



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of
Health and Social Services**

Governor's Council on Disabilities
& Special Education

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March 1, 2016

Senator Pete Kelly, Co-Chair
Senator Anna MacKinnon, Co-Chair
Senate Finance Committee
Alaska State Capital Building
Juneau, AK 99801-1120

RE: Support for SB 74

Dear Senator Kelly and Senator MacKinnon,

The Governor's Council on Disabilities and Special Education (GCDSE) fills a variety of federal and state roles, including serving as the State Council on Developmental Disabilities (SCDD) under the Developmental Disabilities Assistance and Bill of Rights Act. As the state DD Council, GCDSE works with Senior and Disabilities Services and other state agencies to ensure that people with intellectual and developmental disabilities and their families receive the services and supports that they need, as well as participate in the planning and design of those services. Many of these services are paid for through Medicaid waivers in the form of Home and Community Based Services.

Recently, our Council developed a position paper (attached) specific to these waivers, and the decision to reduce the draw of families from 200 to 50 Alaskans per year off the "Developmental Disabilities Registration and Review", often called the "waitlist". This was done as a cost saving measure in the short-term. The Council believes and hopes that reform efforts such as those proposed under SB 74 will someday lead to restoring the number of draws from the "waitlist". Without such services, families are more likely to reduce their work hours or sacrifice their participation in the workforce altogether in order to care for a child or adult family member with a disability. This often leads to further dependence on government assistance programs and/or placement of the individual in out of state institutions, at a much greater cost to the state.

The Council very much appreciates your efforts develop this comprehensive reform package. In regards to fraud and audit requirements, we both support and applaud the intent of the bill to "weed out" wrongdoers and fraudulent providers. However, we do caution the committee on placing additional reporting and audit burdens on home and community based providers, especially smaller "mom and pop" organizations. We believe that self-reporting of mistakes made in billing or overpayments by providers themselves is great idea. We also believe that the Explanation of Benefits concept included in your bill is also a good idea. People and

families that receive services under Medicaid are indeed your best bet for identifying mistakes or fraudulent practices.

Again, thank your leadership in pushing Medicaid reform efforts through SB 74.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Reinhart', followed by a long horizontal line extending to the right.

Patrick Reinhart, Executive Director
Governor's Council on Disabilities and Special Education



Please join the Council in supporting an annual draw of 175 from the Developmental Disabilities Registration and Review DDDR ("Waitlist")

WHAT IS IT?

The Developmental Disability Registration and Review (DDRR "waitlist") is a program registry for qualified individuals with intellectual & developmental disabilities who meet "institutional level of care." The registry provides an avenue for these individuals to receive the Medicaid waiver for Home and Community-Based Services when funds become available. The DDDR is managed through the Division of Seniors & Disabilities Services (SDS), and their plan is to reduce the DDDR waitlist annual draws from 200 consumers to 50 consumers per year as a way to save money in the short-term.

WHY IS THIS AN ISSUE?

- Because of the state's commitment to draw 200 families from the DDDR for services since 2005, the number of families waiting for services has decreased from over 1200 to less than 700, currently. Reducing the draws by 75% will increase the number of consumers waiting for services and possibly triple the average wait time of 3 years.
- Families that are supporting individuals with developmental disabilities are much more likely to reduce work hours or leave the work force in order to care for their child.
- Research shows that waiver-funded supported employment services result in more job placements, higher wages, and work hours per week for individuals with disabilities. Employment ultimately has the potential to result in cost savings and better quality of life.*
- The average cost per I/DD waiver in-state is just under \$80,000 while the average cost for an out of state placement is over \$120,000.
 - Reducing the number of draws from the registry will increase pressure on state-funded grant dollars and, in some cases, result in higher-cost services if their child is placed in an out-of-state intermediate care facility.

ALTERNATIVE SAVINGS

The Council believes that we can accomplish the same level of projected savings from waiver services by implementing some of the strategies being explored now by SDS under the 1915i and 1915k state plan options beginning in 2017 as well as reviewing some current ideas, such as:

- **Streamlining the eligibility and level of care re-determination process.** Many people on the I/DD waiver have lifelong disabilities, such as Downs Syndrome, and their conditions are not going to materially improve over time. Currently, the process requires a full review and authorization every 3 years. We suggest review every 5 years and much greater use of low-cost tele-technology for reassessments vs. in-person reviews.
- **Considering implementing "soft caps" on services.** By exploring "soft caps" the division can reduce the number of hours for many services and then require justification of the need for more than a certain number of hours when needed.
- **Establishing voucher program for purchase of supplies and other personal care items.** Using a voucher card similar to the Alaska Quest card used for food stamps, allow families and/or providers to purchase some medical supplies from Walmart, Costco, or other low-cost alternatives to medical supply companies. This would also prevent continuous delivery, a common practice now, resulting in stockpiles of unneeded supplies.
- **Allowing for purchase of smart-home technology and services that reduce the need for direct staff support.** Other states and the V.A. have shown significant savings by allowing more smart-home technologies like tablets and smart phones to help a person live independently.
- **Considering a package of new services to persons who do not quite meet institutional level of care in the 1915i.** Some people and families (i.e. FASD, TBI, ADRD) need only a little bit of support, such as supervision and cuing, to help maintain community living:
 - Individuals with FASD alone cost the state nearly \$2 million over their lifetime**, through their use of the correctional system, medical treatment, residential care, and lost productivity.
 - Providing early intervention to these individuals often avoids much costlier state-funded services later in life.

Please encourage HSS/SDS to reinstate waiver draws to at least 175 individuals per year

Resources:

*Jean P. Hall, Noelle K. Kurth 2013. Employment as a Health Determinant for Working-age, Dually Eligible People with Disabilities.

<https://kuscholarworks.ku.edu/bitstream/handle/1808/11286/Hall%20Kurth%20Hunt%202013.pdf?sequence=1>

**Lupton, Chuck. 2003. The Financial Impact of Fetal Alcohol Syndrome. Fetal Alcohol Spectrum Disorders Center for Excellence. <http://fasdcenter.samhsa.gov/Products/cost.aspx>

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