



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

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March 8, 2016

The Honorable Pete Kelly, Co-Chair
The Honorable Anna MacKinnon, Co-Chair
Senate Finance Committee
Alaska State Capitol, Rooms 518 & 516
Juneau, Alaska 99811-1182

Subject: Support for Senior Benefits, Senior Community Based Grants, and Medicaid Adult Dental, SB 139
Department of Health and Social Services Operating Budget

Dear Chair Kelly and Chair MacKinnon:

The Alaska Commission on Aging (ACoA) extends our sincere thanks and appreciation for the important work conducted by the Senate Finance Health and Social Services Budget Subcommittee on the FY17 operating budget for the Department of Health and Social Services. We thank you for considering a smaller 2.5% reduction for **Senior Community-Based Grants and the General Relief program** administered by Senior and Disabilities Services. We do understand and recognize the difficult decisions that you have been called upon to make. We want to take this opportunity to share with you how important programs such as Senior Benefits, Senior Community Based Grants, and Medicaid Adult Dental are for Alaska seniors in reducing the need for more expensive care. While targeted for funding reductions, these safety net services help seniors to maintain their health, independence, dignity, and ability to live at home and contribute to the well-being of their families and communities. We are concerned that reduced funding for these programs will have unintended consequences that may lead to increased utilization of more costly health and long-term care services thus straining the state's budget and, most importantly, compromising the health and welfare of Alaska's older people.

The **Alaska Senior Benefits Program**, administered by the Division of Public Assistance, provides a critical safety net for Alaskans age 65 and older who live on small fixed incomes. This program offers monthly cash benefits to more than 11,700 seniors statewide to help pay for life necessities including food, housing, heat, and prescribed medications. The average age is 76. The majority of recipients are women, many of whom may be widowed. The proposed budget reduction of **\$5,137,000** eliminates the third highest income category (175% federal poverty level) that provides the lowest amount of cash assistance and will impact 5,438 seniors. The loss of \$125 monthly for a person on a fixed income will make a significant difference in their purchase of nutritious food like fresh fruits and vegetables at the grocery store, being able to afford medications in the prescribed amounts, and keeping the thermostat at a comfortable level during the winter. Many low-income seniors lack cash reserves to pay for emergencies and the increased cost of living. Senior Benefits has proven to be an invaluable help for many older Alaskans who are most vulnerable to economic stresses.

Although a smaller funding reduction is being considered for the **Senior Community Based Grants Component**, these services are targeted for a funding decrement in the amount of **\$225,000**. Senior community-based grant programs provide services for seniors age 60 and older that include home-delivered meals, congregate meals, adult day services, respite for family caregivers, homemaker/chore services, transportation, services for people with traumatic brain injury, and the Aging and Disability Resource Centers. Senior Community Based Grant services serve the largest number of older people at the least cost so that seniors may remain in their homes and

communities, where they most desire to be, and provide support for their family caregivers. Senior Community Based Grant services target seniors with the greatest economic and social need. They also serve seniors with dementia and other vulnerable older people who do not meet the level of care for the Medicaid Alaskans Living Independently Waiver program. In SFY2015, 25,893 seniors (unduplicated count) received senior grant-funded services at an average annual cost of \$600 per person. These services, if provided at the right time, prevent the need for higher cost health and long-term care such as assisted living (\$68,430 annual cost per person) and nursing home care (\$281,415 annual cost per person) (Genworth Financial Cost of Care Survey 2015). In the long run, senior grant funded services save money for the State. We ask that you support the Governor's budget for these critical supports that help seniors to maintain their health and ability to live at home and out of higher cost care.

Adult Medicaid Dental Program, within the Division of Healthcare Services, is targeted for a General Fund reduction in the amount of **\$3,161,700** and a consequential loss of \$2,882,700 of federal receipts. Medicaid Adult Dental is a Medicaid State Option service that was implemented in April 2007. This program assists many low-income seniors who live with a variety of painful, destructive dental problems who otherwise could not afford to pay for routine dental health care, such as dentures. Medicare does not cover the cost of most dental care for senior beneficiaries, including dentures. Dental pain and missing/decaying teeth often affect the dietary choices for seniors that may impact overall health. Studies have consistently shown the link between oral health and chronic disease. Older adults are at high risk for dental decay that has been associated with periodontal disease, diabetes, pneumonia, and cardiovascular disease including increased risk for stroke and vascular dementia. Those without dental coverage or a routine place for dental care and under distress may be forced to access care through hospital emergency departments at a significantly higher cost. In FY2015, 4,026 seniors age 60+ used Adult Medicaid Dental services.

Other budget reductions proposed include:

- **Personal Care Assistance (PCA) (\$9 million, \$4.5 million GF and \$4.5 million federal receipts)** that provide support for low-income seniors and individuals with disabilities who need assistance with activities of daily living (such as eating, bathing, dressing, toileting) and instrumental activities of daily living (shopping, cooking, light housework) to live in their own homes and communities. PCA served more than 4,000 vulnerable Alaskans in FY15 and this reduction could affect services for 447 individuals.
- **Alaska Pioneer Homes (\$741,000)** that will result in the elimination of 11 staff positions and reduce the number of residents who can be served, adding to the waitlist. The Pioneer Homes provide high quality residential care for 535 older Alaskans with an average age of 86 years. Fifty-eight percent of the Pioneer Home residents are diagnosed with Alzheimer's disease and related dementias.


The Commission thanks the Senate Finance Committee for your generous support of senior programs over the years. Seniors are our parents, grandparents caring for grandchildren while their parents are making a living, and pioneers who developed the State many years ago. We appreciate your thoughtful re-examination of the consequences of these particular reductions and the impact on Alaska seniors. Please feel free to contact Denise Daniello, ACoA's Executive Director by phone (465-4879) or email (denise.daniello@alaska.gov) for further information. Thank you for your service to Alaska!

Sincerely,


Mary E. Shields
Chair, Alaska Commission on Aging

Cc: Senator Peter Micciche
Senator Mike Dunleavy
Senator Donald Olson

Sincerely,


Denise Daniello
ACoA Executive Director

Senator Click Bishop
Senator Lyman Hoffman