

STATE CAPITOL
P.O. Box 110001
Juneau, AK 99811-0001
907-465-3500



550 West Seventh Avenue, Suite 1700
Anchorage, AK 99501
907-269-7450

Governor Mike Dunleavy
STATE OF ALASKA

January 24, 2025

The Honorable Bryce Edgmon
Speaker of the House
Alaska State Legislature
Capitol Building, Room 208
Juneau, AK 99801-1182

Dear Speaker Edgmon:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill establishing a new health facility license type for "complex care residential homes" to address a gap in Alaska's system of care for individuals with complex needs.

This bill authorizes the Department of Health (DOH) to license and regulate complex care residential homes to serve the health care needs of some of the most vulnerable Alaskans - those with complex behavioral and medical, or disability-related needs. By authorizing this new license type, these individuals could receive ongoing care in a long-term, home-like environment that is suited to facilitate the monitoring and care of each resident.

This will provide an additional option for the State to meet the complex care needs of these individuals, many of whom currently cycle in and out of outpatient facilities or reside at treatment facilities, such as the Alaska Psychiatric Institute, which may not be the most appropriate clinical setting for them.

The bill leaves the program to be largely determined and set by DOH in regulation. The bill does not however, limit complex care residential homes to adult residents, making this new type of facility a potential means of reducing the use of facilities in other states for children who require complex care.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy", written over a horizontal line.

Mike Dunleavy
Governor

Enclosure



Anchorage

3601 C Street, Suite 902
Anchorage, Alaska 99503-5923
Main: 907.269.7800
Fax: 907.269.0060

Juneau

P.O. Box 110601
350 Main Street, Suite 404
Juneau, Alaska 99811-0601
Main: 907.465.3030
Fax: 907.465.3068

SUMMARY OF

House Bill 73: Complex Care Residential Homes

House Bill 73 establishes a new residential license type for Complex Care Residential Homes (CCRHs) to improve Alaska's system of care for individuals with complex behavioral health needs. CCRHs will provide long-term, supportive care in a residential setting for individuals with complex behavioral, and co-occurring medical, or disability-related needs.

Alaska currently lacks the residential license type to appropriately serve these individuals, leading to placements in settings that are either too restrictive or not supportive enough. The new CCRH license type will fill a critical gap in residential care options in the state and improve health outcomes for Alaskans with complex needs.

What is a Complex Care Residential Home?

CCRHs are residential settings that provide specialized 24-hour care from a multidisciplinary team to fewer than 15 residents. CCRHs can be tailored for specific patient populations, such as individuals with severe and persistent mental illness, dementia with extreme behaviors, youth with complex behavioral health issues, and individuals with traumatic brain injuries and co-occurring behavioral health challenges.

What are the goals of the bill?

The bill aims to establish a more appropriate care setting for individuals with complex needs. CCRHs will help prevent repeated hospitalizations, extended inpatient stays at Alaska Psychiatric Institute, and reduce reliance on out-of-state placements. Additionally, CCRHs provide an alternative for individuals who might otherwise remain in hospital settings or end up in correctional settings due to the lack of appropriate placement options.

What role will the Department of Health (DOH) play?

The Department of Health will establish licensing and regulatory standards, develop eligibility criteria, define services, and explore funding mechanisms, including Medicaid reimbursement options.

Who would benefit from Complex Care Residential Homes?

Complex Care Residential Homes would benefit individuals with complex behavioral health needs. Families and caregivers would also gain from increased support and more stable care options. The bill would streamline licensing for providers and support establishment of appropriate rates for their services. Individuals served by a variety of state services, including through the Departments of Health, Family and Community Services, and Corrections will benefit from the availability of more options to better assist managing complex needs.

HOUSE BILL NO. 73

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/27/25

Referred: Health and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to complex care residential homes; and providing for an effective**
2 **date."**

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

4 * **Section 1.** AS 47.32.010(b) is amended to read:

5 (b) The following entities are subject to this chapter and regulations adopted
6 under this chapter by the Department of Health:

7 (1) ambulatory surgical centers;

8 (2) assisted living homes;

9 (3) child care facilities;

10 (4) freestanding birth centers;

11 (5) home health agencies;

12 (6) hospices, or agencies providing hospice services or operating
13 hospice programs;

14 (7) hospitals;

- 1 (8) host care homes;
- 2 (9) intermediate care facilities for individuals with an intellectual
- 3 disability or related condition;
- 4 (10) maternity homes;
- 5 (11) nursing facilities;
- 6 (12) residential child care facilities;
- 7 (13) residential psychiatric treatment centers;
- 8 (14) rural health clinics;
- 9 (15) subacute mental health facilities;
- 10 **(16) complex care residential homes.**

11 * **Sec. 2.** AS 47.32.900(2) is amended to read:

12 (2) "assisted living home"

13 (A) means a residential facility that serves three or more adults
 14 who are not related to the owner by blood or marriage, or that receives state or
 15 federal payment for services regardless of the number of adults served; the
 16 Department of Health shall consider a facility to be an assisted living home if
 17 the facility

- 18 (i) provides housing and food services to its residents;
- 19 (ii) offers to provide or obtain for its residents
- 20 assistance with activities of daily living;
- 21 (iii) offers personal assistance as defined in
- 22 AS 47.33.990; or
- 23 (iv) provides or offers any combination of these
- 24 services;

25 (B) does not include

- 26 (i) a correctional facility;
- 27 (ii) an emergency shelter;
- 28 (iii) a program licensed under AS 47.10.310 for
- 29 runaway minors;
- 30 (iv) a type of entity listed in AS 47.32.010(b)(6) - (11),
 31 **(16)**, or (c)(2);

1 * **Sec. 3.** AS 47.32.900(11) is amended to read:

2 (11) "hospital" means a public or private institution or establishment
3 devoted primarily to providing diagnosis, treatment, or care over a continuous period
4 of 24 hours each day for two or more unrelated individuals suffering from illness,
5 physical or mental disease, injury or deformity, or any other condition for which
6 medical or surgical services would be appropriate; "hospital" does not include a
7 frontier extended stay clinic or a complex care residential home;

8 * **Sec. 4.** AS 47.32.900 is amended by adding a new paragraph to read:

9 (22) "complex care residential home" means a residential setting that
10 provides 24-hour multi-disciplinary care on a continuing basis to not more than 15
11 individuals with mental, behavioral, medical, or disability-related needs that require
12 specialized care, services, and monitoring.

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

15 MEDICAID STATE PLAN; WAIVERS. The Department of Health shall, as
16 necessary for federal approval by the United States Department of Health and Human
17 Services, submit amendments to the state plan for medical assistance coverage or apply for
18 any waivers necessary to implement secs. 1 - 4 of this Act.

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

21 CONDITIONAL EFFECT; NOTIFICATION. (a) Sections 1 - 4 of this Act take effect
22 only if, and to the extent that, the United States Department of Health and Human Services
23 approves, on or before July 1, 2031, waivers or amendments to the state plan submitted under
24 sec. 5 of this Act.

25 (b) The commissioner of health shall notify the revisor of statutes in writing within 30
26 days after the United States Department of Health and Human Services approves the waivers
27 or amendments to the state plan.

28 * **Sec. 7.** If secs. 1 - 4 of this Act take effect, they take effect the day after the United States
29 Department of Health and Human Services approves the waivers or amendments to the state
30 plan submitted under sec. 5 of this Act.



Anchorage

3601 C Street, Suite 902
Anchorage, Alaska 99503-5923
Main: 907.269.7800
Fax: 907.269.0060

Juneau

P.O. Box 110601
350 Main Street, Suite 404
Juneau, Alaska 99811-0601
Main: 907.465.3030
Fax: 907.465.3068

SECTIONAL ANALYSIS

House 73: Complex Care Residential Homes

- Section 1.** Amends AS 47.32.010(b) to add "complex care residential homes" to the list of entities regulated by the Department of Health.
- Section 2.** Amends AS 47.32.900(2) to update the definition of "assisted living home" to exclude complex care residential homes.
- Section 3.** Adds AS 47.32.900(11) to modify the definition of "hospital" to clarify that it does not include complex care residential homes.
- Section 4.** Adds AS 47.32.900(22) to introduce a new definition for "complex care residential home." It is defined as a residential setting that provides 24-hour multi-disciplinary care on a continuing basis for up to 15 individuals with mental, behavioral, medical, or disability-related needs requiring specialized care, services and monitoring.
- Section 5.** Amends the uncodified law by adding a new section that requires the Department of Health to submit for approval by the United States Department of Health and Human Services amendments to the state Medicaid plan or apply for waivers necessary to implement the provisions of Sections 1-4.
- Section 6.** Amends the uncodified law by adding a new section specifying that sections 1-4 of the bill will only take effect if the United States Department of Health and Human Services approves the required Medicaid waivers or amendments by July 1, 2031. The commissioner of health is required to notify the revisor of statutes within 30 days once the necessary approvals are received.
- Section 7.** Provides that sections 1-4 take effect the day after the United States Department of Health and Human Services approves amendments to the state plan or waivers submitted under Section 5.



State of Alaska

Department of Health
Department of Family & Community Services

HB 73: COMPLEX CARE RESIDENTIAL HOMES

Emily Ricci, Deputy Commissioner, Department of Health

Robert Lawrence, MD, Chief Medical Officer, Department of Health

Clinton Lasley, Deputy Commissioner, Department of Family & Community Services

Thursday, February 6, 2025

HB 73 Supports Alaska's System of Care



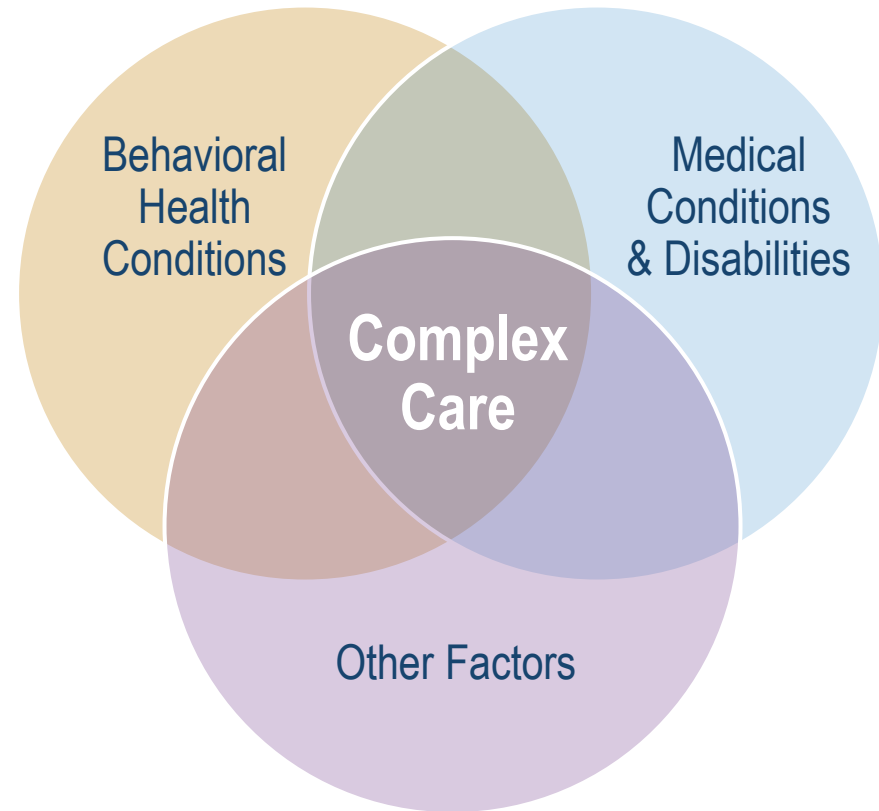
HB 73 strengthens Alaska's health care system, enabling Alaskans to access services in settings tailored to their specific care needs.



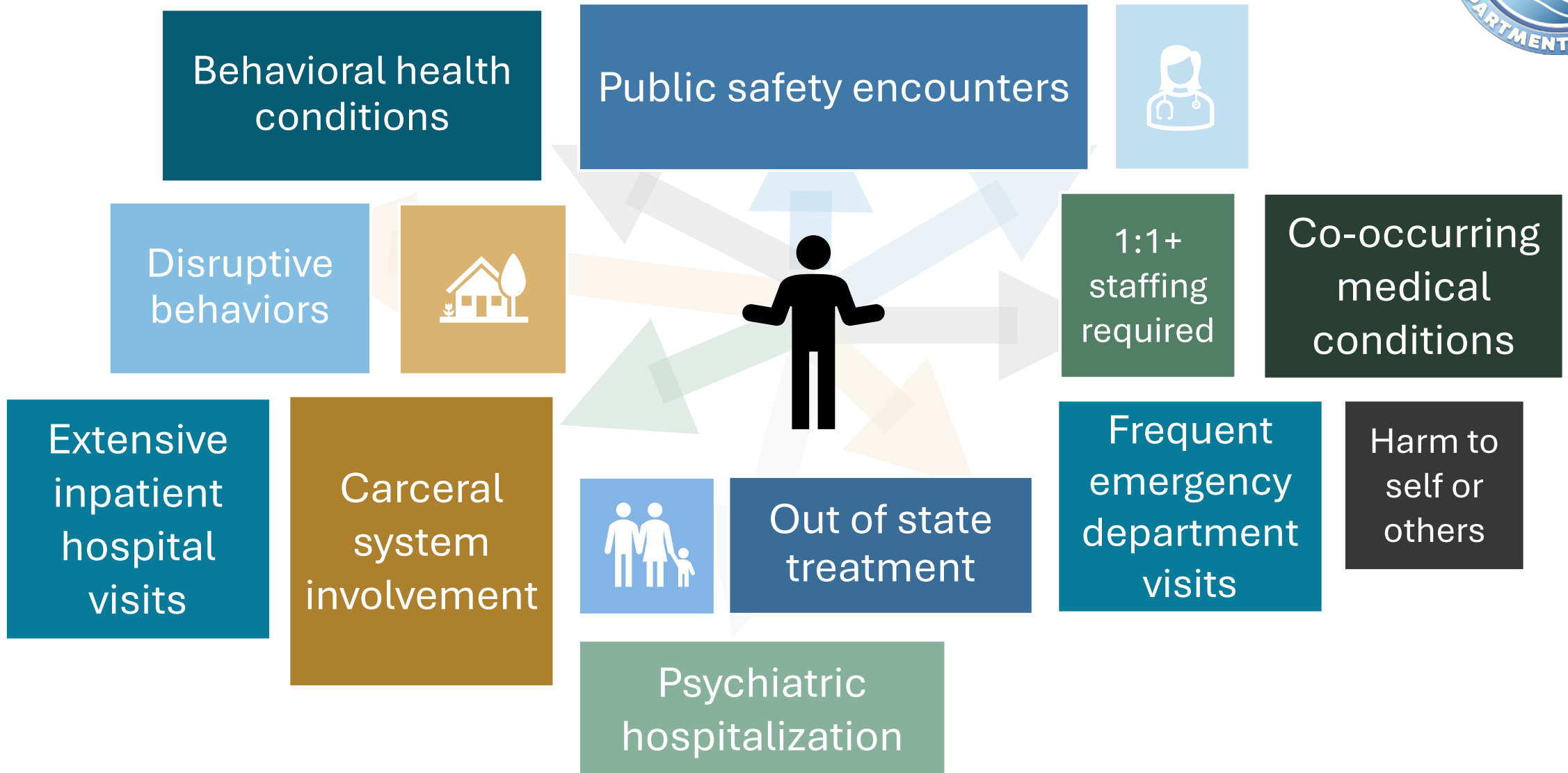
What Is Complex Care?



- **Definition:** Co-occurring behavioral, medical, or disability-related needs requiring a multi-disciplinary team and multiple programs.
- **Vision:** A coordinated system that delivers compassionate, timely, and person-centered care for the most vulnerable and complex Alaskans.



What Is Complex Care?



What Does HB 73 Do?



HB 73 creates the necessary **statutory framework** to allow the Department of Health to license and regulate a new setting:

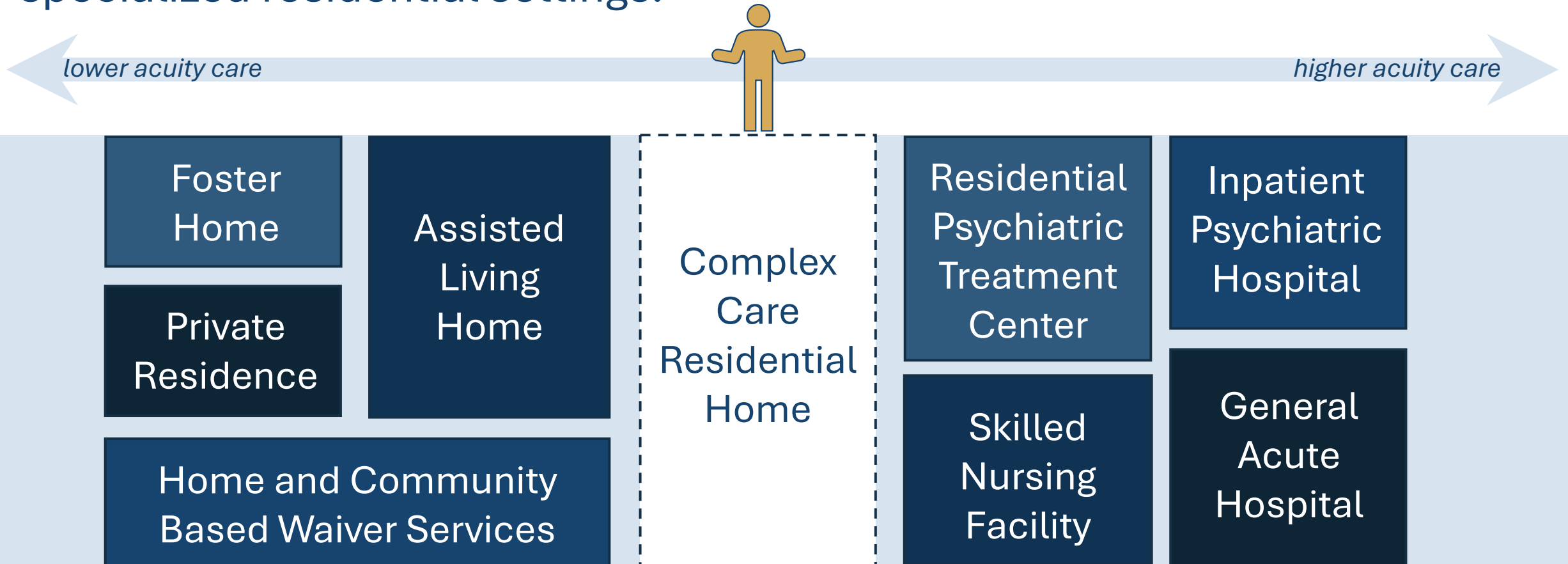
Complex Care Residential Homes (CCRHs)



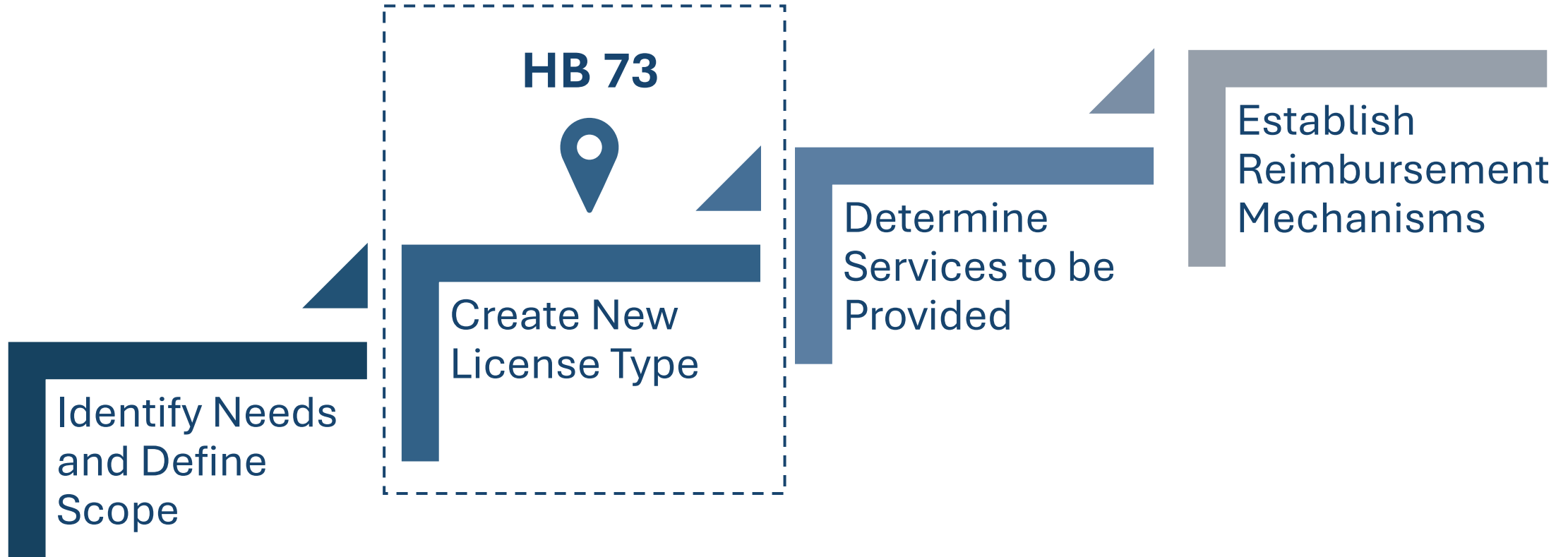
CCRHs Fill a Gap in the Care Continuum



There is a gap in Alaska's current continuum of care for ongoing, specialized residential settings.



Establishing a New Residential Setting



Who Would Benefit from CCRHs?

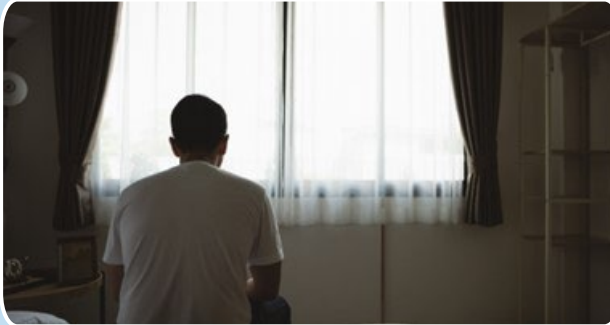


Youth

Multiple behavioral health diagnoses

Treatment in an out-of-state facility

Fetal alcohol and autism spectrum disorders

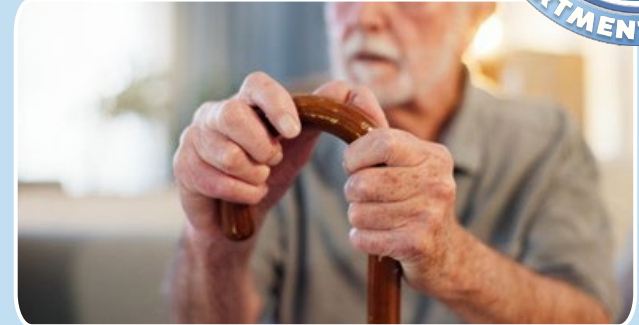


Adult

Severe and persistent mental illness

Frequent hospital visits and self harm history

Cognitive impairment



Senior

Dementia with behavioral health diagnoses

Does not qualify for Medicaid waiver services

Highly disruptive behaviors

Key Features of a CCRH



CCRHs will offer a new residential care setting in Alaska.



- Fewer than 15 residents
- 24/7 care from a multi-disciplinary team
- More supportive than assisted living homes and less restrictive than a psychiatric hospital
- Specialized monitoring, intervention, and/or treatment to meet the needs of residents

Benefits of a CCRH



- ✓ Improves care for Alaskans with complex needs
- ✓ Adds a license type for home-like settings that offer care in the most clinically appropriate environment
- ✓ Allows for service specialization and for specific requirements to be set forth in regulations
- ✓ Promotes community safety by offering a new service setting for individuals with complex behavioral health needs



Sectional Analysis



Section 1.

Amends AS 47.32.010(b) to add "complex care residential homes" to the list of entities regulated by the Department of Health.

Section 2.

Amends AS 47.32.900(2) to update the definition of "assisted living home" to exclude complex care residential homes.

Section 3.

Adds AS 47.32.900(11) to modify the definition of "hospital" to clarify that it does not include complex care residential homes.

Sectional Analysis



Section 4.

Adds AS 47.32.900(22) to introduce a new definition for “complex care residential home.” It is defined as a residential setting that provides 24-hour multi-disciplinary care on a continuing basis for up to 15 individuals with mental, behavioral, medical, or disability-related needs requiring specialized care, services and monitoring.

Section 5.

Amends the uncoded law by adding a new section that requires the Department of Health to submit for approval by the United States Department of Health and Human Services amendments to the state Medicaid plan or apply for waivers necessary to implement the provisions of Sections 1-4.

Sectional Analysis



Section 6.

Amends the uncoded law by adding a new section specifying that sections 1-4 of the bill will only take effect if the United States Department of Health and Human Services approves the required Medicaid waivers or amendments by July 1, 2031. The commissioner of health is required to notify the revisor of statutes within 30 days once the necessary approvals are received.

Section 7.

Provides that sections 1-4 take effect the day after the United States Department of Health and Human Services approves amendments to the state plan or waivers submitted under Section 5.

Questions?

HB 73: COMPLEX CARE RESIDENTIAL HOMES

Courtney Enright
Department of Health
Legislative Liaison
Courtney.Enright@alaska.gov
(907) 269-7803



Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	HB 73
Fiscal Note Number:	1
(H) Publish Date:	1/27/2025

Identifier: 0493-DOH-BHA-01-24-25
Title: COMPLEX CARE RESIDENTIAL HOMES
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Health
Appropriation: Behavioral Health
Allocation: Behavioral Health Administration
OMB Component Number: 2665

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	128.2		128.2	128.2	128.2	128.2	128.2
Travel							
Services	20.0		20.0	20.0	20.0	20.0	20.0
Commodities	5.0		2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	153.2	0.0	150.2	150.2	150.2	150.2	150.2

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	76.6		75.1	75.1	75.1	75.1	75.1
1003 GF/Match (UGF)	76.6		75.1	75.1	75.1	75.1	75.1
Total	153.2	0.0	150.2	150.2	150.2	150.2	150.2

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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? 07/01/31

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Tracy Dompeling, Director
Division: Behavioral Health
Approved By: Pam Halloran, Assistant Commissioner
Agency: Department of Health

Phone: (907)465-2817
Date: 01/21/2025 12:00 PM
Date: 01/24/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Analysis

This bill establishes a new health facility licensing category for Complex Care Residential Homes (CCRHs), addressing a critical gap in Alaska's care continuum for individuals with complex needs. The CCRHs will provide long-term, multidisciplinary care in a structured and supportive residential environment for individuals with severe emotional, behavioral, cognitive disorders, but who do not qualify for traditional intermediate care facilities (ICFs). The CCRHs will accommodate fewer than 15 residents.

Currently, Alaska lacks a statutory mechanism to support facilities tailored to meet these needs. Many individuals with complex needs such as severe and persistent mental illness or other co-occurring disorders are placed in assisted living homes, Psychiatric Residential Treatment Facilities (PRTFs), or acute psychiatric hospitals like the Alaska Psychiatric Institute (API). This bill introduces a solution for both adults and children by bridging the gap between higher-acuity inpatient settings like PRTFs and home-based care, providing a safe and supportive intermediary option that promotes long-term stabilization and community reintegration.

The CCRHs will serve several subpopulations, including children who have cycled through PRTFs and who struggle to transition directly to home settings, adults with severe behavioral health needs exceeding the scope of existing community programs, and individuals with dementia exhibiting behaviors unsuitable for traditional long-term care options. These homes will provide services equivalent to those of ICFs but for individuals who do not have a qualifying disability, ensuring a comprehensive system of care.

Implementation will require collaboration across the Department of Health to establish eligibility criteria, define services, develop an assessment tool to determine the appropriate level of care, and establish licensing and regulatory standards.

New regulations will need to be developed for this facility type. Regulations must be effective by July 1, 2031, but it is expected the department will receive Centers for Medicare and Medicaid Services (CMS) approval prior to that date, allowing establishment of CCRH's to occur at that time.

Financial Breakdown

The Division of Behavioral Health will need one Health Program Manager 2 beginning in year one to assist in program development, create licensing fees and regulations, forms, training, and other necessary framework to support this new facility type. The department anticipates up to 15 facilities will be created as a result of this legislation.

One full-time Health Program Manager 2 (including benefits): range 19, Anchorage, will be needed at a cost of \$128.2 annually.

Services: Office space, phone, reimbursable service agreements for position support: \$20.0 annually.

Commodities: Office supplies \$2.0 annually.

One-Time Commodities Cost: Computer, software, and office equipment: \$3.0 in the first year.

Personnel costs will be reimbursed by the federal government at 50 percent.

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	HB 73
Fiscal Note Number:	2
(H) Publish Date:	1/27/2025

Identifier: 0493-DOH-HFLC-01-24-25

Title: COMPLEX CARE RESIDENTIAL HOMES

Sponsor: RLS BY REQUEST OF THE GOVERNOR

Requester: Governor

Department: Department of Health

Appropriation: Health Care Services

Allocation: Health Facilities Licensing and Certification

OMB Component Number: 2944

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			172.1	172.1	172.1	172.1	172.1
Travel				10.0	10.0	10.0	10.0
Services			20.0	20.0	20.0	20.0	20.0
Commodities			5.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	197.1	204.1	204.1	204.1	204.1

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)			98.6	102.1	102.1	102.1	102.1
1003 GF/Match (UGF)			98.5	102.0	102.0	102.0	102.0
Total	0.0	0.0	197.1	204.1	204.1	204.1	204.1

Positions

Full-time			1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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? 07/01/31

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Lynne Keilman-Cruz, Acting Director
Division: Health Care Services
Approved By: Pam Halloran
Agency: Department of Health

Phone: (907)602-0049
Date: 01/21/2025 01:00 PM
Date: 01/24/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Analysis

This bill establishes a new health facility licensing category for Complex Care Residential Homes (CCRHs), addressing a critical gap in Alaska's care continuum for individuals with complex needs. The CCRHs will provide long-term, multidisciplinary care in a structured and supportive residential environment for individuals with severe emotional, behavioral, cognitive disorders, but who do not qualify for traditional intermediate care facilities (ICFs). The CCRHs will accommodate fewer than 15 residents.

Currently, Alaska lacks a statutory mechanism to support facilities tailored to meet these needs. Many individuals with complex needs such as severe and persistent mental illness or other co-occurring disorders are placed in assisted living homes, Psychiatric Residential Treatment Facilities (PRTFs), or acute psychiatric hospitals like the Alaska Psychiatric Institute (API). This bill introduces a solution for both adults and children by bridging the gap between higher-acuity inpatient settings like PRTFs and home-based care, providing a safe and supportive intermediary option that promotes long-term stabilization and community reintegration.

The CCRHs will serve several subpopulations, including children who have cycled through PRTFs and who struggle to transition directly to home settings, adults with severe behavioral health needs exceeding the scope of existing community programs, and individuals with dementia exhibiting behaviors unsuitable for traditional long-term care options. These homes will provide services equivalent to those of ICFs but for individuals who do not have a qualifying disability, ensuring a comprehensive system of care.

Implementation will require collaboration across the Department of Health to establish eligibility criteria, define services, develop an assessment tool to determine the appropriate level of care, and establish licensing and regulatory standards.

New regulations will need to be developed for this facility type. Regulations must be effective by July 1, 2031, but it is expected the department will receive Centers for Medicare and Medicaid Services (CMS) approval prior to that date, allowing establishment of CCRH's to occur at that time.

Financial Breakdown: The Division of Health Care Services, Health Facilities Licensing and Certification section will require one Nurse Consultant 1 beginning in year two. This position will assist in program development, create licensing fees and regulations, design necessary forms, provide training, and other necessary framework to support this new facility type. The department anticipates up to 15 facilities will be created as a result of this legislation.

The costs associated with this position and the necessary support infrastructure include:

Personal Services: \$172.1 annually, beginning in FY2027, for one Nurse Consultant 1 (including benefits) at Range 24 in Anchorage.

Travel: \$10.0 annually, starting in FY2028, for travel to license and recertify facilities.

Services: \$20.0 annually, starting in FY2027, for office space, phone, and reimbursable service agreements to support the position.

Commodities: \$2.0 annually, beginning in FY2028, for office supplies.

One-Time Commodities Cost: \$3.0 one-time, in FY2027, for computer, software, and office equipment.

Personnel costs will be reimbursed by the federal government at 50 percent.

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	HB 73
Fiscal Note Number:	3
(H) Publish Date:	1/27/2025

Identifier: 0493-DOH-MS-01-24-25
Title: COMPLEX CARE RESIDENTIAL HOMES
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Health
Appropriation: Medicaid Services
Allocation: Medicaid Services
OMB Component Number: 3234

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							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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? 07/01/31

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Terra Serpette, Division Operations Manager
Division: Medicaid Services
Approved By: Pam Halloran
Agency: Department of Health

Phone: (907)465-6333
Date: 01/21/2025 03:00 PM
Date: 01/24/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION**Analysis**

This bill establishes a new health facility licensing category for Complex Care Residential Homes (CCRHs), addressing a critical gap in Alaska's care continuum for individuals with complex needs. The CCRHs will provide long-term, multidisciplinary care in a structured and supportive residential environment for individuals with severe emotional, behavioral, cognitive disorders, but who do not qualify for traditional intermediate care facilities (ICFs). The CCRHs will accommodate fewer than 15 residents.

Currently, Alaska lacks a statutory mechanism to support facilities tailored to meet these needs. Many individuals with complex needs such as severe and persistent mental illness or other co-occurring disorders are placed in assisted living homes, Psychiatric Residential Treatment Facilities (PRTFs), or acute psychiatric hospitals like the Alaska Psychiatric Institute (API). This bill introduces a solution for both adults and children by bridging the gap between higher-acuity inpatient settings like PRTFs and home-based care, providing a safe and supportive intermediary option that promotes long-term stabilization and community reintegration.

The CCRHs will serve several subpopulations, including children who have cycled through PRTFs and who struggle to transition directly to home settings, adults with severe behavioral health needs exceeding the scope of existing community programs, and individuals with dementia exhibiting behaviors unsuitable for traditional long-term care options. These homes will provide services equivalent to those of ICFs but for individuals who do not have a qualifying disability, ensuring a comprehensive system of care.

Many individuals who would be served by CCRHs are already accessing residential or facility-based services. In some cases, CCRH services may be more cost-effective than current options, while in others, they may be more expensive. As such, the department estimates a net zero cost impact.

New regulations will need to be developed for this facility type. Regulations must be effective by July 1, 2031, but it is expected the department will receive Centers for Medicare and Medicaid Services (CMS) approval prior to that date, allowing establishment of CCRH's to occur at that time.