed personal care services bear all program responsibilities. Provider agencies carry substantial compliance

obligations, including Electronic Visit Verification monitoring, documentation review, workforce onboarding, supervision, training, and ongoing service coordination — all mandated under current regulations. Any labor rate analysis must account for these real costs.

The wage reporting requirements create unworkable administrative burdens. The bill's requirements for providers to report wage data to the state are operationally unclear, particularly for organizations that employ Direct Support Professionals across multiple service types. Distinguishing consumer-directed personal care services from habilitative services for reporting purposes will require significant systems changes that have not been planned for or resourced.

What we support — and what we recommend. AADD strongly supports creating a structured mechanism to examine wages, working conditions, and workforce adequacy for direct care workers. We support designated voting seats for direct care workers on any advisory body. However, we question the appropriateness of a designated seat for a labor union that currently represents workers at only two covered providers out of several hundred employers statewide — particularly when the bill explicitly prohibits provider associations from holding a comparable seat.

We strongly urge the committee to remove Section Two which would establish a labor rate mandate. A well-constituted advisory board — or an expanded role for an existing body such as the Medicaid Advisory Committee — is the appropriate place to develop wage recommendations in context, alongside other workforce solutions and with realistic planning for implementation. We also urge the committee to prioritize implementing the Personal Care Services rate increase identified in the Guidehouse Rate Study before adding further constraints to an already fragile system.

Alaska's direct care workforce crisis is real, and AADD providers are actively working alongside partners including the Alaska Health Workforce Coalition, the Alaska Mental Health Trust, the University of Alaska Anchorage, and the Department of Health to build sustainable solutions. We welcome the legislature's engagement and ask that future policy development include the full range of stakeholders working in this space.

We are happy to answer questions or provide additional information.

Sincerely,



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