

**House Finance Committee
HSS Subcommittee Meeting
Wasilla LIO
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Public Testimony

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President Key Coalition of Alaska

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Good afternoon Mr. Chairman, members of the committee. For the record my name is John Cannon, I live at 3101 Whispering Woods Dr. in Wasilla. I am here today wearing a couple of hats. First, I serve as President of the Key Coalition of Alaska. The Key Coalition is a coalition made up individuals with disabilities, family members, service providers, and advocates who care deeply about the well-being of Alaskans with disabilities. Secondly, I serve as the Executive Director of Mat-Su Services for Children and Adults (MSSCA). MSSCA is a local nonprofit service provider agency. We have been serving Valley residents with intellectual and developmental disabilities (I/DD) since the mid 1980's. Lastly, as a senior citizen, I have great personal interest in how Alaska is going to meet the needs of the grey tsunami that is already upon us. I want to thank the committee for conducting this meeting in Wasilla. By doing so it is an acknowledgement our community has arrived, it is an acknowledgement with 90 thousand plus residents we are indeed important.

I have been an Alaskan service provider for a long time. When I became a service provider in the early 1980's there were no HCBS in Alaska. Community living services for Alaskans with I/DD were pretty much grant funded, paid for by State general funds. Before HCBS, services for Alaskans with I/DD were extremely limited, families struggled, and health and safety issues for AK's with I/DD were rampant. The waiting list for services was in the thousands, stories about individuals and families waiting 10 or more years to access grant funded services were commonplace. Alaska was one of the last states to access HCBS. It clearly was the right decision and it has made all the difference in the world to thousands Alaskans with I/DD who live in their home communities in urban, suburban, rural and even remote Alaska.

Together the legislature, the administration, service providers, individuals with disabilities and their families, advocacy groups and other key stakeholders have built a service delivery system in Alaska that has been recognized as one of the best in the nation. HCBS made

this possible. HCBS work and they are cost effective especially when costs are compared to nursing home and expensive out of state placements.

Effective 7/1/13 Alaska has new HCBS regulations and rates paid for these services. I want to acknowledge Commissioner Streur and his staff and Director Mayes and his staff for the work that was done over the last three or more years to get these regulations and rates into place. They did a great job involving service provider agencies in the process. It was indeed a long and tedious process but the regulations and rates are now in place.

They are not perfect and need improvement in some areas. As was indicated by Rep. Munoz yesterday Assisted Living Home providers are seriously concerned about Day Habilitation hours being capped at 15 hours. Providers understand and agree with the regulation's intent to separate Day Habilitation services from Assisted Living Home services. However, there is serious concern about capping Day Habilitation at 15 hours. This unnecessarily limits choices for service recipients and unnecessarily, limits the amount of time services recipients can access their communities. Community involvement is a cornerstone of HCBS and should not be limited to 15 hours. Many of us were pleased to hear Director Mayes' comments indicating the 15-hour cap is a soft cap and there will be a process to request additional Day Habilitation hours. Many recipients need more than 15 hours of DH. They have chosen goals and activities and want to be more involved in their community. In addition to the negative impact to services recipients, the 15-hour cap on Day Hab. will result in increased costs to Assisted Living Home providers in overtime, staff burnout, and staff turnover.

Another area of concern with the new regulations is that nursing care and oversight is not allowed under the Adults with Physical and Developmental Disabilities Waiver (AP&DD). Individuals who received nursing services for years under the CCMC waiver are not able to access nursing services when they turn 22 and transition to the new AP&DD waiver. The division has acknowledged this oversight and indicated there is reportedly a fix in the works. My agency is presently serving five individuals in the situation. We are now in the third month of the FY. This is a health and safety issue that needs to be remedied as soon as possible.

It is important to keep in mind that agencies like mine are doing the service delivery work. The department and division play a critically important role but they do not provide much in the way of direct services to individuals with disabilities. My agency, like many other organizations around the state are on the job 24/7/365 delivering grant and waiver services.

Accountability- the level of accountability that providers are held to is at an all-time high. With I/DD grants we are required to submit quarterly reports showing the expenses for each quarter. If we spend less than 25% in a given quarter, our quarterly advance is reduced by that amount. We are required to conduct an annual financial audit (that costs us \$18,000). We are subject to more frequent and a variety of Medicaid audits than ever (Meyers and Stauffer type audit, the PERM, the MIPS, and the RAC audits. Some providers undergo 2-3 Medicaid audits each year (PCA, Waiver, MH). Division staff recently informed us to expect the frequency of audits to increase.

Clearly, Alaska has a difficult job ahead. The Great Grey Tsunami and resulting demand for senior services is coming at a time when Alaska's revenues are declining and costs are rising. This is really a time when we should be putting resources in place to deal with and the unimaginable growth we will see in service demands. The result could be disastrous. We spend a lot of effort on preparing for natural disasters. We know for a fact the grey tsunami is coming. Frankly, in my opinion we are not doing enough to prepare.

On behalf of Alaskans with disabilities many who are unable to speak for themselves, I urge you to not make reductions to grant and HCBS. These services are essential for the health, safety and successful community living for some of Alaska's most vulnerable citizens. These demand for these services have grown, there is no denying that, but HCBS are cost effective. particularly when compared with costly institutional care. Reductions to HCBS services will more than likely not save Alaska money over the long term. More than likely reductions will end up costing Alaska more because individuals with disabilities and their families will seek other more restrictive and more expensive alternatives like nursing home care or care in out of state institutions.

I really appreciate the opportunity to speak with you this afternoon. Please contact me with any questions? Thank you.