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HB 96 – Frequently Asked Questions
(34-LS0297/T)

1. Why is this legislation necessary now, if federal directives will address the issue?

While HB 96 aligns with the federal **Access Rule** requiring an Interested Party Advisory Group, the bill goes beyond compliance. It was developed with input from Alaskans and tailored to meet the unique needs of Alaska’s aging and disabled populations.

Establishing a board with a broad and representative range of stakeholders ensures the state builds and maintains a strong, high-quality long-term care workforce—an important goal regardless of federal mandates.

2. What percentage of Medicaid funds currently go toward wages?

As of July 1, 2024, the Medicaid reimbursement rate for Personal Care Services (PCS) and Community First Choice (CFC) is \$34.92 per hour. According to PHI, the average inflation-adjusted hourly wage for personal care aides is \$17.81, or about 51% of the total rate. Under 7 AAC 125.195, provider agencies must pay at least 50% of the Medicaid rate to direct care workers.

3. What system currently advises on homecare policy in Alaska?

Home and Community-Based Services (HCBS) under Medicaid are managed by the Division of Senior and Disabilities Services (SDS) within the Department of Health (DOH). While SDS oversees important bodies such as the Governor’s Council on Disabilities and Special Education and the Alaska Commission on Aging, there is no advisory group currently focused specifically on the long-term care workforce’s adequacy and quality.

4. Will this board replace the Department of Health’s existing rate-setting process?

No. HB 96 does **not** replace the Department of Health’s rate-setting authority. It requires the Department to **consider** the board’s recommendations but **does not mandate**

adoption of those recommendations. The Department retains full control over the current rate-setting process.

5. What does it mean for the board to ‘investigate the adequacy of payment practices and policies related to payment rates of certified providers of covered services’?

In practical terms, the board will evaluate whether current payment rates are sufficient for providers to:

- Pay competitive wages and benefits,
- Cover necessary administrative costs, and
- Maintain financial sustainability (i.e., stay in business).

This assessment ensures the rates support a stable and effective long-term care system.

6. What does ‘living wage’ mean on page 4, line 2 when it says, “the economic impact of achieving a ‘living wage’ for direct care workers and reducing levels of unpaid care?”

The goal of a ‘living wage’ is to allow a worker to afford a basic but decent standard of living through employment. Due to the flexible nature of the term “needs,” there is not one universally accepted measure of what a living wage is and as such it varies by location.

It’s important to note that this term is subjective, which is part of why we want an advisory board to get a range of input on what the reimbursement rate should be.