



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

**Department of  
Health and Social Services**

OFFICE OF THE COMMISSIONER

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January 31, 2019

The Honorable Natasha von Imhof  
Co-Chair, Senate Finance Committee  
Alaska State Capitol  
Room 516  
Juneau, AK 99801

The Honorable Bert Stedman  
Co-Chair, Senate Finance Committee  
Alaska State Capitol  
Room 518  
Juneau, AK 99801

Dear Senators Stedman and von Imhof:

The following is an overview of the status of the Department's analysis on the actions necessary to establish companion services under Section 1915(c) of the Social Security Act to complement and support the services provided through Medicaid waiver programs. This report is required in accordance with House Bill 286 – Operating Budget (SLA 2018).

The Division of Senior and Disabilities Services (SDS) has reviewed the steps involved in creating Adult Companion services as a new provider type and service under the 1915(c) waiver service and identified the following key activities which must take place in order for the service to be operationalized:

- Amendments to the affected waivers (after a public comment period) must be submitted to the Centers for Medicare and Medicaid Services (CMS) in order to receive federal approval for federal financial participation;
- 7 AAC 130, the body of regulations that address home and community based waiver services, must be amended (after a public comment period) to incorporate regulatory authority for the planned changes;
- A payment rate for the new service must be developed;
- Changes must be made to the Medicaid claims payment system; and
- Providers must be enrolled and certified in order to provide the new services.

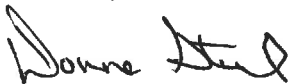
Over the past year, SDS has met several times with a stakeholder group from the Alaska Association of Developmental Disabilities, an advocacy group consisting of Medicaid waiver services providers. After receiving feedback from the stakeholder group, SDS developed a draft concept paper for Adult Companion Services that contains the structure for the new service. The structure includes a proposed service description, the settings in which the Adult Companion service can be provided, the limitations of the service, the eligibility types that can receive the service, the types of providers who can provide the service, a proposed framework for regulatory and waiver amendments and system changes for each applicable DHSS division. This initial draft must be further

vetted through public comment to ensure this vision for adult companion services meets the needs identified by the community.

After the concept paper is agreed upon, SDS will share the draft with CMS to get feedback on the new service and provider type. Once CMS gives approval to proceed, SDS will develop proposed regulations and waiver amendments and conduct a public comment period that will include a public hearing on the proposed changes. Prior to submission of the final waiver request to CMS, the Department will seek approval from the Legislature for the increase in state funding that will be necessary to support the new benefit.

I hope this information is helpful. Please feel free to contact me at 907-269-7827 with any questions regarding this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna Steward".

Donna Steward  
Deputy Commissioner for Medicaid and Health Care Policy

Cc: Adam Crum, DHSS Commissioner  
Suzanne Cunningham, Legislative Director, Office of Governor Michael J. Dunleavy  
Donna Arduin, Director, Office of Management and Budget  
David Teal, Legislative Finance Director  
Kelly Cunningham, Senior Fiscal Analyst