

**REPRESENTATIVE MIKE PRAX**  
ALASKA STATE LEGISLATURE HOUSE DISTRICT 33

**SESSION**

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**DISTRICT**

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**HB 96 Sponsor Statement**

*"An Act establishing the Home Care Employment Standards Advisory Board; relating to payment for personal care services; and providing for an effective date."*

Seniors are the fastest growing demographic in the state of Alaska<sup>1</sup> and are living longer lives.<sup>2</sup> The state's 85+ population is expected to increase by 500% between 2022 and 2050, of which, 1/3 will experience Alzheimer's and Related Dementia.<sup>3</sup> The Alaska Department of Labor and Workforce Development predicts home care, a part of Alaska's continuum of care services for seniors and people with disabilities, to be one of the fastest growing and most in demand occupations in the state.<sup>4</sup>

Alaska faces an acute shortage of direct care workers, particularly outside of population centers. The potential provider workforce demographic, those age 18 to 64, is in decline. Furthermore, low pay and lack of benefits force many caregivers out of the profession and make recruitment and retention increasingly more difficult for agencies providing in-home care services.<sup>56</sup>

We need to create strong and long-lasting home care infrastructure in Alaska which will expand access to quality, affordable home and community-based care for seniors and people with disabilities, keep people in their homes and out of costly facilities, and bolster the creation of jobs. We also need to ensure that Medicaid funding for personal care services is wisely spent, with an adequate portion of the rate going to pay and benefits for direct care workers, in order to help address the workforce shortage. HB 96 accomplishes both of these objects by:

- Establishing a Home Care Employment Standards Advisory Board that will investigate, advise, and develop recommendations on Medicaid rates and other policies to improve the wages, working conditions, and recruitment and retention of direct care workers.
- Requiring that agencies providing personal care services spend at least 70 percent of the total annual funding they receive from the department for personal care services on the pay and benefits of Personal Care Assistants providing such services.

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<sup>1</sup> [https://health.alaska.gov/acoa/documents/ACoA\\_SeniorSnapshot\\_Feb2021.pdf](https://health.alaska.gov/acoa/documents/ACoA_SeniorSnapshot_Feb2021.pdf)

<sup>2</sup> <https://alaskamentalthtrust.org/wp-content/uploads/2020/07/ACOA-Presentation-1.24.23-REVISED.pdf>

<sup>3</sup> <https://alaskamentalthtrust.org/wp-content/uploads/2020/07/ACOA-Presentation-1.24.23-REVISED.pdf>

<sup>4</sup> "Workforce Development." Alaska Mental Health Trust, Accessed February 19, 2021. <https://alaskamentalthtrust.org/alaska-mental-health-trust-authority/what-we-do/workforce-development/>

<sup>5</sup> The Alaska State Plan for Senior Services FFY 2020-2023," Alaska Commission on Aging, 2023, 170.

<sup>6</sup> The Alaska State Plan for Senior Services FFY 2020-2023," Alaska Commission on Aging, 2023, 170.

**HOUSE BILL NO. 96**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES PRAX, Fields, Kopp, Jimmie, Dibert**

**Introduced: 2/12/25**

**Referred: Health and Social Services, Labor and Commerce**

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act establishing the Home Care Employment Standards Advisory Board; relating**  
2   **to payment for personal care services; and providing for an effective date."**

3   **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4    \* **Section 1.** AS 44.29 is amended by adding new sections to read:

5           **Article 10. Home Care Employment Standards Advisory Board.**

6           **Sec. 44.29.900. Home Care Employment Standards Advisory Board.** The  
7           Home Care Employment Standards Advisory Board is established in the department.

8           **Sec. 44.29.905. Composition of the board.** The board consists of

9                   (1) the commissioner of health or the commissioner's designee, who  
10           shall serve as the chair and is a nonvoting member, except in the case of a tie;

11                   (2) the commissioner of labor and workforce development or the  
12           commissioner's designee, who is a nonvoting member; and

13                   (3) eight members appointed by the commissioner of health, as  
14           follows:

1 (A) two voting members who represent covered providers,  
 2 including at least one agency that provided at least 700,000 units of personal  
 3 care services during the previous calendar year and one agency that provides  
 4 habilitation services;

5 (B) two voting members who represent direct care workers, at  
 6 least one of whom is a labor representative of at least 300 direct care workers;  
 7 a member appointed under this subparagraph may not be a representative of an  
 8 organization or association that advocates for the interests of covered providers  
 9 or agencies that provide covered services;

10 (C) one voting member who is an enrollee or a representative  
 11 of enrollees receiving covered services;

12 (D) one voting member who represents the office within the  
 13 department with responsibility for rate review;

14 (E) one nonvoting member who represents the Alaska  
 15 Commission on Aging or another organization that represents seniors in the  
 16 state; and

17 (F) one nonvoting member who represents the Governor's  
 18 Council on Disabilities and Special Education established under AS 44.29.600  
 19 or another organization that represents people with disabilities in the state.

20 **Sec. 44.29.910. Term of office, vacancies, and removal of appointed**  
 21 **members.** (a) The members of the board appointed under AS 44.29.905(3) serve two-  
 22 year terms and may be reappointed.

23 (b) A member of the board appointed under AS 44.29.905(3) serves at the  
 24 pleasure of the commissioner, except that the commissioner shall remove a member  
 25 who no longer meets the qualifications of the seat for which the member was  
 26 appointed.

27 (c) The commissioner may appoint an individual to fill a vacancy under  
 28 AS 44.29.905(3) only after providing public notice of the vacancy and soliciting  
 29 applications for the appointment. The commissioner shall fill the vacancy within six  
 30 months after the date the vacancy occurs. An appointment to fill the vacancy is for the  
 31 remainder of the unexpired term.

1           **Sec. 44.29.915. Meetings.** The board shall meet at the call of the chair. The  
 2 board shall meet at least three times each year and shall hold additional meetings as  
 3 often as necessary to accomplish the duties of the board. A meeting may be held in  
 4 person or by teleconference or other electronic means. At each meeting, the board  
 5 shall provide time for public testimony.

6           **Sec. 44.29.920. Quorum.** A majority of the voting members of the board  
 7 constitute a quorum for the transaction of business, and a majority of a quorum present  
 8 at a meeting is sufficient to approve a recommendation of the board.

9           **Sec. 44.29.925. Compensation.** Members of the board receive no  
 10 compensation for service on the board but are entitled to per diem and travel expenses  
 11 authorized for boards and commissions under AS 39.20.180.

12           **Sec. 44.29.930. Powers and duties of the board.** (a) The board shall

13                   (1) advise and consult with the department on the medical assistance  
 14 program payment rates for covered services and payment rate adequacy and  
 15 compliance with federal requirements regarding reporting of payment adequacy data;

16                   (2) investigate matters related to the wages, working conditions, and  
 17 workforce adequacy of workers providing covered services in the state, including

18                           (A) the adequacy of wages, benefits, and other compensation to  
 19 ensure the provision of quality services and sufficient levels of recruitment and  
 20 retention;

21                           (B) the sufficiency of levels of recruitment for and retention of  
 22 workers, particularly in an area that is not on a road system;

23                           (C) the sufficiency of service levels of and the effect of service  
 24 level reductions on covered services, as the services pertain to wages and  
 25 working conditions;

26                           (D) the adequacy and enforcement of training requirements;

27                           (E) the effect of workforce shortages on service recipients and  
 28 on family members and friends of service recipients providing unpaid care,  
 29 including compliance with federal requirements to report information to the  
 30 United States Department of Health and Human Services, Centers for  
 31 Medicare and Medicaid Services, regarding wait times for covered services

1 and the percentage of authorized hours for covered services;

2 (F) the economic impact of achieving a living wage for direct  
3 care workers and reducing levels of unpaid care;

4 (G) the adequacy of payment practices and policies related to  
5 the payment rates of certified providers of covered services; and

6 (H) the effect of the state's long-term care system on wages and  
7 working conditions.

8 (b) A state agency that receives a reasonable request for information or  
9 testimony from the board shall comply with the request as soon as is reasonably  
10 practicable, and, when the board requests direct testimony for a board meeting, the  
11 head of the agency or the designee of the head of the agency shall appear at the  
12 meeting and provide testimony.

13 (c) The department shall ensure the board has access to current and proposed  
14 payment rates, payment adequacy reporting information for covered services that is  
15 provided by the state to the United States Department of Health and Human Services,  
16 Centers for Medicare and Medicaid Services, as required by federal law, and access to  
17 metrics created by the state that contain information regarding wait times for covered  
18 services and the percentage of authorized hours for covered services.

19 **Sec. 44.29.935. Biennial report.** (a) The board shall biennially prepare a  
20 written report, submit the report to the commissioner, the legislative committees  
21 having jurisdiction over health and social services, and the chief clerk of the house of  
22 representatives and the senate secretary, and notify the legislature that the report is  
23 available. The commissioner shall make the report and all materials presented before  
24 the board available to the public on the department's Internet website.

25 (b) The biennial report must be based on the results of the board's  
26 investigation under AS 44.29.930(a)(2) and must include key findings and  
27 recommendations regarding

28 (1) rates and service levels of covered services;

29 (2) adequacy of rates and service levels of covered services to ensure  
30 the provision of quality services, improved recruitment and retention, and compliance  
31 with federal standards;

(3) safe and healthy working conditions for workers providing covered services;

(4) reducing any barrier to recruiting for and retaining workers providing covered services throughout the state, particularly in an area that is not on a road system;

(5) reducing the level of unpaid care in the state and systemic overreliance on family members and friends of service recipients who provide unpaid care; and

(6) sufficiency of covered services payment adequacy data and access to care metrics.

(c) Upon receiving the biennial report, the commissioner shall review the board's findings and recommendations. The commissioner may

(1) accept or reject a recommendation; and

(2) require the board to conduct new or further investigations and develop new recommendations.

(d) If the commissioner accepts a recommendation in the biennial report, the department shall adopt regulations necessary to implement the recommendation. If the commissioner rejects a recommendation in the biennial report, the commissioner shall provide a written explanation of the commissioner's decision to all board members and the legislative committees having jurisdiction over health and social services. If the reason for rejection includes budgetary constraints, the commissioner shall work with the Office of the Governor and the legislature to develop a budget proposal that would allow the commissioner to accept the recommendation.

**Sec. 44.29.940. Publication of reports.** On July 1 of each year, or within 30 days after receiving the biennial report from the board, the department shall publish on the department's publicly available Internet website an annual report containing the weighted average of and median hourly wages, by agency, for workers providing covered services.

**Sec. 44.29.945. Definitions.** In AS 44.29.900 - 44.29.945,

(1) "board" means the Home Care Employment Standards Advisory Board;

- 1 (2) "commissioner" means the commissioner of health;
- 2 (3) "covered provider" means an eligible Medicaid provider enrolled
- 3 with the department to provide one or more covered services;
- 4 (4) "covered services" means
- 5 (A) chore services provided under a section 1915(k) option
- 6 under 42 U.S.C. 1396n;
- 7 (B) hourly respite services provided under a waiver in
- 8 accordance with 42 U.S.C. 1396 - 1396p;
- 9 (C) personal care services;
- 10 (D) habilitation services;
- 11 (5) "department" means the Department of Health;
- 12 (6) "direct care worker" means an individual who is employed by a
- 13 covered provider to provide one or more covered services;
- 14 (7) "habilitation services" means services designed to assist individuals
- 15 in acquiring, retaining, and improving the self-help, socialization, and adaptive skills
- 16 necessary to reside successfully in home and community-based settings, provided
- 17 under a waiver in accordance with 42 U.S.C. 1396 - 1396p;
- 18 (8) "personal care services" means services provided under a section
- 19 1915(k) option under 42 U.S.C. 1396n, under AS 47.07.030, or under a waiver in
- 20 accordance with 42 U.S.C. 1396 - 1396p.

21 \* **Sec. 2.** AS 47.07.045 is amended by adding new subsections to read:

22 (f) Except as provided in (g) of this section, an agency providing home and

23 community-based services shall pay as compensation and benefits to its employees

24 performing personal care services,

25 (1) beginning July 1, 2026, at least 70 percent of the total annual

26 amount of funding the agency receives for personal care services from the department;

27 and

28 (2) beginning July 1, 2030, at least 80 percent of the total annual

29 amount of funding the agency receives for personal care services from the department.

30 (g) The department may grant to an agency providing home and community-

31 based services a hardship exemption from the requirements of (f) of this section if the

1 agency is facing extraordinary circumstances or is a small provider, as defined by the  
 2 department. The department shall adopt regulations establishing procedures and  
 3 objective criteria for granting a hardship exemption under this subsection. An agency  
 4 that is granted a hardship exemption shall pay as compensation and benefits to its  
 5 employees performing personal care services,

6 (1) beginning July 1, 2026, at least 60 percent of the total annual  
 7 amount of funding the agency receives for personal care services from the department;  
 8 and

9 (2) beginning July 1, 2036, at least 80 percent of the total annual  
 10 amount of funding the agency receives for personal care services from the department.

11 (h) The amount calculated under (f) and (g) of this section for compensation  
 12 and benefits paid to employees may not include costs expended on employees by an  
 13 agency for personal protective equipment, required training, and travel costs such as  
 14 mileage reimbursement or public transportation.

15 (i) In this section, "personal care services" has the meaning given in  
 16 AS 44.29.945.

17 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
 18 read:

19 APPOINTMENTS, FIRST MEETING, AND PRELIMINARY REPORT. (a) The first  
 20 meeting of the Home Care Employment Standards Advisory Board established under  
 21 AS 44.29.900, added by sec. 1 of this Act, must take place on or before October 1, 2025.

22 (b) The commissioner of health shall appoint all board members under  
 23 AS 44.29.905(3), added by sec. 1 of this Act, before the board's first meeting.

24 (c) The commissioner of health or the commissioner's designee and the commissioner  
 25 of labor and workforce development or the commissioner's designee shall conduct a  
 26 preliminary investigation into the wages, working conditions, and adequacy of the Medicaid  
 27 workforce providing covered services in the state and present the results of the preliminary  
 28 investigation to the board at the board's first meeting.

29 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
 30 read:

31 PRELIMINARY INTERNET WEBSITE PUBLICATION. Notwithstanding



1 AS 44.29.940, added by sec. 1 of this Act, the Department of Health shall make the first  
2 publication of the reports required by AS 44.29.940, added by sec. 1 of this Act, on the  
3 department's Internet website not later than July 1, 2026.

4 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
5 read:

6 MEDICAID STATE PLAN. To the extent necessary to implement this Act, the  
7 Department of Health shall amend and submit for approval by the United States Department  
8 of Health and Human Services the state plan under AS 47.07.045, as amended by sec. 2 of  
9 this Act.

10 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
11 read:

12 CONDITIONAL EFFECT; NOTIFICATION. (a) Section 2 of this Act takes effect  
13 only if, and to the extent that, on or before January 1, 2026, the United States Department of  
14 Health and Human Services

15 (1) approves amendments submitted in accordance with sec. 5 of this Act; or

16 (2) determines that approval of the amendments to the state plan under  
17 AS 47.07.045 is not necessary.

18 (b) The commissioner of health shall notify the revisor of statutes in writing within 30  
19 days after the United States Department of Health and Human Services approves amendments  
20 to the state plan or determines that approval is not necessary under this section.

21 \* **Sec. 7.** If sec. 2 of this Act takes effect, it takes effect on the day after the date on which  
22 the United States Department of Health and Human Services approves the amendments to the  
23 state plan submitted under sec. 5 of this Act or determines that approval is not necessary  
24 under sec. 6 of this Act.

25 \* **Sec. 8.** Except as provided in sec. 7 of this Act, this Act takes effect July 1, 2025.

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**HB 96**  
**Sectional Analysis**

*"An Act establishing the Home Care Employment Standards Advisory Board; relating to payment for personal care services; and providing for an effective date."*

**Section 1** amends AS 44.29 by adding new sections to it and various aspects of the Home Care Employment Standards Advisory Board. Thus,

**Sec. 44.29.900. Home Care Employment Standards Advisory Board.** This section is added to establish the advisory board on Home Care Employment Standards in Alaska.

**Sec. 44.29.905. Composition of the board.** This section elaborates on the composition of the board which will consist of a chair, 6 voting, and 4 non-voting members. The section clarifies how many members should be sought from each represented group or institution. The members will be appointed by the Commissioner of Health after solicitation of applications. Thus,

- Commissioner of Health or commissioner's designee (non-voting unless in the event of a tie)
- Commissioner of Labor and workforce development (or the commissioner's designee) (non-voting)
- Two members representing covered providers, (with variance in terms of size, services provided and geographical location) (voting)
- Two members who represent direct care workers (voting)
- One member who is an enrollee or representative of enrollees receiving covered services (voting)
- One member who represents the office of rate receive (voting)
- A representative of the Alaska Commission on Aging or another organization that represents seniors in the state (non-voting)
- A representative of the Governor's Council on Disabilities and Special Education another organization that represents people with disabilities in the state (non-voting)

**Sec. 44.29.910. Term of office, vacancies, removal.** This section explains how the members of the board appointed in AS 44.29.905(3) will serve and establishes how long they shall serve, options for reappointment and how vacancies will be filled.

| *Sec. 44.29.915. **Meetings.*** The section establishes the duty of the chair to call for meetings of the board with regularity and as needed. It also establishes that the board should meet at least three times each year and hold additional meetings as often as necessary to accomplish its duties. *-At every meeting, the Board will provide space for public testimony.*

*Sec. 44.29.920. **Quorum.*** The section clarifies that a majority of the members of the Board constitute a quorum in a meeting of the board for it to transact its official business and to approve any recommendations of the Board.

*Sec. 44.29.925. **Compensation.*** This section refers to established rules under AS 39.20.180 to guide compensation of members of the board through per diem and expenses reimbursement. Other than that, members of the Board will not receive compensation.

*Sec. 44.29.930. **Powers and duties.*** This section establishes the duties and powers of the board which include advising and consulting the department on medical assistance program payment rates for covered services and payment rate adequacy for covered services, as well as investigating employment issues and concerns including wages, working conditions and workforce development and making recommendations. This section also describes state compliance with information requests and testimony, and ensures the board will have access to data needed to fulfill its responsibilities.

*Sec. 44.29.935 **Biennial report.*** The section requires the board to submit a written report biennially to the Commissioner. The Commissioner is mandated to review with the aim of accepting or rejecting findings and recommendations and to give guidance and a way forward depending on circumstances.

*Sec. 44.29.940. **Publication of reports.*** This section mandates the publication of the reports on July 1 each year and the reports must be publicly accessible. The section also elaborates on what shall be included in the published reports.

*Sec. 44.29.945. **Definitions.*** This section specifies the definitions of all the terms used in the sections above i.e. AS 44.29.900 - 44.29.945 including those that relate to Section 1915(c) of the Social Security Act (42 U.S.C. § 1396n(c))

***Section 2*** amends AS 47.07.045 by adding new subsections that require an agency providing personal care services to pay as compensation and benefits to employees providing personal care services at least 70 percent of total annual funding received by the agency for the purposes of providing personal care services, increasing to 80 percent by July 1, 2030, unless the agency receives a hardship exemption from the department. This section also requires the department to establish procedures and objective criteria for granting a hardship exemption, and sets alternative minimum requirements for an agency that qualifies for such an exemption.

***Section 3*** amends the uncodified law of the State of Alaska by adding a new section establishing when the board should be appointed, that the first meeting should be held on or before October 1, 2025, and the issues to be investigated for the preliminary report which will be presented at the first meeting.

**Section 4** amends the uncodified law of the State of Alaska by adding a new section establishing the date for preliminary internet website publication of the publication to be no later than July 1, 2026.

**Section 5** amends the uncodified law of the State of Alaska by adding a new section instructing the Department of Health to amend the state plan under AS 47.07.045 and submit for approval to the United States Department of Health and Human Services, to the extent necessary.

**Section 6** amends the uncodified law of the State of Alaska by adding a new section that makes this Act conditional on the United States Department of Health and Human Services approving amendments submitted in accordance with section 5, or determines that approval is not necessary.

**Section 7** sets the day after the date on which the United States Department of Health and Human Services approves amendments to the state plan or determines that approval is not necessary under section 6 of this act, as the date section 2 of this Act takes effect.

**Section 8** sets July 1, 2025 as the date the Act takes effect, except as provided in section 7.

# Fiscal Note

State of Alaska  
2025 Legislative Session

Bill Version: HB 96  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB096-DOH-SDSA-03-21-2025  
Title: HOME CARE EMPLOYMENT STANDARDS ADV  
BOARD  
Sponsor: PRAX  
Requester: (H) HSS

Department: Department of Health  
Appropriation: Senior and Disabilities Services  
Allocation: Senior and Disabilities Services Administration  
OMB Component Number: 2663

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services	270.2		270.2	270.2	270.2	270.2	270.2
Travel	20.0		20.0	20.0	20.0	20.0	20.0
Services	48.0		48.0	48.0	48.0	48.0	48.0
Commodities	10.0		4.0	4.0	4.0	4.0	4.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>348.2</b>	<b>0.0</b>	<b>342.2</b>	<b>342.2</b>	<b>342.2</b>	<b>342.2</b>	<b>342.2</b>

## Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	174.1		171.1	171.1	171.1	171.1	171.1
1003 GF/Match (UGF)	174.1		171.1	171.1	171.1	171.1	171.1
<b>Total</b>	<b>348.2</b>	<b>0.0</b>	<b>342.2</b>	<b>342.2</b>	<b>342.2</b>	<b>342.2</b>	<b>342.2</b>

## Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2026) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/26

## Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Anthony Newman, Director  
Division: Senior and Disabilities Services  
Approved By: Pam Halloran, Assistant Commissioner  
Agency: Department of Health  
Phone: (907)465-5481  
Date: 03/20/2025  
Date: 03/21/25

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2025 LEGISLATIVE SESSION

BILL NO. HB096

### Analysis

HB096 establishes a board to investigate and report on the wages, workforce, and working conditions for chore services, hourly respite services, personal care services, and habilitation services.

The bill would require the board to meet at least three times annually and produce a biennial report of their findings and recommendations to the commissioner of the department of health. The commissioner can accept or reject the recommendations but must provide written explanation of rejections to the board and to the legislative committees that oversee health and social services. Rejections due to budgetary constraints require additional work with the Office of the Governor and the legislature to develop a budget proposal so that the recommendation could be accepted.

The bill requires that the biennial report be published on the department's website. The bill also requires that an annual report be published on the department's website containing information about the mean and median wages for chore services, hourly respite services, personal care services, and habilitation services by agency. Regulations would need to be developed that compel providers of these services to provide data on wages and other information sought in the bill.

The department anticipates needing two additional full-time Health Program Manager 2 positions to fulfill the reporting requirements under HB096.

Personal Services: Two full-time Health Program Manager 2 (including benefits): range 19, Anchorage and Juneau: \$270.2 annually beginning in FY2026.

Travel: \$20.0 annually for travel of the board and state staff for meetings and presentations.

Services: \$48.0 annually for two positions for office space, phone, reimbursable service agreements for core services and production of annual report.

Commodities: Office supplies \$4.0 annually.

One-Time Commodities Cost: \$6.0 for two positions in the first year for computers, software, and office equipment.

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**Cost Comparison: Skilled Nursing Facility vs. Personal Care Services**

Service	Net claims payment	Number of recipients	Cost per recipient
Skilled Nursing Facility	\$20,666,577	348	\$59,387
Personal Care Services	\$41,148,243	2,242	\$18,353

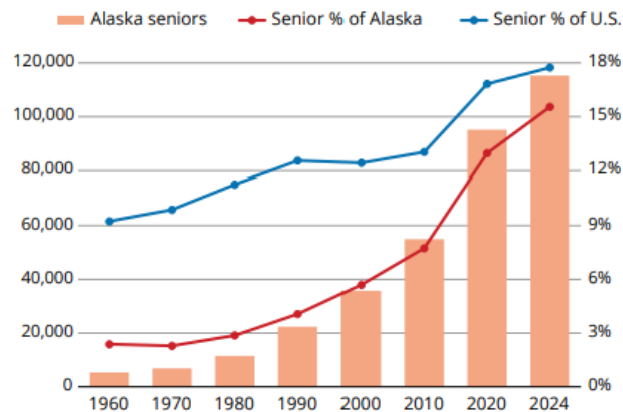
Source: <https://www.legfin.akleg.gov/MedicaidFAQ/question6.pdf>

## Raising Home Care Standards in Alaska

Alaska can meet the care needs of elderly residents and people with disabilities while bolstering the economy through the creation of high-quality caregiving jobs, by strengthening our state's system of home and community-based long-term services and supports.

### *Growing demand for in-home care services*

**Figure 1: Seniors as share of Alaska and in the U.S.**



Source: Alaska Department of Labor and Workforce Development. [Alaska Economic Trend](#), March 2025.

Over the last decade, Alaska has had one of the fastest-growing senior populations per capita in the United States.<sup>1</sup> This trend is expected to continue over the next decade, with the number of Alaskans over age 65 projected to reach 135,000 by the mid 2030s.<sup>2</sup>

Alaskans are also living longer. The population over age 75 is expected to nearly double, from its current size of around 40,000 to 77,000 in 2040.<sup>3</sup> With aging comes a higher likelihood of disability, with Alaskans reporting higher instances of disability than the rest of the country.<sup>4</sup> Alzheimer's and other dementias are also on the rise in the Alaska,<sup>5</sup> directly impacting about 9% of the population over age 65.<sup>6</sup>

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<sup>1</sup> Alaska Department of Health. Alaska State Plan for Senior Services FY2024-27. [https://health.alaska.gov/acoa/Documents/AK\\_State\\_Plan\\_for\\_Senior\\_Services\\_FFY\\_2024\\_FFY\\_2027.pdf](https://health.alaska.gov/acoa/Documents/AK_State_Plan_for_Senior_Services_FFY_2024_FFY_2027.pdf)

<sup>2</sup> Alaska Department of Labor and Workforce Development. Alaska Economic Trend, March 2025. <https://live.laborstats.alaska.gov/trends-magazine/2025/March/seniors-are-a-growing-slice-of-alaska>

<sup>3</sup> *ibid.*

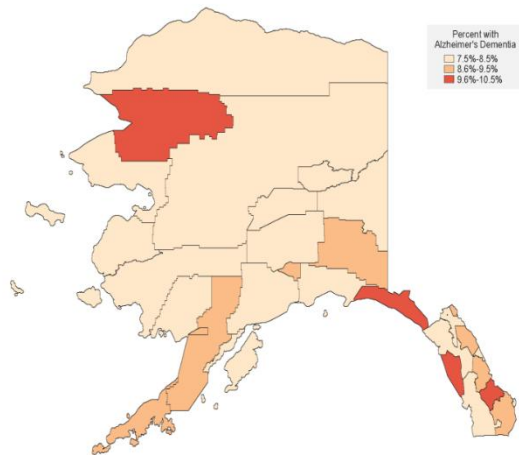
<sup>4</sup> *ibid.*

<sup>5</sup> Alzheimer's Association. Alaska State overview. <https://www.alz.org/professionals/public-health/state-overview/alaska>

<sup>6</sup> Alzheimer's Association. Alaska state fact sheet 2024. <https://www.alz.org/getmedia/7ee694e4-e75a-4937-a929-48e99def54ea/alaska-alzheimers-facts-figures.pdf>



**Figure 2: Population over age 65 with dementia by location**



Source: Alzheimer's Association. [County Level Alzheimer's prevalence. 2023.](#)

These trends indicate growing demand for in-home long-term services and supports (LTSS) provided by direct care workers who are trained to meet the increasingly complex care needs of Alaska's population over age 65.

#### *Workforce shortage and unmet needs*

Despite growing demand, there continues to be an acute shortage of caregivers in Alaska.<sup>7</sup> Although the Alaska Department of Labor and Workforce Development predicts home care to be one of the fastest growing and most in demand occupations in the state,<sup>8</sup> the potential provider workforce demographic, those age 18 to 64, is in decline: In 2018 there were 15.9 potential caregivers aged 40 to 64 for every senior over 80. By 2030, this will decrease to just 7 potential caregivers for each senior over age 80, below the national ratio of 8.6.<sup>9</sup>

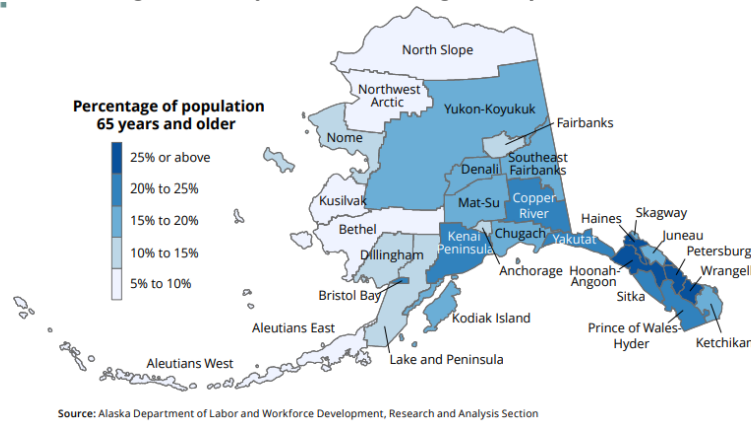
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<sup>7</sup> *ibid.*

<sup>8</sup> "Workforce Development." *Alaska Mental Health Trust*, Accessed February 19, 2021. <https://alaskamentalhealthtrust.org/alaska-mental-health-trust-authority/what-we-do/workforce-development/>

<sup>9</sup> The Alaska State Plan for Senior Services FFY 2020-2023," Alaska Commission on Aging, 2023, 170.

**Figure 2: Population over age 65 by location**

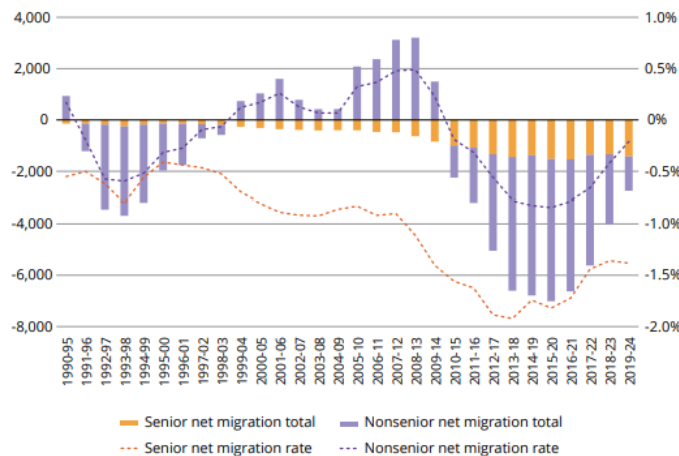


Source: Alaska Department of Labor and Workforce Development. [Alaska Economic Trend](#), March 2025

This situation is particularly stark in rural and remote areas of Alaska where in-home care is the only option available, and the potential workforce is even more limited. Alaskans living in these areas face additional challenges to accessing care, including limited connectivity, long distances to travel to access services for those living both on and off the road system, limited access to public transportation, and fewer providers.

In the face of such barriers, many Alaskans are forced to move thousands of miles away, leaving behind culture, family, and community. These Alaskans are being denied the option to maintain dignity and independence in their lifelong homes and communities.

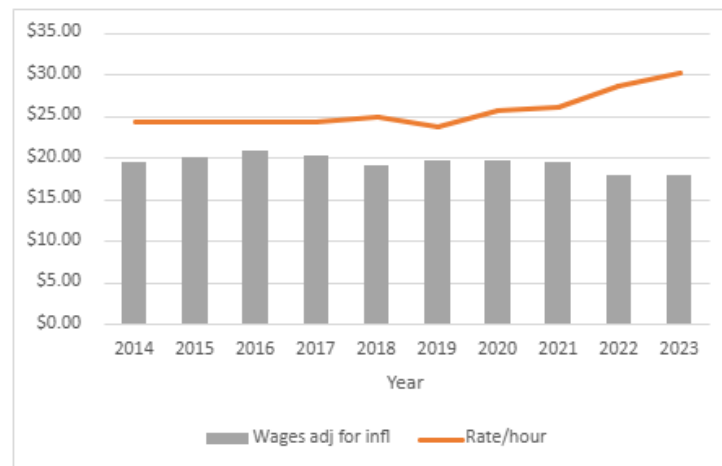
**Figure 4: Share of seniors leaving the state over time**



Source: Alaska Department of Labor and Workforce Development. [Alaska Economic Trend](#), March 2025.

Meanwhile, low wages and lack of benefits force many caregivers out of the profession and make recruitment and retention increasingly more difficult for agencies providing in-home care services. Real wages for PCAs in Alaska have shown a net decline from 2014 to 2023. Funding increases to raise Medicaid rates for home and community-based services passed by the state legislature in 2022 and 2023 have not resulted in pay increases for direct care workers providing personal care services.

**Figure 5: Real wages vs. Hourly Medicaid rate for personal care services 2014 - 2023**



Source: Own elaboration using data from PHI. "Workforce Data Center." Last modified September 2024. <https://phinational.org/policy-research/workforce-data-center/> and Alaska Department of Health Division of Senior and Disability Services [Chart of personal care and CFC Rates](#).

### *Broader Economic Impact*

The workforce crisis forces the burden of care onto unpaid friends and family members, costing the state more than a billion dollars in economic productivity per year. An estimated 94,000 Alaskans provide care to a family member or friend, totaling approximately 88 million hours of free care per year, at an economic value of \$1.68 billion per year.<sup>10</sup> Nationally, 11% of caregivers lost their jobs due to caregiving, and 52% had to reduce work hours by an average of seven hours per week.

On the other hand, investing in and strengthening the HCBS has a positive economic impact statewide, and saves the state from spending on expensive nursing home care.

- Studies show that paying caregivers a living wage reduces reliance on public assistance programs.<sup>11</sup>
- Not only would compensation for care work create more jobs as people enter the field, but it would also boost local economies. The economic footprint of every additional dollar spent on compensation for caregivers has a 1.6-2.1 multiplier as caregivers spend dollars in their communities.<sup>12</sup>
- Allowing family members to provide care will keep people in their own homes and communities and out of costly institutions. "HCBS services cost on average 59% less than services received through Intermediate Care Facilities for individuals with intellectual disabilities and can cost 45% to 90% less than nursing home care."<sup>13</sup>

<sup>10</sup> <https://www.aarp.org/content/dam/aarp/ppi/2023/3/valuing-state-estimates.doi.10.26419-2Fppi.00082.009.pdf>

<sup>11</sup> Weller, Christian, Beth Almeida, Mark Cohen, and Robyn Stone. "Making Care Work Pay: How Paying at Least a Living Wage to Direct Care Workers Could Benefit Care, Workers, and Communities." Leading Age LTSS Center, September 2020. <https://leadingage.org/wp-content/uploads/drupal/Making%20Care%20Work%20Pay%20Report.pdf>.

<sup>12</sup> Ibid.

<sup>13</sup> Alaska Department of Health and Social Services Division of Senior and Disabilities Services, Presentation to the Alaska Legislature, March 8, 2019.