

HOUSE FINANCE COMMITTEE
April 20, 2023
1:34 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Representative Bryce Edgmon, Co-Chair
Representative Neal Foster, Co-Chair
Representative DeLena Johnson, Co-Chair
Representative Julie Coulombe
Representative Mike Cronk
Representative Alyse Galvin
Representative Sara Hannan
Representative Andy Josephson
Representative Dan Ortiz
Representative Frank Tomaszewski

MEMBERS ABSENT

Representative Will Stapp

ALSO PRESENT

Tony Newman, Director, Division of Senior and Disabilities Services, Department of Health; Renee Gayhart, Director, Division of Health Care Services, Department of Health; Emily Ricci, Deputy Commissioner, Department of Health.

PRESENT VIA TELECONFERENCE

Marge Stoneking, Advocacy Director, AARP Alaska, Anchorage; Robert Tasso, Health and Social Services Planner, Governor's Council on Disabilities and Special Education, Anchorage; Brooke Ivy, Vice President, Policy and Advocacy, Alaska Children's Trust (ACT), Anchorage; Jamie Morgan, Government Relations Regional Lead, American Heart Association (AHA), Sacramento, California.

SUMMARY

HB 58 ADULT HOME CARE; MED ASSISTANCE

HB 58 was HEARD and HELD in committee for further consideration.

HB 59 MEDICAID ELIGIBILITY: POSTPARTUM MOTHERS

HB 59 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the meeting agenda. He noted the plan was to hold the bills and wait for the Senate version to come to the committee the following week.

#hb58

HOUSE BILL NO. 58

"An Act relating to medical assistance for recipients of Medicaid waivers; establishing an adult care home license and procedures; providing for the transition of individuals from foster care to adult home care settings; and providing for an effective date."

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Co-Chair Foster asked staff from the Department of Health (DOH) to review the fiscal notes.

TONY NEWMAN, DIRECTOR, DIVISION OF SENIOR AND DISABILITIES SERVICES, DEPARTMENT OF HEALTH, thanked the committee for hearing the bill again. He briefly explained that the bill would provide elderly Alaskans and adults with disabilities enrolled in the Medicaid home and community based waivers with a new living option called adult home care. The bill established a new licensed residential setting type and a new certified service that would be overseen by DOH. He offered to take questions or provide an overview of the fiscal notes.

Co-Chair Foster asked for a review of the fiscal notes.

Mr. Newman reviewed the first fiscal note, OMB component number 2663, control code fpGii. The fiscal note primarily funded one position to begin in FY 25, which would implement and operationalize the adult home care service. The work would entail developing the organizational

procedures around certifying and monitoring providers who offer the service, in addition to certifying and monitoring the providers. The position was new, and it would involve setting up the program, providing training, and making it clear to families and providers how the service was different from existing service options. The note included the salary of \$119,100 for one health program manager II with \$2,300 for some minimal travel, \$14,000 for services (i.e., core service costs for an employee including IT, lease costs, HR, and fiscal management services costs), and \$4,000 for commodities. The costs would be funded with 50 percent federal Medicaid funds and 50 percent state general Medicaid funds.

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Mr. Newman reviewed the second fiscal note OMB component number 3234, control code boKBB. The note was zero and had been compiled by the department to demonstrate to the legislature that it had considered what it would cost to add a new service. The department had determined it would have a net zero impact on the Medicaid Services budget. He reminded the committee that the service was for people who were already eligible for Medicaid home and community based waiver services. He explained it would be a more expensive service in some cases and a less expensive service in other cases, leading to a net zero estimate.

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RENEE GAYHART, DIRECTOR, DIVISION OF HEALTH CARE SERVICES, DEPARTMENT OF HEALTH, reviewed the last fiscal note, OMB component number 245, control code Pvlvr. The department was requesting one PCN [position control number] beginning in FY 25 for \$105,000 with \$10,000 in travel, \$14,000 in services, and \$1,000 in commodities. The department was looking at licensing approximately 40 new homes in the first year and the position would be responsible for regulations drafting, policies and procedures, training, and outreach to the new provider types. The department was requesting an additional PCN in FY 29 to reflect doubled cost. She explained there was an uptick any time a new license provider type came on board and the department assumed it would continue to see additional facilities wanting to be licensed under the program; therefore, the department was projecting 40 new homes in the first year and a similar amount in the outyears. The department would

also have to do recertifications or relicensing in the fifth year. She explained the original licensed providers would be relicensed as new licenses were coming on board as well. She relayed that if the funding was approved, the department would be able to submit a path for the position in FY 29 and attach the approval of HB 58. The department would still have to go through the budget and the Office of Management and Budget (OMB) to get a PCN through classification.

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Co-Chair Foster OPENED public testimony.

MARGE STONEKING, ADVOCACY DIRECTOR, AARP ALASKA, ANCHORAGE (via teleconference), read from prepared remarks:

AARP strongly supports continued expansion and improvement of home and community based waiver services to better serve our fast growing senior population, including offering a range of residential settings. The vast majority of us want to remain in our own homes and communities as we age and prefer a home setting over a nursing home or other institutional settings. Of course, as you know, home and community based services (HCBS) cost a fraction of what otherwise required nursing home care would cost. In the home care workforce crisis combined with our rapidly aging population, its threatening access to HCBS for private pay and state pay alike and that is already driving people into assisted living facilities. This could additionally drive elders into institutional care and because few can afford nursing home care, could ultimately increase the Medicaid rolls. That's why we need to use all tools in the toolbox to expand home and community based service options using proven service models from across the nation to offer choices to appeal to waiver participants and perspective workers alike.

Adult home care is one such solution and AARP welcomes the administration proposing adult home care as an additional service option and adult care homes as a new residential setting for [inaudible] residents. It is our understanding that HB 58 will provide a pathway to creating a lower administrative burden for operators than group assisted living homes and the

intent is to offer elders and others the option of more homelike settings with lower level services and fewer residents. For these reasons, AARP supports HB 58 and looks forward to working with the department on regulations required in the bill. We also urge the Department of Health, with the support of the legislature, to stand up additional initiatives that directly support the aging in place component of the governor's Healthy Families Initiative, including participant directed care. Aging in place is what the vast majority of older Alaskans want to do and home care services and support cost the state a fraction of what institutional care does.

Co-Chair Foster noted that Representative Coulombe had joined the meeting.

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ROBERT TASSO, HEALTH AND SOCIAL SERVICES PLANNER, GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION, ANCHORAGE (via teleconference), spoke in support of the legislation and the companion bill SB 57. The legislation would expand home and community based services and establish a new residential setting category for adult home care. The bill would establish several main goals for stakeholders, particularly allowing legally responsible individuals including family members to care for seniors and individuals with disabilities and to receive financial support for the service. The bill would also allow for continuity of care for individuals to provide the necessary support for the family providing care and would lower cost and decrease the administrative burden normally required for an adult assisted living home. The bill provided an opportunity for enhanced support for caregivers of individuals with disabilities or individuals aging out of the foster care system. He highlighted the current workforce crisis and relayed that the bill would help address the issue that many providers had been struggling with. The governor's council supported the passage of the bill.

Co-Chair Foster CLOSED public testimony.

Representative Galvin asked if the fiscal notes included receipts for licenses. She wondered if it was not a part of the overall consideration.

Ms. Gayhart replied that it would not be taken into consideration until DOH drafted the regulations. Currently the license fee was quite low at about \$25 per bed. The department had not factored it into account because it did not yet know how many beds would come online. She explained it would be included in the outyears. She stated there would be limited receipts, but not to begin with.

Representative Galvin wondered if it was common to have a placeholder in future years for accounting purposes. She suggested making note of the issue in the drafting.

HB 58 was HEARD and HELD in committee for further consideration.

Co-Chair Foster noted he intended to schedule the bill the following week. His staff would work with committee members regarding an amendment deadline.

#hb59

HOUSE BILL NO. 59

"An Act relating to Medicaid eligibility; expanding eligibility for postpartum mothers; conditioning the expansion of eligibility on approval by the United States Department of Health and Human Services; and providing for an effective date."

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Co-Chair Foster requested a brief summary of the legislation and a review of the fiscal notes.

EMILY RICCI, DEPUTY COMMISSIONER, DEPARTMENT OF HEALTH, explained that the bill would extend postpartum coverage from 60 days to 12 months. The department provided an overview and presentation of the bill to the committee the previous week. She reviewed the fiscal note OMB component number 3234, control code IgvwY. The fiscal note was based on an FY 25 starting date, which would provide the Department of Health (DOH) sufficient time to enact the regulatory and federal state plan amendment changes necessary to extend coverage from 60 days to 12 months. She remarked that the department would do the work faster if possible. The total estimated funds were around \$9 million, which included anticipated claims costs contained on the

Medicaid Services line with a combined funding source of \$6.4 million in federal receipts and \$2.6 million in UGF annually. She added the costs could change depending on the actual experience incurred by individuals over the next year to five years. The funding ratio reflected approximately 28 percent UGF match to 72 percent federal receipt authority. There were no positions requested in the fiscal note.

Ms. Ricci reviewed an analysis of underlying the claims assumptions created by DOH. She relayed that the Division of Health Care Services looked back at 2018 through 2020 to identify the number of women who had a gap in coverage or lost coverage between the 60-day mark and the proposed 12-month period. There were a total of just over 3,600 beneficiaries who lost or experienced a gap in coverage during the time period. She detailed that just under 1,600 of the total lost coverage completely after the 60-day period and did not reenroll in the Medicaid program through another eligibility category. She explained that the individuals may have had other coverage, remained uninsured, or could have participated in the federal exchange. About 2,000 of the total experienced a gap in coverage between the 60-day period and 12-month period. She elaborated that perhaps individuals were disenrolled after that 60-day period but were reenrolled in another Medicaid eligibility category two to five months later (sometime between the 60 days and 12 months).

Ms. Ricci continued to explain the methodology behind the numbers in the fiscal note. The department looked at the number of beneficiaries who had lost coverage or had a gap in coverage and had calculated what the estimated monthly cost would be without a gap or discontinuation of coverage for individuals during the time period [between 60 days and 12 months]. The cost was calculated to be approximately \$566 per beneficiary per month. The department then applied the different federal match that would be available depending on the category of eligibility the individual may be covered under. For example, the typical match was 50 percent federal/50 percent state; however, tribal health members or beneficiaries received 100 percent federal match. Based on the information, the division estimated \$9 million in additional claims with approximately 28 percent state match to 78 percent federal match.

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Representative Josephson considered a scenario where the program coverage time could be extended more rapidly. He used a January 15 [2024] start date as an example. He asked if the department would bring it online and seek supplemental funding. He communicated eagerness to get going.

Ms. Ricci answered that the department did not ever intend to seek to ask for supplemental funding; DOH tried to make sure its budget aligned with its estimated costs. She believed in the event the department was able to bring the extended coverage online earlier, DOH would work with its team managing federal receipt authority and general funds to ensure the additional costs could be covered. She highlighted the importance of estimating claims costs and building them into the foundational budget when extending coverage long-term.

Representative Josephson stated that the presentation had made a real impression on the committee, which was the reason for his question.

Representative Galvin requested follow up information from the department depicting the timeline for the implementation process. She offered to help in any way.

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Co-Chair Foster OPENED public testimony.

BROOKE IVY, VICE PRESIDENT, POLICY AND ADVOCACY, ALASKA CHILDREN'S TRUST (ACT), ANCHORAGE (via teleconference), relayed that ACT was the statewide lead agency on the prevention of child abuse and neglect in Alaska. The agency fully supported extending postpartum coverage to 12 months. She stated it was a perfect example of primary prevention and it could not align more with ACT's mission. She elaborated that extending the coverage would give new moms more time to deal with any post-birth health issues such as postpartum depression, which often did not occur until six months or more after a baby was born. She stated that 41 percent of the child abuse cases in Alaska involved children from birth to four years of age, with children from birth to one as the highest risk. Postpartum depression was associated with an array of negative outcomes including decreased child safety practices,

decreased child checkups, and bonding difficulty between mother and child. The bill would reduce maternal mortality rates and would protect new parents from medical debt in the first year of their child's life. She relayed that Alaska ranked 44th in the nation in health. The agency was excited to see Alaska join over 35 other states to make the extension permanent. She urged swift passage of the legislation.

Co-Chair Foster stated the committee would return to Ms. Ivy after the next testifier.

Co-Chair Foster noted that Representative Ortiz had joined the meeting.

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JAMIE MORGAN, GOVERNMENT RELATIONS REGIONAL LEAD, AMERICAN HEART ASSOCIATION (AHA), SACRAMENTO, CALIFORNIA (via teleconference), testified in favor of the legislation. She relayed that maternal mortality rates had more than doubled in the United States. She detailed that instances in maternal morbidity had lasting health consequences and resulted in avoidable medical expenses. She stated action was needed to improve health outcomes for mothers and babies. The AHA recently released a policy statement call-to-action on maternal health and saving mothers. The statement set a new policy agenda to ensure healthy pregnancies, healthy births, and healthy moms. She relayed that extending postpartum Medicaid coverage was a key recommendation. The bill would ensure parents would have access to care during pregnancy and in the first full year after birth, providing parents and their babies the best possible start. The agency supported the bill and urged the committee's support.

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Ms. Ivy continued her previous testimony. She relayed that postpartum depression was associated with an array of negative outcomes and the resulting bonding difficulty was a primary predictor of child abuse. The agency looked forward to seeing Alaska join more than 35 other states that had made the postpartum extension permanent. She urged swift passage of the bill due to the long implementation timeline. She thanked the governor for bringing the bill

forward, the Senate for passing the bill to the House, and the committee for providing the opportunity to testify.

Co-Chair Foster CLOSED public testimony. He reviewed the email address for public testimony.

HB 59 was HEARD and HELD in committee for further consideration.

Co-Chair Foster relayed the committee would await the Senate bills the following week. He reviewed the schedule for the following day.

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ADJOURNMENT

[2:05:08 PM](#)

The meeting was adjourned at 2:05 p.m.