



**VISION**

ALASKA INDIVIDUALS, FAMILIES AND COMMUNITIES ARE SAFE AND HEALTHY

**MISSION**

TO PROMOTE AND PROTECT THE HEALTH AND WELL-BEING OF ALASKANS

House Finance DHSS Budget Subcommittee | FY2017 Division Overview

**Vickie Wilson** | Division Director  
**Jessica Bogard** | Administrative Operations Manager II  
**Division of Alaska Pioneer Homes**

**February 15, 2016**

# Alaska Pioneer Homes Overview

- **Mission:** Providing elder Alaskans a home and community, celebrating life through its final breath.
- **554 FT/ 35 PT Positions**
- **\$62,228.1** FY2017 Operating Budget Request

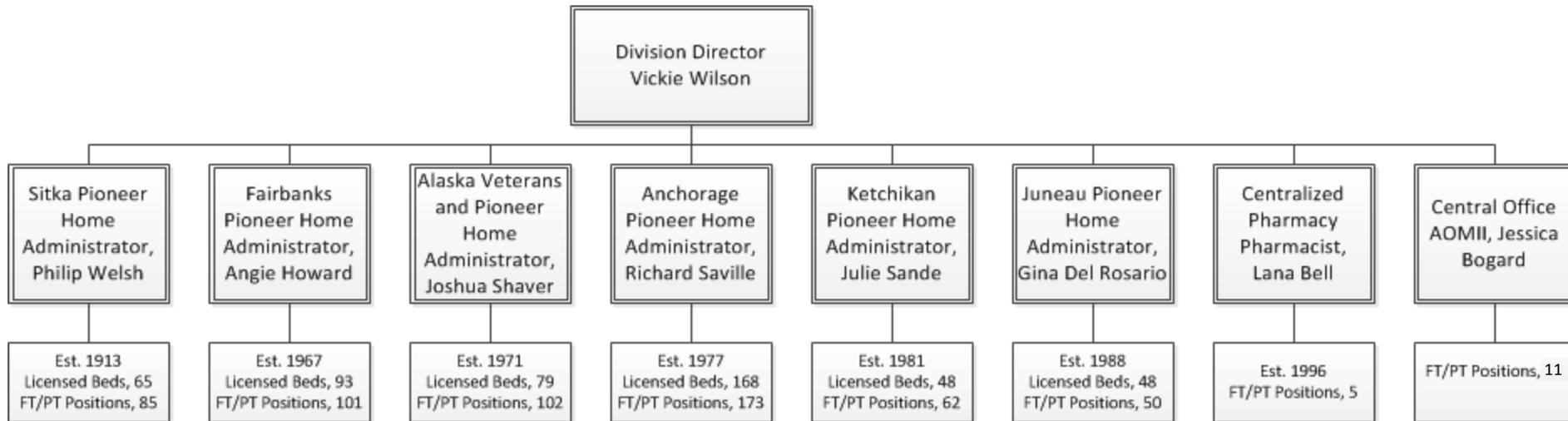
Revenue Type	Amount	Percent of Total
UGF & GF/MH	\$35,263.8	56.67%
DGF	\$16,901.4	27.16%
Other	\$9,368.6	15.06%
Federal	\$694.3	1.11%

**3.15% of  
DHSS UGF**

**16.30% of  
DHSS DGF**

- **2.3%** of DHSS FY2017 Operating Budget Request
- Total service population (unduplicated) is **535 residents** during FY 2015 along with **325 on the active waiting list** and **4,093 on the inactive waiting list.**

# Alaska Pioneer Homes Organization Chart



Division  
FT/PT  
Position  
Total:  
589

# Alaska Pioneer Homes Core Service Alignment



STATE OF ALASKA  
DEPARTMENT OF HEALTH & SOCIAL SERVICES

FY2016  
ALASKA PIONEER HOMES  
CORE SERVICE ALIGNMENT

## PRIORITY 1

HEALTH & WELLNESS  
ACROSS THE LIFESPAN

### CORE SERVICE 1.1

Protect and promote the health of Alaskans



### CORE SERVICE 1.2

Provide quality of life in a safe living environment for Alaskans



APH Core Services aligned with Department Core Service 1.2



APH CORE SERVICE 1

Memory Care

## PRIORITY 2

HEALTH CARE ACCESS DELIVERY & VALUE

### CORE SERVICE 2.1

Manage health care coverage for Alaskans in need



APH Core Services aligned with Department Core Service 2.1



APH CORE SERVICE 2

Personal Care and Assistance

### CORE SERVICE 2.2

Facilitate access to affordable health care for Alaskans



APH CORE SERVICE 3

Activities

### CORE SERVICE 3.1

Strengthen Alaska families



APH Core Services aligned with Department Core Service 3.1



APH CORE SERVICE 4

Food Service

## PRIORITY 3

SAFE & RESPONSIBLE INDIVIDUALS, FAMILIES & COMMUNITIES

### CORE SERVICE 3.2

Protect vulnerable Alaskans



APH Core Services aligned with Department Core Service 3.2



APH CORE SERVICE 5

Provide a Home

### CORE SERVICE 3.3

Promote personal responsibility and accountable decisions by Alaskans



# Alaska Pioneer Homes Budget Alignment



STATE OF ALASKA  
DEPARTMENT OF HEALTH & SOCIAL SERVICES

FY2016  
BUDGET ALIGNMENT  
(dollars shown in thousands)

**\$2,617,007.5**  
(\$1,611,213.5 Medicaid)



- 1.2 → \$22,487.0 to provide quality of life in a safe living environment for Alaskans.
- 2.1 → \$14,974.0 to manage health care coverage for Alaskans in need.
- 3.1 → \$10,385.7 to strengthen Alaska families.
- 3.2 → \$15,116.9 to protect vulnerable Alaskans.

TOTAL BUDGET  
**\$62,963.7**

# Alaska Pioneer Homes Continuum of Care

Residents receiving Levels 1 & 2 care do not meet the nursing facility level of care required for Medicaid Waiver.

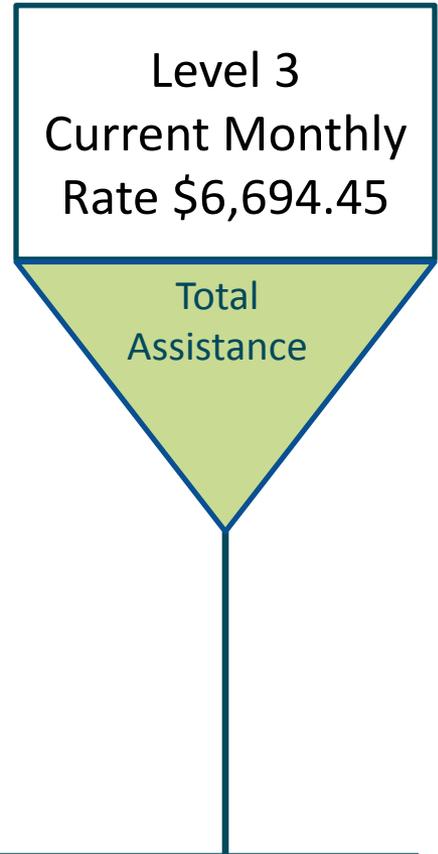
0 Medicaid Waiver  
22 Payment Assistance (37.93%)  
36 Private Pay (62.07%)  
**Total: 58**



0 Medicaid Waiver  
68 Payment Assistance (50.37%)  
67 Private Pay (49.63%)  
**Total: 135**



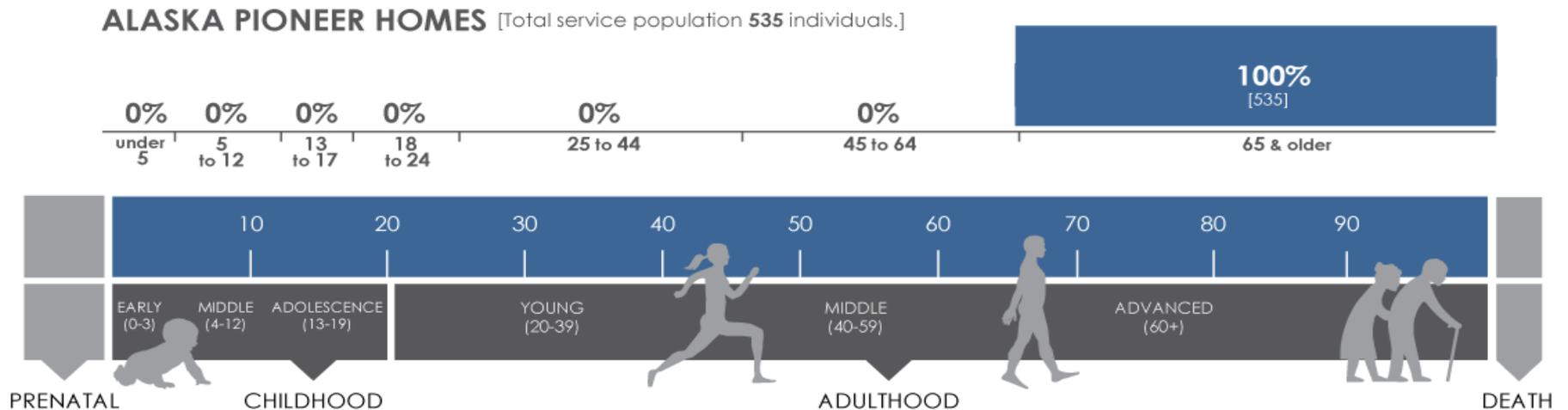
82 Medicaid Waiver (32.93%)  
64 Payment Assistance (25.70%)  
103 Private Pay (41.37%)  
**Total: 249**



Resident data pulled for January 2016

# Alaska Pioneer Homes Service Population

- Average Age: 86.33 years (January 2016)
- Service Level Most Often Requested: Level 3
- Average Alaskan Residency:
  - Active Waitlist: 45.2 years
  - Inactive Waitlist: 43.5 years



\* [72,818 Alaskans 65+ eligible to apply; 325 on active waitlist; 4903 on inactive waitlist]

# Alaska Pioneer Homes Budget Impacts FY 2016

<b>Alaska Pioneer Homes Management</b>	(240.7) UGF (2) PFT	Delete 2 positions, reduce travel, services, and commodities.
<b>Pioneer Homes</b>	(1,673.4) UGF (10) PFT (3) PPT (4) NP	Delete 17 positions, reduce travel, services, commodities, capital outlay, and grants.

- Longer wait times for admissions due to reduced bed count.
- Delaying repairs and maintenance has led to a longer list for the future deferred maintenance funding.
- Prepared for position deletions during FY2015 to reduce impact to workers by selecting vacant positions and/or holding newly vacated positions unfilled. Ultimate result, 3 individuals received lay off notices.
- Rate increase went into effect February 2016. Added revenue of \$436.9 for FY2016.

# Alaska Pioneer Homes Budget Decrements FY 2017

<b>Pioneer Homes</b>	(720.0) UGF (8) PFT (3) PPT	Reduce Pioneer Homes Staffing Levels
	(21.1) UGF	Reduce Supplies and Cable Television Services
	(1) PFT 1 PPT	Change Office Assistant II (02-7302) from Full-Time to Part-time

- Longer wait times for admissions due to reduced bed count.
- Delaying repairs and maintenance.

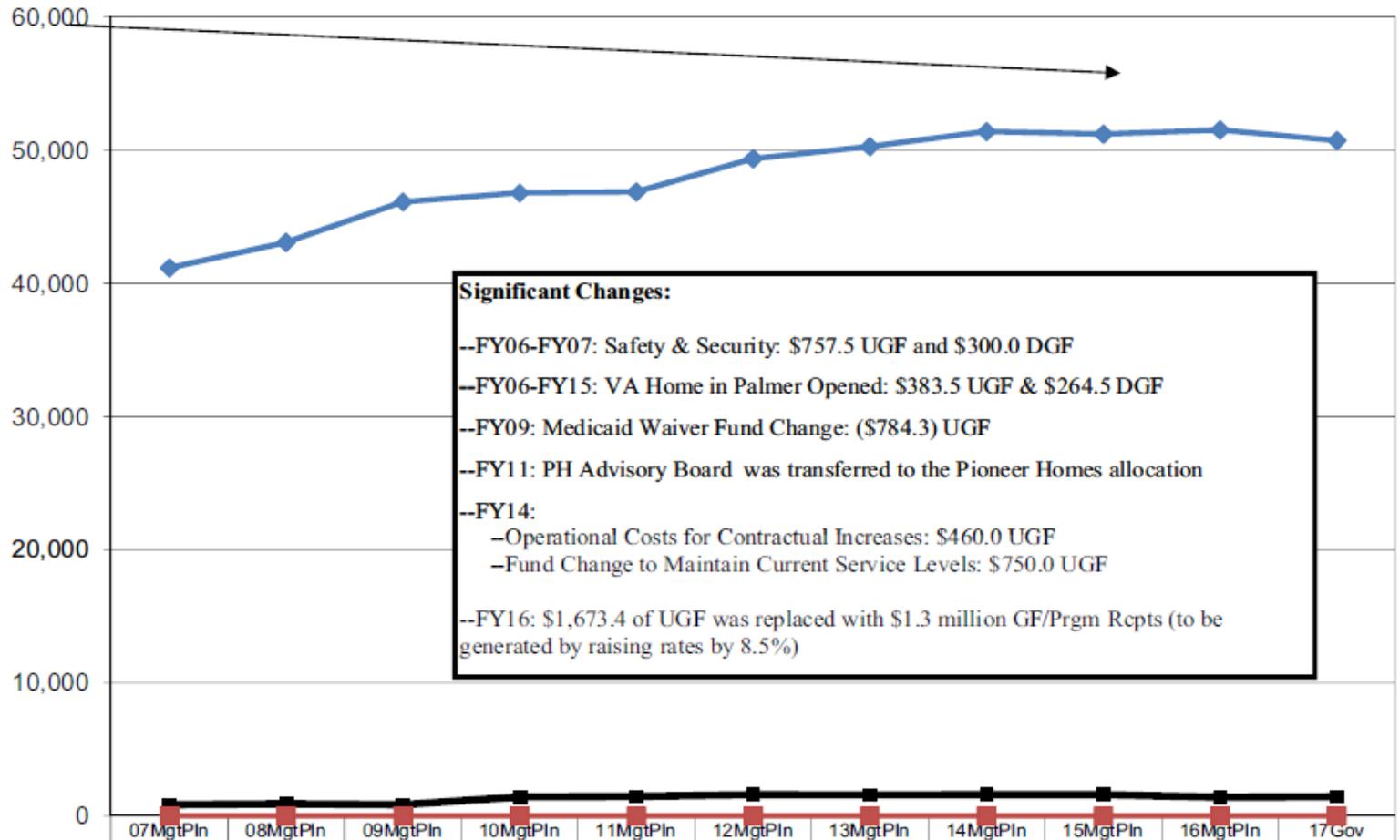
# FY 2017 Governor's Proposed

Alaska Pioneer Homes	FY 2016 Management Plan	FY 2017 Governor 's Proposed	16 Management Plan to 17 Governor's Proposed
<b>Unrestricted General Funds</b> (UGF and GF/MH)	\$35,999.4	\$35,263.8	(\$735.6)
<b>Designated General Funds</b> (Payments from Residents)	\$16,901.4	\$16,901.4	
<b>Federal Funds</b> (Veterans Per Diem)	\$694.3	\$694.3	
<b>Other</b> (Medicaid Waiver and Pharmacy Receipts)	\$9,368.6	\$9,368.6	
<b>Division Total</b>	<b>\$62,963.7</b>	<b>\$62,228.1</b>	<b>(\$735.6)</b>

# DHSS Pioneer Homes Budget Comparisons by Allocation

Formula and Non-Formula  
(GF Only)  
(\$ Thousands)

Pioneer Homes Appropriation GF Increase: \$10.1 million (24%)



**Significant Changes:**

- FY06-FY07: Safety & Security: \$757.5 UGF and \$300.0 DGF
- FY06-FY15: VA Home in Palmer Opened: \$383.5 UGF & \$264.5 DGF
- FY09: Medicaid Waiver Fund Change: (\$784.3) UGF
- FY11: PH Advisory Board was transferred to the Pioneer Homes allocation
- FY14:
  - Operational Costs for Contractual Increases: \$460.0 UGF
  - Fund Change to Maintain Current Service Levels: \$750.0 UGF
- FY16: \$1,673.4 of UGF was replaced with \$1.3 million GF/Prgm Rcpts (to be generated by raising rates by 8.5%)

AK Pioneer Homes Management	851.8	914.8	853.9	1,431.1	1,473.6	1,607.4	1,576.9	1,609.5	1,607.4	1,394.0	1,454.1
Pioneer Homes	41,152.0	43,066.0	46,104.3	46,774.6	46,851.6	49,346.7	50,256.2	51,384.1	51,191.2	51,506.8	50,711.1
Pioneer Homes Advisory Board	13.7	13.7	13.7	13.7	-	-	-	-	-	-	-

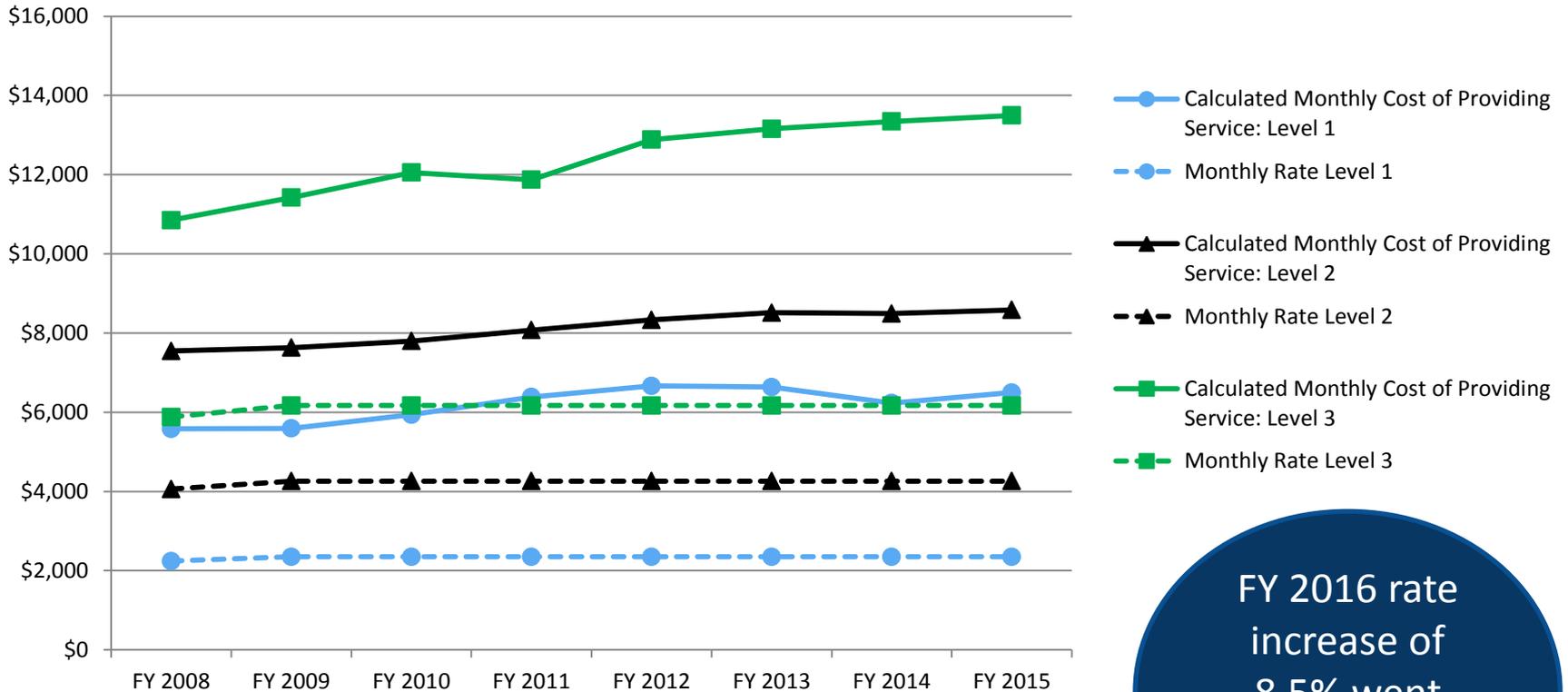
# Alaska Pioneer Homes Rate Increase Effective Feb. 1, 2016

---

- 8.5% determined by Social Security Administration Cost of Living Adjustment increases since 2009 to 2015.
- New rates
  - Level 1: \$2,549.75                      Prior Rate: \$2,350
  - Level 2: \$4,622.10                      Prior Rate: \$4,260
  - Level 3: \$6,694.45                      Prior Rate: \$6,170
- Additional revenue collected within FY 2016 is projected to be \$436.9.
- May increase the number of residents who are eligible for the Alaska Pioneer Homes Payment Assistance program.

# Efficiency Measure

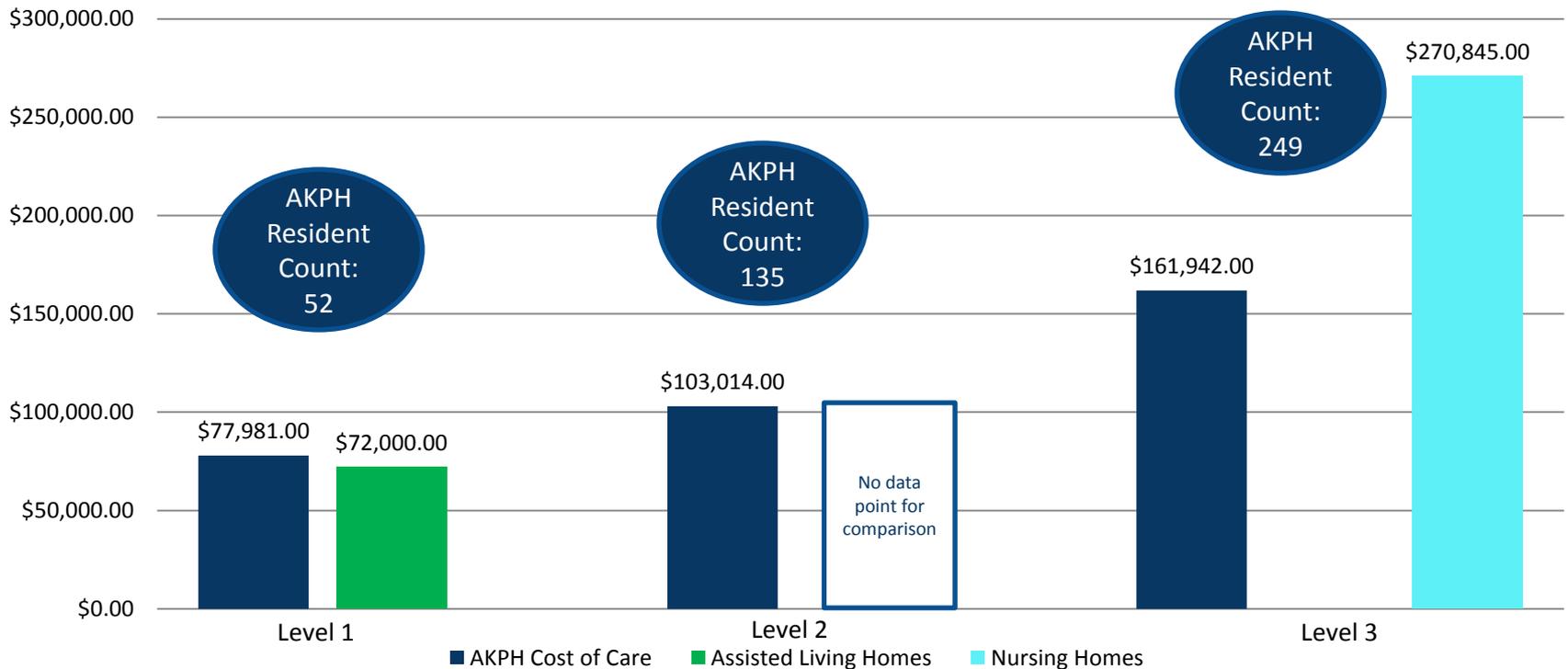
## Monthly Cost of Care vs. Monthly Rate Charged



FY 2016 rate increase of 8.5% went into effect Feb. 1, 2016.

# Efficiency Measure

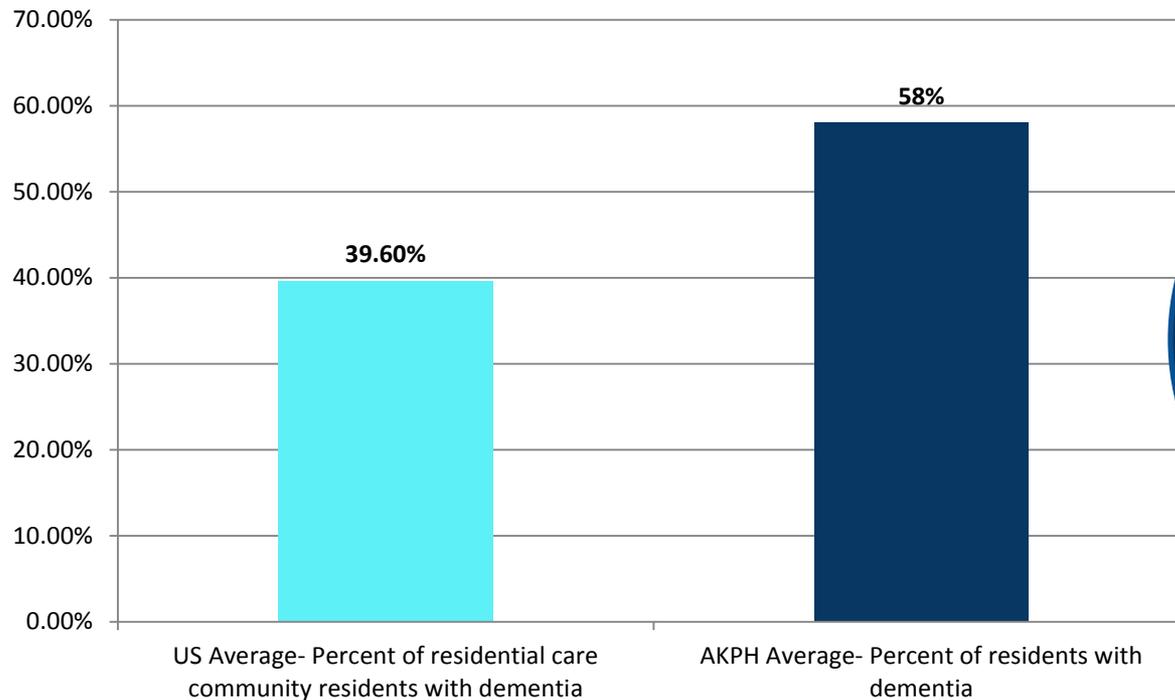
## AKPH Total Annual Cost of Providing Services vs. Median Annual Cost for Comparable Services



Source: [https://www.genworth.com/dam/Americas/US/PDFs/Consumer/corporate/Alaska\\_gnw.pdf](https://www.genworth.com/dam/Americas/US/PDFs/Consumer/corporate/Alaska_gnw.pdf)  
 Resident data pulled from AKPH database for January 2016  
 Cost of care calculated by AKPH staff

# Effectiveness Measure

- Prevalence of Alzheimer's Disease and Related Dementia Diagnosis



Per Alaska's Roadmap to Address ADRD by 2020 there is projected to be over 8,000 Alaskan seniors with ADRD

Source: <http://www.cdc.gov/nchs/fastats/alzheimers.htm>

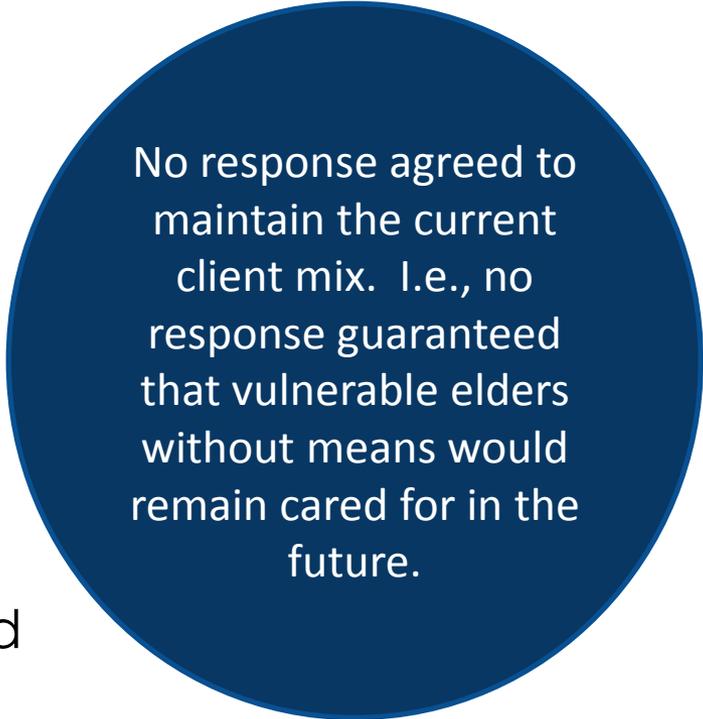
AKPH ADRD data pulled from electronic health record system

<http://dhss.alaska.gov/acoa/Documents/documents/Alaskas-Roadmap-to-Address-ADRD.pdf>

# Request for Letters of Interest

---

- Responses ranged from;
  - NANA Management Services (Alaska): Provide housekeeping, food service and maintenance services until they can find a partner to provide direct care services.
  - Retirement Housing Foundation (California): Manage the operations.
  - Marathon Development, Inc. (Washington): Manage operations and then lease assets if determined to be profitable.
  - Southeast Alaska Regional Health Consortium (Alaska): Purchase Pioneer Homes system.



No response agreed to maintain the current client mix. I.e., no response guaranteed that vulnerable elders without means would remain cared for in the future.

# Recent Audit

- Alaska Pioneer Homes Special Audit

Recommendation	Action Taken/Planned
AKPH's director should obtain assistance from DHSS' Financial Management Services accountants to properly deploy QuickBooks so that it can correctly function as a subsidiary accounting system.	The division is working closely with FMS internal auditors to update QuickBooks so that it meets accounting standards.
AKPH management should allocate resources to actively pursue collection of past due amounts.	The division has reclassified a position to focus on accounts receivable/collections.
AKPH management should enforce all requirements for the payment assistance program.	The division has begun enforcing all of the requirements for payment assistance.
AKPH's director should discontinue unauthorized grants to pioneer home residents.	The division has discontinued these grants.
DHSS' commissioner should annually review the pioneer homes' rates.	The Commissioner reviewed the monthly rate prior to the 2016 increase. The division has implemented an annual review process for each July.
AKPH's director should ensure all pioneer homes comply with the pharmacy's policies for controlled substances.	The division has trained staff in each home to follow pharmacy policies regarding controlled substances.

# Successes

---

- The Pioneer Homes care for residents with Alzheimer's Disease and Related Disorders at a rate of 58% of residents, higher than the national average of 39.6%. Residents receive high quality Memory Care.
- Providing 24/7 care to 458 individuals per month on average during FY 2015.
- Reached 70% veterans occupancy rate at the Palmer Alaska Veterans Home, highest rate to date.

# Present Challenges

---

- Increasing demand for higher levels of care.
- Rate increase process.
- Maintaining quality care within a safe environment with decreasing personnel.
- Growing numbers on waitlist. There are now over 5,000 individuals on the inactive waitlist.

---

---

QUESTIONS?

Thank You



**MISSION** TO PROMOTE AND PROTECT THE HEALTH AND WELL-BEING OF ALASKANS