

State of Alaska Office of Management and Budget

FY2020 Operating Budget Overview:
Department of Health and Social Services
Division of Senior and Disabilities Services
Presentation to the House HSS Finance Sub Committee
March 12, 2019

Acting Director Deb Etheridge, Administrative Services Director Sana Efird



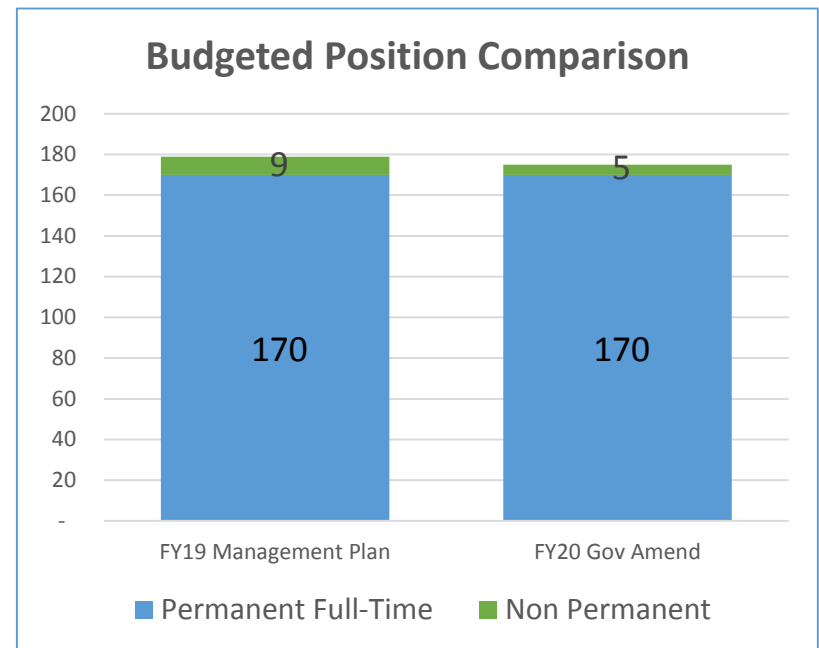
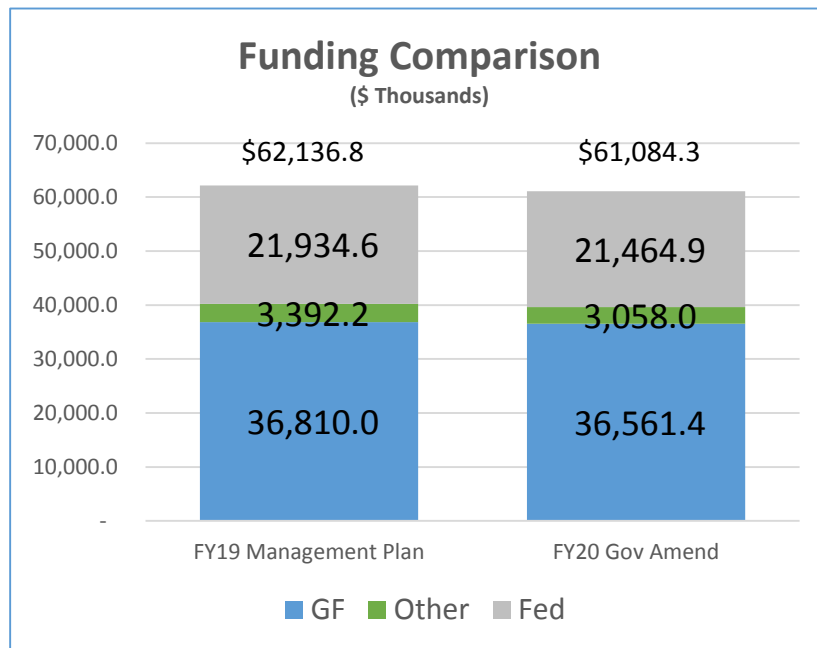
THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Senior and Disabilities Services FY2020 Operating Budget: Core Services Alignment

Mission: To promote health, well-being and safety for individuals with disabilities, seniors and vulnerable adults by facilitating access to quality services and supports that foster independence, personal choice and dignity

Core Services	Combined General Fund	Other	Federal	Total	% GF
Protect and promote the health of Alaskans					
Provide quality of life in a safe living environment for Alaskans	\$28,476.2	\$2,517.1	\$19,213.7	\$50,207.0	56.72%
Manage health care coverage for Alaskans	\$79.0	\$79.0		\$158.0	50.00%
Facilitate access to affordable health care for Alaskans					
Strengthen Alaska families	\$7,424.5	\$370.8	\$1,859.1	\$9,654.4	76.90%
Protect vulnerable Alaskans	\$581.7	\$78.3	\$392.1	\$1,052.1	55.29%
Promote personal responsibility and accountable decisions by Alaskans		\$12.8		\$12.8	0.00%
FY2020 Governor's Amended	\$36,561.4	\$3,058.0	\$21,464.9	\$61,084.3	59.85%

Senior and Disabilities Services: Funding and PCN Comparison



Senior and Disabilities Services FY2020 Operating Budget: Change Summary

	FY2019 Mgmt Plan	FY2020 Governor Amended	Difference	% of Change
UGF	\$36,810.0	\$36,561.4	(\$248.6)	-1%
DGF	\$0.0	\$0.0	\$0.0	0%
Other	\$3,392.2	\$3,058.0	(\$334.2)	-10%
Federal	\$21,934.6	\$21,464.9	(\$469.7)	-2%
Total Budget	\$62,136.8	\$61,084.3	(\$1,052.5)	-2%

- 50% Travel Reduction (\$91.9 Fed, \$64.2 UGF, \$16.9 Other)
- SB74 Implementation of Medicaid Reform (\$462.2).
- Maintain services to vulnerable populations and protect seniors.



FY2020 Senior and Disabilities Services Overview

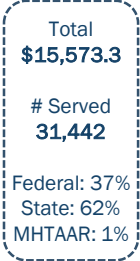
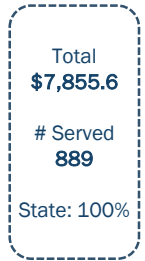
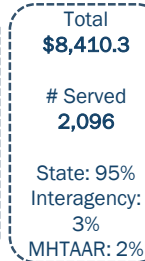
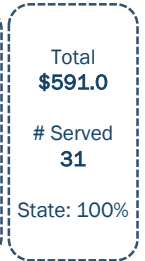
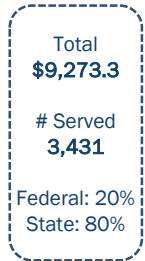
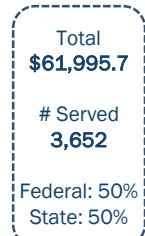
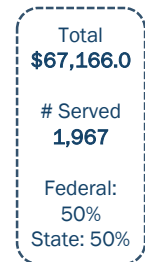
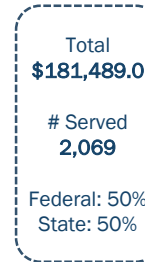
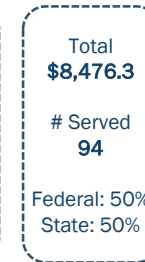
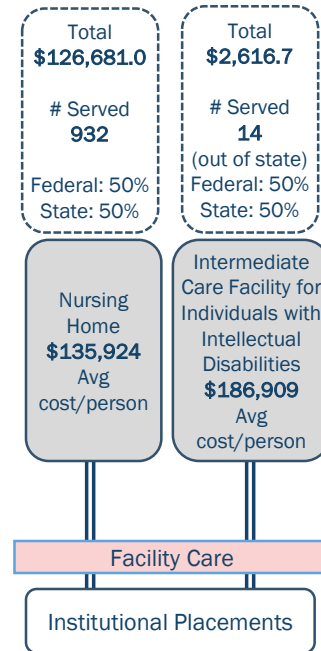
Mission: Promote health, well being and safety for all individuals with disabilities, seniors and vulnerable adults by facilitating access to quality services and supports that foster independence, personal choice and dignity.

Senior and Disabilities Services

State of Alaska Continuum of Care

SFY 2018 Costs by Funding Source and Average Cost per Person by Service Type

Costs by Funding Source					Total # Served (Duplicated Counts Across some Service Types)
Grant Services	Personal Care Assistance	Home & Community Based Waivers	Institutional Placements	Total Costs	
\$41,703.5	\$61,995.7	\$ 266,422.4	\$ 129,297.7	\$498,037.7	46,828



Community Based

Grant Programs

Medicaid Program

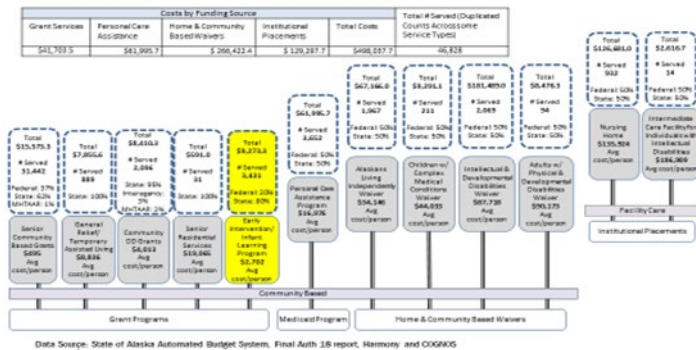
Home & Community Based Waivers

Community Based Grant Programs – Early Intervention/Infant Learning Program

Senior and Disabilities Services

State of Alaska Continuum of Care

SFY 2018 Costs by Funding Source and Average Cost per Person by Service Type



Total
\$9,273.3
Served
3,431

Federal: 20%
State: 80%

Early Intervention/
Infant Learning Program

\$2,702
Avg cost/person

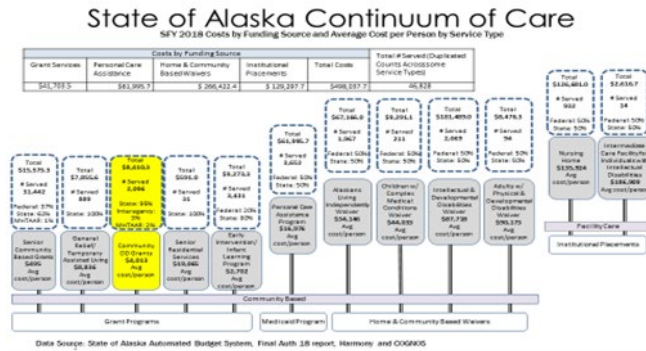
The Office of Special Education Programs (OSEP) supports a comprehensive array of programs and projects authorized by the Individuals with Disabilities Education Act (IDEA) that improve results for infants, toddlers, children and youth with disabilities.

IDEA Part C Formula Grants support early intervention services for infants and toddlers, birth to 3 years of age, who have developmental delays and/or disabilities.

In FY2018, Infant Learning providers received 2,925 referrals. Of those, 1,572 were deemed eligible.

Community Based Grant Programs – Community Developmental Disabilities Grants

Senior and Disabilities Services



Total
\$8,410.3

Served
2,096

State: 95%
Interagency: 3%
MHTAAR: 2%

Community
Developmental
Disabilities Grants

\$4,013
Avg cost/person

Community and Developmental Disabilities Grants provide services to Individuals with Disabilities.

Grant programs include: Short Term Assistance and Referral (STAR), Deaf Navigator, Student Life Program, and the Community Developmental Disabilities Grant.

Medicaid Reform (SB74), leveraged federal funds to refinance a portion of the Community Developmental Disabilities Grants into a 1915(c) waiver: Individualized Supports Waiver.

Effective date of waiver: October 1, 2018.

Resulting in general fund savings of \$5,817.9



Community Based Grant Programs – Safety Net Funding

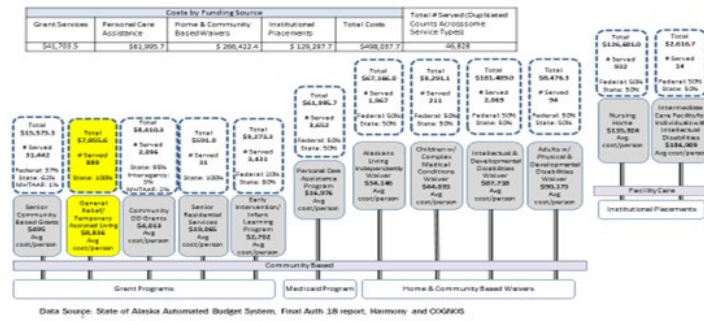
- \$450,000.00 was set aside to provide services to Community Developmental Disabilities Grant recipients who do not meet the level of care requirement to qualify for the Individualized Supports Waiver.
- Eligibility for Safety Net Funding was amended to include services for individuals working to complete the application for the Individualized Support Waiver (don't have a support plan approved yet).
- As of March 4, 2019, 40 individuals have accessed the Safety Net Funding.

Community Based Grant Programs – General Relief Assisted Living Home Program

Senior and Disabilities Services

State of Alaska Continuum of Care

5FY 2018 Costs by Funding Source and Average Cost per Person by Service Type



General Relief provides assisted living home services to eligible adults, including vulnerable adults, who require the protective oversight of an assisted living home.

Total
\$7,855.6

Served
889

State: 100%

General Relief/
Temporary Assisted
Living

\$8,836
Avg cost/person



General Relief Assisted Living Home Program - Authorized Budget compared to Actual Expenditures

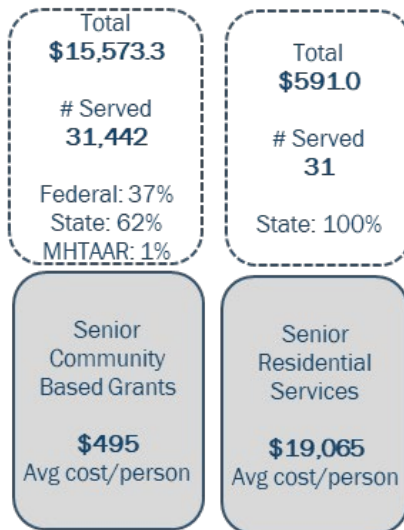
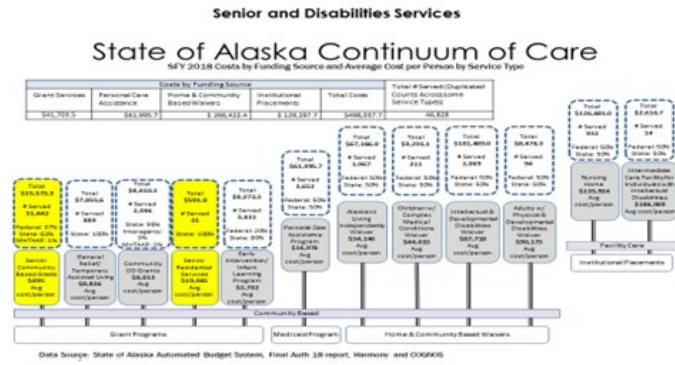
Requests for assistance from this program currently outpace available funding. Senior and Disabilities Services implemented a waitlist for General Relief Assisted Living Home benefits on March 1, 2019.

General Relief Budget Summary

Fiscal Year	Authorized Budget	Actual Expenditures
2013	\$8,113,700.00	\$8,060,900.00
2014	\$8,113,700.00	\$7,969,300.00
2015	\$8,113,700.00	\$8,196,900.00
2016	\$7,323,900.00	\$7,383,000.00
2017	\$7,323,900.00	\$8,223,900.00
2018	\$7,141,400.00	\$7,855,600.00
2019	\$7,141,400.00	\$8,080,603.00*

*FY2019 General Relief Expenditures based on projection as of 2/11/2019

Community Based Grant Programs – Senior Community Based Grants

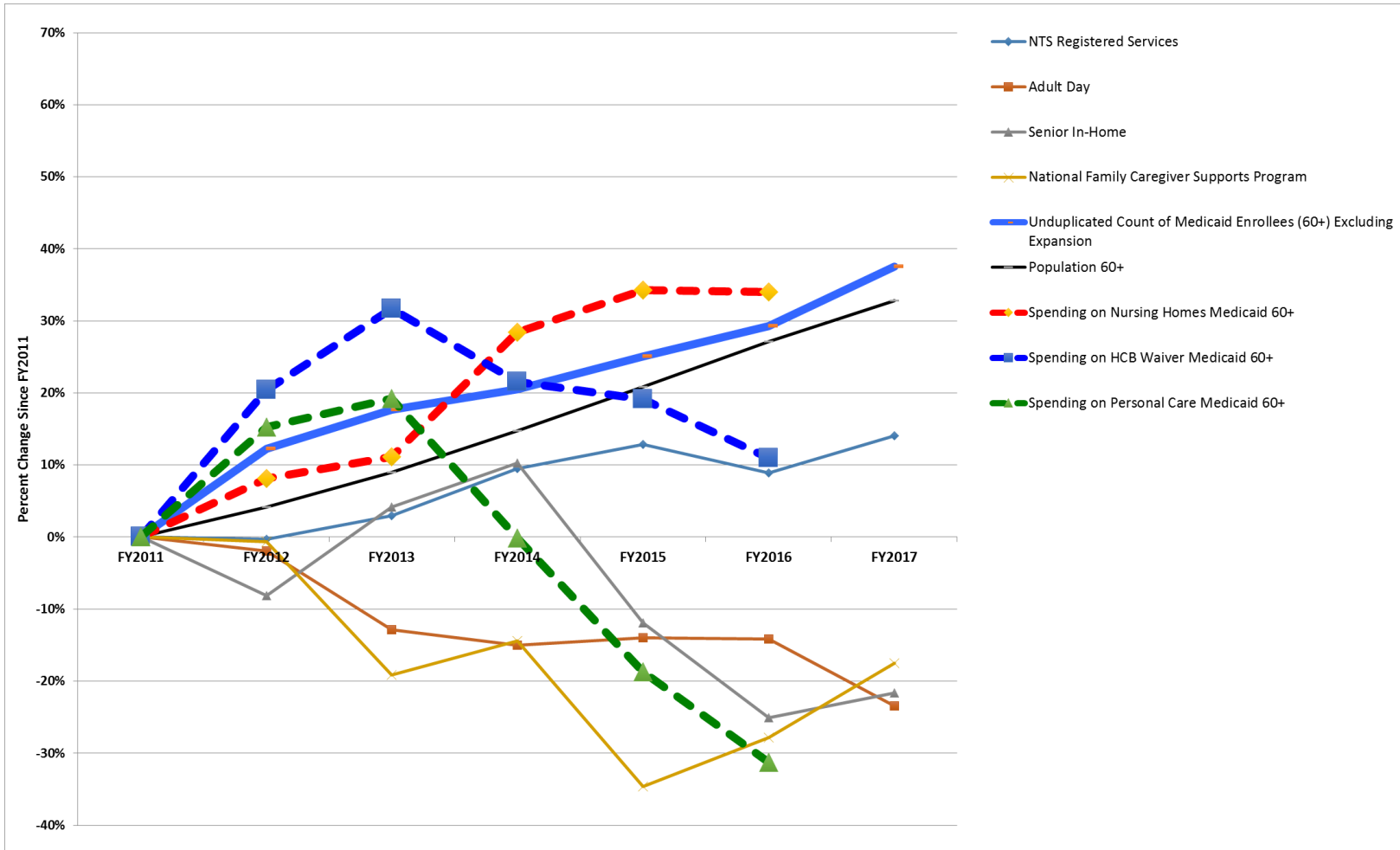


Senior Community Based Grants assist seniors to live as independently as possible and help their families to provide support and care.

There are approximately 14 grant programs funded under this component, such as:

- Nutrition, Transportation, and Support (NTS) Services,
- Senior In-Home (SIH) Services,
- National Family Caregiver Support (NFCS) Program,
- Adult Day Program,
- Senior Residential Services,
- Medicare Information Office,
- Aging and Disabilities Resource Center.

Percent of Change: Medicaid and Grant Data - Seniors 65+, FY2011 – FY2017





Federal Older Americans Act (Title III) Grant Programs

Between FY2011 through FY2018 grant funding has not kept up with inflation: general price inflation grew by 1.4 percent per year and healthcare price inflation grew by 3.8 percent per year.

Total Grant Awards for Title III Grant Services, FY2011 – FY2018

Fiscal Year	NTS Registered Services	Adult Day Programs	Senior In-Home Services	NFCS Program Services	Alaska General Inflation*	Alaska Healthcare Inflation**
2011	\$6,230,852	\$1,554,511	\$2,492,265	\$1,026,575	3.2%	5.3%
2012	\$6,516,567	\$1,554,511	\$2,492,511	\$1,026,575	2.2%	4.3%
2013	\$6,093,498	\$1,657,011	\$2,917,265	\$1,026,575	3.1%	3.2%
2014	\$6,131,474	\$1,757,011	\$2,861,015	\$1,026,575	1.6%	3.2%
2015	\$6,597,152	\$1,757,001	\$2,917,265	\$1,026,575	0.5%	3.3%
2016	\$6,621,729	\$1,721,489	\$2,851,868	\$1,002,805	0.4%	4.5%
2017	\$6,621,729	\$1,721,489	\$2,851,868	\$1,002,746	0.5%	1.5%
2018	\$6,621,729	\$1,721,489	\$2,851,868	\$1,002,745	2.4%	4.6%
Avg Annual Growth	0.9%	1.5%	1.9%	-0.3%	1.7%	3.8%

* Anchorage CPI (All Urban Consumers) 1982-84=100,

https://www.bls.gov/regions/west/data/consumerpriceindex_anchorage_table.pdf

** Medical Care in Urban Alaska, All Urban Consumers, <https://data.bls.gov/PDQWeb/cu>

Source: Evergreen Economics Report to Senior and Disability Services, Alaska Department of Health and Social Services 02/04/2019



Number of seniors served by Title III grant programs decreased between FY2011 and FY2018.

Rising costs to operate programs (e.g. purchase food, fuel, utilities, and other goods and services, and, if applicable, to pay employees) and increases in the Alaska health care inflation impacts the number of seniors the grantees are able to serve.

Utilization by Alaska Seniors of Title III Grant Services, FY2011 – FY2018

Fiscal Year	NTS Registered Services	Adult Day Programs	Senior In-Home Services	NFCS Program
2011	9,556	453	1,262	1,306
2012	9,528	438	1,163	1,298
2013	9,843	389	1,312	1,056
2014	10,464	376	1,373	1,118
2015	10,780	380	1,088	854
2016	10,404	373	918	943
2017	10,953	328	924	1,077
2018	10,597	299	1,009	1,227
Avg Annual Growth	1.5%	-5.8%	-3.1%	-0.9%

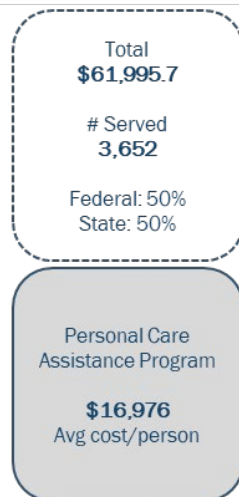
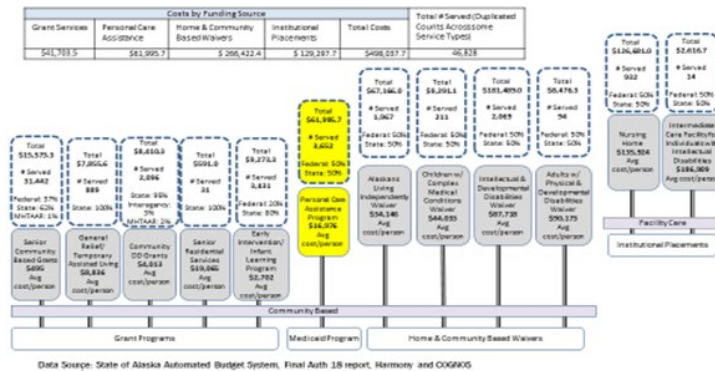
Source: Evergreen Economics Report to Senior and Disability Services, Alaska Department of Health and Social Services 02/04/2019

Medicaid State Plan Optional Services – Personal Care Services

Senior and Disabilities Services

State of Alaska Continuum of Care

SFY 2018 Costs by Funding Source and Average Cost per Person by Service Type



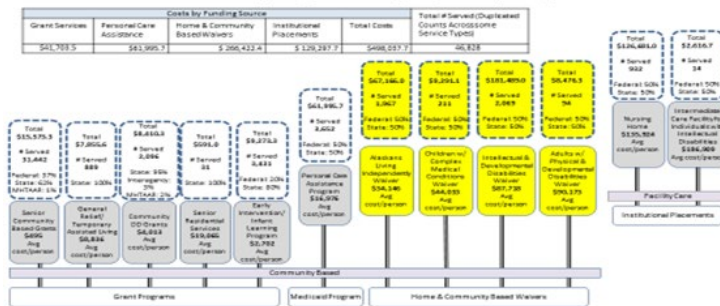
- Personal Care Services are a State Plan option. (GF 50%/FFP 50%)
- Individuals who require assistance with Activities of Daily living (such as bathing) and Instrumental Activities of Daily Living (such as shopping) are assessed and allocated time for tasks.
- Medicaid Reform (SB74) leverage enhanced federal match, through the Community First Choice Program, for personal care services and other eligible Home and Community Based Service.
- Effective October 1, 2018 eligible individuals from the Personal Care program were auto enrolled into the Community First Choice program. (GF 44%/FFP 56%)

Home and Community Based Waivers – also known as 1915(c) Waivers

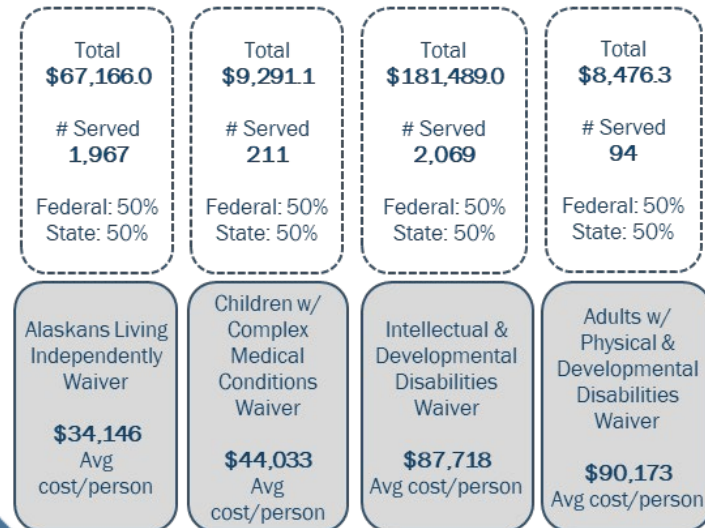
Senior and Disabilities Services

State of Alaska Continuum of Care

SEY 2018 Costs by Funding Source and Average Cost per Person by Service Type



Data Source: State of Alaska Automated Budget System, Final Auth 18 report, Harmony, and OORROS



Aging and Disabilities Resource Centers and Short Term Assistance and Referral programs are the front door to the States Home and Community Based Services programs.

Nursing Facility Level of Care waivers:

- Alaskans Living Independently (serving seniors)
- Children with Complex Medical
- Adults with Physical and Developmental Disabilities

Intermediate Care Facility for Individuals with Intellectual Disabilities Level of Care waivers:

- People with Intellectual and Developmental Disabilities
- FY19 new waiver: Individualized Supports Waiver



Units that support the Home and Community Based Services:

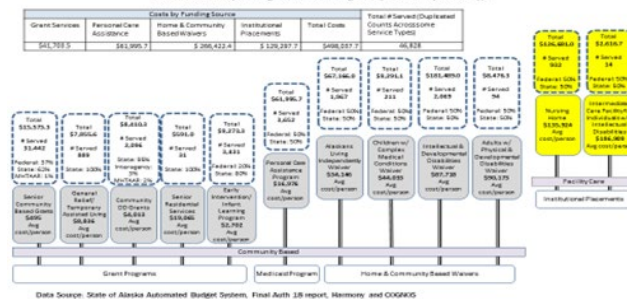
- Adult Protection
- Central Intake for Critical Incident/Maltreatment reports
- Consumer Assessment Review
- Intake and Assessment
- Intellectual and Developmental Disabilities
- Policy & Program Development
- Provider Certification and Compliance
- Research and Analysis
- Training
- Quality Assurance, including Service Authorization

Nursing Homes and Institutional Placements

Senior and Disabilities Services

State of Alaska Continuum of Care

KEY: 2018 Costs by Funding Source and Average Cost per Person by Service Type



- Total spend on nursing home care services for seniors grew by 6.5 percent per year between FY2011 and FY2018.
- The Division is responsible for Pre-admission screening and resident reviews and Nursing Home authorizations.
- There are no Intermediate Care Facilities for Individuals with Intellectual Disabilities in the State of Alaska.

What does it cost to provide services?

Program – FY2018	Number Served	Average Cost Per Person	Total costs
Home & Community Based Waivers			
Alaskans Living Independently (ALI) Waiver	1,967	\$34,146.43	\$67,166,029.80
Adults with Physical and Developmental Disabilities (APDD) Waiver	94	\$90,173.15	\$8,476,275.94
Children with Complex Medical Conditions (CCMC) Waiver	211	\$44,033.44	\$9,291,056.81
Intellectual and Developmental Disabilities (IDD) Waiver	2,069	\$87,718.23	\$181,489,015.97
TOTAL Home and Community Based Waivers			\$266,422,378.52
Institutional Placements			
Nursing Home	932	\$135,923.77	\$126,759,187.91
Intermediate Care Facility/Individuals with Intellectual Disabilities (ICF/IID)*	14	\$186,908.62	\$2,616,720.64
TOTAL Institutional Placements			\$129,297,677.37
TOTAL Home and Community Based Waivers and Institutional Placements			\$395,720,055.89
Institutional Placements if no Home and Community Based Waiver services existed			
Nursing Home + ALI, APDD and CCMC Waiver service recipients	3,204		\$435,499,769.70
ICF/IID + IDD Waiver service recipients	2,083		\$389,330,649.51
TOTAL if Home and Community Based Waivers did not exist and individuals eligible for Nursing Home or ICF/IID care received services in Institutions instead			\$824,830,419.21

* There are no in state ICF/IID facilities.

Data Source: State of Alaska Final Auth 18 report, COGNOS

Trends in Alaska's Senior Population: Services for Alaskan Seniors

Table 1: Total and Per Enrollee Spending on Seniors 65+ for Medicaid Senior Care Services, FY2011 – FY2018

Fiscal Year	Nursing Home Care		HCB Waiver		Personal Care	
	Total	Per Recipient	Total	Per Recipient	Total	Per Recipient
2011	\$67,582,908	\$112,078	\$49,575,187	\$24,148	\$57,756,987	\$23,252
2012	\$73,017,659	\$121,091	\$59,840,320	\$26,774	\$66,505,478	\$23,492
2013	\$75,443,823	\$125,950	\$64,296,001	\$28,640	\$68,420,897	\$23,585
2014	\$86,103,980	\$139,102	\$59,544,189	\$29,318	\$57,469,356	\$20,561
2015	\$90,305,598	\$153,581	\$56,958,137	\$31,278	\$46,608,209	\$18,430
2016	\$83,670,731	\$146,022	\$54,503,149	\$33,665	\$39,433,521	\$16,874
2017	\$98,717,644	\$160,516	\$54,903,343	\$36,456	\$36,581,397	\$16,158
2018	\$104,867,113	\$163,090	\$55,701,683	\$36,598	\$33,838,441	\$14,744
Avg Annual Growth	6.5%	5.5%	1.7%	6.1%	-7.4%	-6.3%

Personal Care Services and Home and Community Based (HCB) Waiver services are provided in a community setting. Nursing Home Care is provided in an institutional setting.

Source: Evergreen Economics Report to Senior and Disability Services, Alaska Department of Health and Social Services 02/04/2019



Reform and Rebalance Initiatives

Rebalancing Senior and Disabilities Services Long Term Services and Supports spending toward Home and Community Based Services (grant and waiver) requires a comprehensive approach to reform to result in serving more people at a lower per-person cost.

Plan Component	Status	Implementation
Caregiver Support	In Active Development	2018 - 2022
Technology	In Active Development	2019 - 2021
Improving Processes for Accessing Supports	In Active Development	Late 2019
Development of Home and Community Based Service Options (i.e. Transition Services, Companion Services, Extended Personal Care)	Work Plan Being Developed	Late 2019 - 2020
Creation of Person-Centered Budgets and more Flexible Services	Work Plan Being Developed	Late 2019 - 2020

A scenic landscape featuring a calm lake in the foreground, reflecting the sky and surrounding environment. In the background, there are snow-capped mountains under a cloudy sky. On the right side, a dense forest of evergreen trees is visible. The overall scene is peaceful and natural.

Sustainable, Predictable, Affordable

Office of Management and Budget