

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

February 13, 2025

3:30 p.m.

MEMBERS PRESENT

Senator Forrest Dunbar, Chair
Senator Cathy Giessel, Vice Chair
Senator Matt Claman
Senator Löki Tobin
Senator Shelley Hughes

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION(S): EXPANDING ELIGIBILITY FOR ALASKA'S INFANT
LEARNING PROGRAM

- HEARD

SENATE BILL NO. 76

"An Act relating to complex care residential homes; and
providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 60

"An Act establishing May 12 as Myalgic Encephalomyelitis/Chronic
Fatigue Syndrome Day of Recognition."

- MOVED SB 60 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 76

SHORT TITLE: COMPLEX CARE RESIDENTIAL HOMES

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/27/25	(S)	READ THE FIRST TIME - REFERRALS
01/27/25	(S)	HSS, FIN
02/06/25	(S)	HSS AT 3:30 PM BUTROVICH 205
02/06/25	(S)	Heard & Held

02/06/25 (S) MINUTE (HSS)
02/13/25 (S) HSS AT 3:30 PM BUTROVICH 205

BILL: SB 60

SHORT TITLE: ESTABLISH ME/CHRONIC FATIGUE SYNDROME DAY
SPONSOR(s): TOBIN

01/24/25 (S) READ THE FIRST TIME - REFERRALS
01/24/25 (S) HSS
02/11/25 (S) HSS AT 3:30 PM BUTROVICH 205
02/11/25 (S) Heard & Held
02/11/25 (S) MINUTE (HSS)
02/13/25 (S) HSS AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

SABRINA RICHMOND, Chair
Interagency Coordinating Council (ICC)
Juneau, Alaska

POSITION STATEMENT: Introduced the presentation Expanding Eligibility for Alaska's Infant Learning Program.

RICH SAVILLE, Program Coordinator
Governor's Council on Disabilities and Special Education
Anchorage, Alaska

POSITION STATEMENT: Stated the priorities of the Governor's Council on Disabilities and Special Education.

AMY SIMPSON, Executive Director
Programs for Infants and Children
Anchorage, Alaska

POSITION STATEMENT: Offered the presentation Expanding Eligibility for Alaska's Infant Learning Program.

HEIDI HAAS, Executive Director
Alaska Center for Children and Adults (ACA)
Fairbanks, Alaska

POSITION STATEMENT: Answered questions on Expanding Eligibility for Alaska's Infant Learning Program.

KIM CHAMPNEY, Executive Director
Alaska Association on Developmental Disabilities
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 76.

DAVID WALLACE, Chief Executive Officer
Matsu Regional Medical Center

Palmer, Alaska

POSITION STATEMENT: Testified in support of SB 76.

JARED KOSIN, President

Alaska Hospital and Healthcare Association

Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 76.

PHILLIP TAFS, representing self

Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 76.

LUCY BAUER, Representative

Alaska Assisted Living Home Association

Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 76.

JAMIE ELKHILL, Vice President

Youth and Transitional Age Youth (TAY) Services

Volunteers of America (VOA) Alaska

Eagle River, Alaska

POSITION STATEMENT: Testified in support of SB 76.

MICHELLE OVERSTREET, Chief Executive Officer

My House

Wasilla, Alaska

POSITION STATEMENT: Testified in support of SB 76.

EMILY RICCI, Deputy Commissioner

Department of Health (DOH)

Juneau, Alaska

POSITION STATEMENT: Answered questions on SB 60.

ACTION NARRATIVE

[3:30:31 PM](#)

CHAIR DUNBAR called the Senate Health and Social Services Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Hughes, Claman, Giessel, Tobin, and Chair Dunbar.

PRESENTATION(S) :

EXPANDING ELIGIBILITY FOR ALASKA'S INFANT LEARNING PROGRAM

[3:31:21 PM](#)

CHAIR DUNBAR announced the presentation Expanding Eligibility for Alaska's Infant Learning Program

[3:32:10 PM](#)

SABRINA RICHMOND, Chair, Interagency Coordinating Council (ICC), Juneau, Alaska, introduced the presentation and stated that she is also the Vice-Chair of the Governor's Council on Disabilities and Special Education. She thanked the committee for inviting the organization to share a presentation on expanding the infant learning program.

[3:33:12 PM](#)

RICH SAVILLE, Program Coordinator, Governor's Council on Disabilities and Special Education, Anchorage, Alaska, moved to slide 2 and provided a brief overview of the organization's priorities for this year. He stated that the Governor's Council on Disabilities and Special Education is focused on funding and expanding eligibility for the Infant Learning Program, securing funding for the Special Education Services Agency, and addressing public and community transit concerns. He mentioned legislative efforts related to adult changing tables and a bill to improve education for deaf and hard-of-hearing children. He added that additional funding requests include establishing a State Access and Functional Needs Coordinator within the State Emergency Operations Center and increasing funding for the Deaf Navigator Program at Hope Community Resources.

[Original punctuation provided.]

Legislative Priorities:

1. Infant Learning Program funding and expansion of eligibility
2. Special Education Services Agency (SESA) funding
3. Public and Community Transit
4. Adult Changing Tables
5. Deaf and Hard of Hearing Children's Bill of Rights

Funding requests:

1. State Access and Functional Needs Coordinator
2. Deaf Navigator Program Funding

[3:34:18 PM](#)

AMY SIMPSON, Executive Director, Programs for Infants and Children, Anchorage, Alaska, offered the presentation Expanding Eligibility for Alaska's Infant Learning Program. She explained that Programs for Infants and Children (PIC) operates the Infant Learning Program in Anchorage, serving Anchorage, Girdwood, Whittier, and six surrounding communities in the Lake Iliamna area. She thanked the group for the opportunity to speak and

shared her enthusiasm for the program, noting her 30 years of experience as a speech-language pathologist and 21 years as executive director at PIC. She also chairs the Interagency Coordinating Council (ICC) finance subcommittee for the Infant Learning Program. She emphasized the importance of supporting infants and toddlers during the critical birth-to-three developmental window, citing research showing that young children can form up to a million neural connections per second during this period.

[3:36:19 PM](#)

MS. SIMPSON explained that the Individuals with Disabilities Education Act (IDEA) is the federal law governing education for individuals with disabilities. While most people are familiar with Part B, which applies to school-aged children receiving special education, Part C focuses specifically on infants and toddlers from birth to age three who experience developmental delays or disabilities. She emphasized that Part C prioritizes parent involvement, with the goal of equipping parents to support their child's development through coaching and engagement in everyday routines.

[3:37:17 PM](#)

MS. SIMPSON noted that Alaska's Part C program—the Infant Learning Program—is jointly funded by state and federal sources and administered by the Department of Health and the Division of Senior and Disabilities Services. She explained that services are delivered in natural environments such as homes and community settings, consistent with the law's definition of places where typically developing infants and toddlers spend their time. She emphasized that embedding learning in daily routines like meals, bath time, and playtime helps parents reinforce developmental skills consistently throughout the day.

[3:39:27 PM](#)

MS. SIMPSON stated that Part C addresses all areas of development and uses a multidisciplinary and transdisciplinary approach. She listed the developmental areas supported under Part C: gross and fine motor skills, cognitive or problem-solving abilities, social-emotional development, and self-help skills such as feeding, dressing, and toileting. As a speech-language pathologist, she highlighted communication—both receptive and expressive language—as her area of focus and personal favorite.

[3:41:28 PM](#)

MS. SIMPSON moved to slide 5, The Work That Led Us Here. She stated that in 2022, the Governor's Council in coordination with the Interagency Coordinating Council (ICC) appointed a finance subcommittee, which she chairs, to review the Infant Learning Program (ILP) system in Alaska and nationally. The subcommittee examined how other states determine eligibility and fund their ILP services, since each state has discretion in setting its criteria. With support from the Alaska Mental Health Trust Authority, the subcommittee developed a set of recommendations. MS. A noted that a link to the full list of recommendations will be available at the end of the presentation, and paper copies can also be provided upon request.

[3:42:38 PM](#)

MS. SIMPSON moved to slide 6, Key Recommendations:

[Original punctuation provided.]

Key Recommendations

Align Part C criteria with Part B (25% delay in one domain of development or 20% in two) and update the list of qualifying conditions accordingly.

Increase funding for Alaska ILP to pay for an expected 77 percent increase in children qualifying for ILP services.

Make supporting changes to the Medicaid statute:

- add new ILP provider type and reimburse for all ILP services
- allow the Individual Family Service Plan (IFSP) as an authorizing document for Medicaid coverage

MS. SIMPSON stated that the report contains several recommendations, with the top priority being the expansion of Alaska's Part C eligibility. The subcommittee's review found that Alaska has the most restrictive eligibility criteria in the nation—requiring a 50 percent delay in one developmental area, equivalent to a two-year-old functioning at the level of a one-year-old. She explained that this level of delay, determined through standardized testing, is so severe that it barely qualifies as early intervention. The recommendation is to align Alaska's Part C eligibility with Part B, which requires a 25 percent delay in one area or a 20 percent delay in two or more areas.

[3:43:47 PM](#)

MS. SIMPSON added that the report also recommends expanding the list of diagnosed conditions that grant automatic eligibility. While the current list includes conditions such as cerebral palsy, Down syndrome, and autism, it omits others like prematurity and unilateral hearing loss—conditions associated with long-term educational challenges. Expanding eligibility is projected to increase the number of eligible children by 77 percent, based on comparisons with other states that use similar criteria. This expansion would require a proportional funding increase of approximately \$5.72 million, bringing the total Infant Learning Program (ILP) budget to just over \$13 million.

[3:46:00 PM](#)

MS. SIMPSON said another key recommendation focuses on the financing of Part C services through Medicaid. She explained the need to establish a specific provider type within Medicaid for ILP grantees, allowing programs to be reimbursed for all Part C services as authorized by the Individualized Family Service Plan (IFSP). This would align with how services are delivered—home and community-based rather than clinic-based—and allow for more comprehensive billing and service tracking. Creating this provider type would improve the ability to monitor service delivery and identify gaps in access and equity across the state. She noted that this change would require a revision to Medicaid statute.

[3:48:08 PM](#)

MS. SIMPSON said currently, 36 states bill Medicaid in this manner for services such as audiology, assistive technology, nutrition, psychological services, sign language, social work, and vision services. At present, Alaska's ILP can only bill Medicaid and private insurance for occupational, physical, and speech therapy—billed under outpatient clinic codes—while all other services are funded solely through state general funds. By expanding Medicaid billing to include all Part C services, Alaska could leverage a 50/50 state-federal funding split.

[3:49:13 PM](#)

MS. SIMPSON concluded by referencing a cost study conducted in 2009, which included home and community-based services and outlined the costs of each ILP service. She expressed hope that this study could be updated for [2025], despite the time and expense involved, as doing so would enable billing for a broader range of services and reduce the financial burden on the state.

[3:50:22 PM](#)

MS. SIMPSON moved to slide 7, Why Expand Eligibility:

[Original punctuation provided.]

Why Expand Eligibility?

Alaska has the most restrictive eligibility criteria for early intervention services in the nation.

Only two other states require a 50 percent developmental delay. Most states use 33 percent or 25 percent.

Alaska Part B (K-12 special education) uses a 25 percent threshold.

The difference results in delayed onset of services for children with 25-49 percent delay.

Often-cited studies by James Heckman have shown high return on investment for early intervention: For every \$1 invested, up to \$17 saved.

46 percent of children that receive early intervention don't require special education by the time they get to

Kindergarten, which represents annual savings up to \$34.9M.

Early intervention improves long-term outcomes for children, families, and the state.

MS. SIMPSON emphasized the importance of expanding Part C eligibility to close the 25 percent gap between current Part C and Part B criteria. She stated that earlier identification leads to better outcomes for children. She referenced the Heckman Equation, which shows a \$17 return on every \$1 invested in early childhood programs. She also cited the Neal Study, which found that 46 percent of children who receive early intervention no longer need special education services by kindergarten—representing a significant cost difference between early intervention at approximately \$8,000 per year and special education at \$30,000 per year.

[3:51:27 PM](#)

MS. SIMPSON moved to slide 8, Identify Earlier, a graph showing the number of children, served by special education, October

2023. Students are categorized by age ranging from 3 to 21 years old. She highlighted the significant impact of Alaska's restricted eligibility for early intervention. She explained that the limited number of three- and four-year-olds in preschool special education is a direct result of the current 50 percent delay requirement, creating a gap where children are not identified early enough. She pointed out that delays in identifying students who need an Individualized Education Program (IEP) in the school system led to higher costs. Expanding eligibility would shift identification earlier, allowing more children to access early intervention and preschool services and reducing the future need for special education. She emphasized that the data supports what professionals already know—investing early is more effective and cost-efficient than intervening later.

[3:52:22 PM](#)

MS. SIMPSON moved to slide 9, Invest Earlier, a graph titled Public Spending and Brain Development the Disconnect. The graph shows the portion of total public investment in children being spent during the indicated year in children's lives. Public spending is the highest when brain development has already reached 100 percent. She said this slide shows what is already known to be true; invest early and not late:

[Original punctuation provided.]

Invest Earlier

Almost 90 percent of brain development happens by age 3.

Children who don't receive ILP services, may not be identified until Kindergarten.

Earlier services can lead to much greater impact!

[3:52:33 PM](#)

MS. SIMPSON moved to slide 10, which contained two graphs. The first graph, Because of Restrictive Eligibility Alaska Trails Behind Other States, shows the percentage of children in ILP that achieve age typical development by age 3. The graph compares Alaska, benchmark states, and the top five states. The other graph, Substantial Savings That Can Be Used for Other Education Needs, shows the costs savings that could occur by implementing earlier intervention. She stated that child outcomes data is important for evaluating early intervention

services across the country. She explained that the blue bars on the slide represent the percentage of children who exit early intervention at age-appropriate developmental levels, with Alaska currently at 41 percent compared to the national average of 46 percent. Benchmark states with similar eligibility criteria are performing well above the national average, with top-performing states reaching 65 percent, which she identified as the goal for Alaska. She emphasized that achieving this outcome would reduce the need for special education services and lead to significant cost savings.

[3:53:52 PM](#)

MS. SIMPSON moved to slide 11, Challenges in Alaska. The slide contains a graph showing how flat funding and inflation have impacted program funding. She said that despite a growing need and the impact of the global pandemic, early intervention funding in Alaska has remained flat for over 11 years, resulting in a 25 percent loss in value due to rising costs.

[3:54:19 PM](#)

MS. SIMPSON moved to slide 12, Take-Away: Invest in the People of Alaska:

[Original punctuation provided.]

Take-Away: Invest in the People of Alaska

- Approve expanded eligibility and additional \$5.7M funding for AK ILP.
- Ensure all Alaskan children have equitable access to early intervention services.
- ROI: Early intervention saves up to \$229K per child just in special education costs. Annual cost savings up to \$34.9M

MS SIMPSON concluded the presentation by supporting the proposed eligibility expansion and the associated \$5.7 million in funding, emphasizing that early intervention can save up to \$230,000 per year in special education costs by ensuring children are ready to learn.

[3:55:05 PM](#)

CHAIR DUNBAR referred to slide 6 and asked if it is possible to make the change to Medicaid statute even if aligning Part C with Part B of the Disabilities Education Act does not occur.

MS. SIMPSON replied yes that a Medicaid statute change alone would have a similar positive effect in terms of creating shared federal-state funding. However, she clarified that it would not increase the number of children served, since eligibility rules still limit enrollment. She emphasized that without expanding eligibility, many children would remain ineligible for services despite the funding mechanism

[3:56:20 PM](#)

CHAIR DUNBAR asked if it is possible to model the exact fiscal impact of shifting some Medicaid costs to the federal program and simultaneously calculate the cost increase associated with each percentage point change in eligibility criteria. He stated that he supports the investment but acknowledged the difficulty of the current fiscal environment. He noted that while reaching more children would increase costs, shifting expenses to the federal level could offset them. He expressed interest in determining whether these factors could bring the fiscal note to zero.

[3:57:08 PM](#)

MS. SIMPSON stated that cost avoidance in special education could help offset the increased costs of expanding early intervention but expressed uncertainty about modeling precise fiscal impacts. She noted that national consultants on Part C support the 25 percent developmental delay threshold. She emphasized that restructuring Medicaid would have a significant impact in supporting home and community-based services which come at a higher cost.

[3:58:31 PM](#)

SENATOR HUGHES asked:

- whether the \$5.72 million funding request reflects the full cost to the state without factoring in the 50/50 state-federal Medicaid split. She expressed uncertainty about whether the estimate already includes potential federal cost sharing. She noted it sounded as though the amount might represent the full state burden.
- whether changing Medicaid would require a change to state statute or if the Department of Health would need to submit a request for change to Medicaid, which could take additional time. She sought clarification on the process involved in making the proposed Medicaid changes.

- whether aligning it with Part B requires a statutory or regulatory change, or if alignment could occur solely with the availability of additional funding. She sought to understand whether legislative action is necessary for the proposed eligibility alignment.

[3:59:49 PM](#)

MS. SIMPSON responded that changing the Part C eligibility criteria is handled through the Senior and Disabilities Services Office through ILP at the state level. She clarified that this change does not require additional funding, but without funding, it would result in minimal contact—such as seeing children only once a year—which does not constitute true early intervention. She deferred the remainder of the questions.

[4:00:38 PM](#)

HEIDI HAAS, Executive Director, Alaska Center for Children and Adults (AACAA), Fairbanks, Alaska, answered questions on Expanding Eligibility for Alaska's Infant Learning Program. She confirmed that the specific question asked was about the processes required for the state to make changes in both eligibility and billing. She explained that, from a billing perspective, the state must establish a provider change to allow Infant Learning Program (ILP) services—such as developmental therapy—to be billable under Medicaid. Currently, developmental therapy is not reimbursable through Medicaid or any other provider and is instead covered by state grant funds.

MS. HAAS emphasized the importance of updating Medicaid billing codes to support services unique to ILP agencies, ensuring only qualified providers can bill for these specialized services. However, she cautioned that expanding eligibility without corresponding financial support would be problematic. She stated that the current \$9 million in state funding functions more like \$6 million due to high operational costs, including extensive travel by air, boat, snow machine, and car. As a result, billing changes alone would not fully offset the increased costs of expanding eligibility.

[4:03:38 PM](#)

SENATOR HUGHES clarified that she wanted to understand the role of the legislature in the process. She asked whether a statute change is required to implement billing code changes and Medicaid provider agreements, or if those changes fall under the Department of Health's authority and require a Medicaid state plan amendment submitted to the Centers for Medicare & Medicaid Services (CMS).

[4:03:59 PM](#)

MS. HAAS stated that a statute change is required to expand eligibility in order to serve more children. She explained that changes on the Medicaid side would likely involve regulatory adjustments to allow for additional billing codes or the creation of program-specific codes. She offered to confirm this information and provide it to the committee, noting that while she has a general understanding, staff from the state's Infant Learning Program would have more detailed knowledge of the exact processes involved.

[4:04:46 PM](#)

SENATOR HUGHES requested clarification on the specific steps needed, particularly regarding eligibility and law change.

MS. HASS said it is correct that a law change is needed to change eligibility.

[4:05:00 PM](#)

SENATOR TOBIN stated that she and her colleagues have been working on legislation through the Alaska Children's Caucus and identified this issue as a top priority based on stakeholder feedback during their survey process. She noted that the topic was also discussed during the summer and that legislation is anticipated to address both service access and cost-saving opportunities. She compared the intent to the Alaska Reads Act, aiming to reduce long-term special education costs through early intervention. She thanked the presenters and emphasized the value of the information shared on this complex topic.

[4:05:52 PM](#)

MS. SIMPSON thanked the committee for their time and acknowledged the challenges they face in balancing funding priorities. She expressed appreciation for their work and recognized the difficulty of being away from families while doing it. She emphasized that investing in infants and toddlers creates long-term benefits for them that will positively impact the entire community.

[4:06:22 PM](#)

CHAIR DUNBAR acknowledged that some questions raised during the discussion were difficult to answer immediately and invited follow-up to his office or any committee member for distribution. He expressed interest in receiving more detailed information about what specific changes are required in statute and regulation, as well as a clearer analysis of the fiscal

impact. He emphasized the importance of understanding how a shift to a federal-state partnership model in Medicaid billing could generate savings for the state. While he agreed that long-term cost reductions are compelling, he stressed the constitutional requirement to balance the budget annually and noted the difficulty of making short-term investments without clear near-term savings. He encouraged the presenters to demonstrate any potential short-term savings that could support the proposal.

[4:07:29 PM](#)

At ease.

SB 76-COMPLEX CARE RESIDENTIAL HOMES

[4:08:37 PM](#)

CHAIR DUNBAR announced the consideration of SENATE BILL NO. 76 "An Act relating to complex care residential homes; and providing for an effective date."

[4:08:51 PM](#)

CHAIR DUNBAR opened public testimony on SB 76.

[4:09:18 PM](#)

KIM CHAMPNEY, Executive Director, Alaska Association on Developmental Disabilities, Juneau, Alaska, testified in support of SB 76. She stated that their 109 member organizations provide home and community-based Medicaid waiver services to individuals with developmental disabilities across the state. She described a recurring cycle where individuals with complex behavioral needs lose service providers, often following an incident, and then cycle through hospitals or the Alaska Psychiatric Institute (API) until another provider is found—frequently one with limited experience and inadequate resources. She emphasized that these unstable transitions are traumatic for both individuals receiving care, the direct support staff involved, and provider organizations.

MS. CHAMPNEY expressed that the current system is not working and acknowledged the need for a different approach to service delivery. She affirmed AADD's support for SB 76, which she described as a step toward developing a new type of residential setting not currently available in Alaska. She added that AADD looks forward to working with the Departments of Health and Family and Community Services as service details are developed.

[4:11:37 PM](#)

DAVID WALLACE, Chief Executive Officer, Matsu Regional Medical Center, Palmer, Alaska, testified in support of SB 76 and said he spoke on behalf of the 1,000 employees at Mat-Su Regional Medical Center. He described the case of a patient with dementia who had ten emergency room visits due to unmanaged behavioral health needs while residing at the Pioneer Home in Palmer. After being discharged from the Pioneer Home and spending 50 days in the emergency department—designed for short-term care—staff experienced distress and frustration over the lack of appropriate placement options.

MR. WALLACE explained that despite extensive collaboration among care teams, guardians, and state agencies, no suitable placement could be found for weeks due to the complexity of the patient's needs and limited licensed facilities. Eventually, a placement was secured in a home appropriately licensed and staffed, which he personally helped the patient transition into. He described the new setting as ideal and commended the care team. He urged support for SB 76, which he believes will help prevent similar situations and ensure proper care for individuals with complex needs.

[4:16:27 PM](#)

JARED KOSIN, President, Alaska Hospital and Healthcare Association, Anchorage, Alaska, testified in support of SB 76 and described the legislation as a necessary step to address a chronic issue affecting Alaska's healthcare system. He reported that, based on monthly hospital surveys, an increasing number of patients remain in acute care settings despite no longer needing hospitalization. This is due to a lack of appropriate post-acute care placements. Patients are stuck in the most complex expensive environment in the healthcare system. The hospitals caring for them lose key resources without reimbursement. He noted that these patients occupy one out of every seven hospital beds in Alaska, resulting in over 43,500 additional hospital days in 2023 alone. He emphasized that a major reason for the created gridlock is the absence of services for individuals with complex needs. He stated that SB 76 would create complex care residential homes providing a more appropriate, lower-level care setting in communities, helping to ease hospital overcrowding and reduce unnecessary admissions. He urged the committee to pass the SB 76 as a critical first step in expanding access to care.

[4:18:29 PM](#)

PHILLIP TAFS, representing self, Anchorage, Alaska, testified in support of SB 76. He said that as a consultant for the Complex

Behavior Collaborative (CBC) for over a decade, he emphasized that creating a stable, well-trained complex care residential home system is the most impactful step Alaska can take to stabilize services for individuals with severe behavioral challenges. He described a revolving door pattern between hospitals, the Alaska Psychiatric Institute (API), out-of-state placements, and waiver-funded homes unequipped to handle such cases. He stated that this cycle is both financially costly and deeply harmful to individuals, leading to behavioral deterioration and reduced options for future transitions. He cited longstanding research, including the original Western Interstate Commission for Higher Education (WICHE) report, that has consistently identified this gap in the system. He also shared a recent tragic case of a young Alaskan who cycled through six to seven placements in one year due to lack of appropriate care and ultimately died, emphasizing that the cost and human toll of the current system far exceed the cost of building the right infrastructure. He strongly urged passage of the SB 76 to address this urgent and unmet need.

[4:21:27 PM](#)

LUCY BAUER, Representative, Alaska Assisted Living Home Association, Anchorage, Alaska, testified in support of SB 76. She said she is a provider operating a large home in Anchorage for residents with mental health conditions since 1999. She described the challenges she regularly faces, including frequent crises and threats, and stated that while she loves her work and the people she serves, Alaska's mental health system is missing a critical piece. She expressed hope that SB 76 will serve as a vital bridge between hospitals and assisted living homes. She shared a tragic example of a 29-year-old man placed in the Department of Corrections (DOC). He required a higher level of care, but no facility would accept him, and five days later, he died in jail. She emphasized her 25 years of experience and stressed the urgent need for a proper system to support vulnerable adults. She thanked the Governor, the Department of Health, and others supporting the bill, expressing optimism for the positive changes SB 76 could bring.

[4:23:54 PM](#)

JAMIE ELKHILL, Vice President, Youth and Transitional Age Youth (TAY) Services, Volunteers of America (VOA) Alaska, Eagle River, Alaska, testified in support of SB 76. She emphasized that complex care residential homes would provide a less restrictive, stable, and supportive environment for youth, young adults, and families—reducing hospitalizations and out-of-state placements while keeping individuals close to their support systems. She

shared that her organization, Volunteers of America Alaska (VOA Alaska), regularly sees the effects of this gap, including youth who relapse into substance use or self-destructive behavior due to unstable post-treatment living environments. She noted that during clinical reviews, 30 percent of youth ages 13 to 18 who completed treatment relapsed due to lack of support, with actual rates likely higher. She concluded that this legislation would not only improve individual outcomes but also reduce strain on other systems, such as hospitals, psychiatric facilities, the Office of Children's Services, and the criminal justice system. She urged the committee to support the SB 76, and other bills like it, stating it address a long-standing need that will help Alaskans with complex needs thrive in their communities.

[4:27:57 PM](#)

MICHELLE OVERSTREET, Chief Executive Officer, My House, Wasilla, Alaska, testified in support of SB 76. She testified that Alaska faces a dire need for supportive housing for individuals with disabilities as they receive recovery services. She echoed the concerns shared by Mr. Wallace and Ms. Elkhill, emphasizing that this population needs structured support to heal and that the current gap in housing leads to continued trauma and risk, including death. She stated that while the proposed statutory changes may carry a cost, the savings from reduced reliance on crisis services and avoidance of additional harm would far outweigh them. She shared that her organization serves youth ages 14 to 24, many of whom are impacted by fetal alcohol spectrum disorders (FAS/FASD), attention deficit hyperactivity disorder (ADHD), traumatic brain injuries, and other behavioral health and medical conditions. A significant number are trauma survivors, including victims of incest, child rape, sexual assault, domestic violence, and neglect. She described a recurring pattern where clients cycle between emergency rooms, residential care, inpatient treatment, and correctional settings due to the lack of supportive housing at discharge. She gave the example of a current client, an incest survivor, staying at a shelter in Anchorage after spending three months in a behavioral health unit, with no suitable placement available. She stated that without housing support, this individual remains in danger and struggles to maintain services. She expressed strong support for SB 76, stating that the opportunity to establish this type of housing could help save lives.

[4:30:27 PM](#)

CHAIR DUNBAR closed public testimony on SB 76.

[4:31:20 PM](#)

EMILY RICCI, Deputy Commissioner, Department of Health (DOH), Juneau, Alaska, put herself on the record to answer questions on SB 60.

[4:31:30 PM](#)

SENATOR HUGHES stated that the testimony provided made the need for SB 76 clear, particularly in light of the risks of placing individuals in inappropriate environments like jails or hospitals. She emphasized the severity of consequences, including the risk of death, when individuals with complex needs are not placed in proper care settings. She questioned whether the limit of 15 residents per home contained in SB 76 is appropriate, especially given the testimony about increasing need. While acknowledging that 15 residents may fill a large home, she raised the possibility of multiple homes sharing common areas, such as a courtyard, and asked if that would require a different licensing approach. She requested clarification on whether the 15-resident limit is based on research or regulatory constraints and whether a higher number could be considered if proper staffing ratios are maintained.

[4:33:04 PM](#)

MS. RICCI explained that the limit of 15 residents is tied to a federal requirement related to Medicaid funding, specifically the "Institution for Mental Disease" (IMD) exclusion. This exclusion restricts how Medicaid dollars can be used for facilities with 16 or more beds that serve individuals with mental health conditions. She stated that to maintain eligibility for Medicaid funding, residential long-term care settings must remain under that 16-bed threshold. This constraint is why the bill proposes a cap of 15 residents. She added that other states with similar programs also commonly use this limit for the same reason, even though program models vary.

[4:34:11 PM](#)

SENATOR HUGHES asked whether, under SB 76, multiple homes clustered on a shared courtyard would each require separate licenses, even if operated by a single business entity. She assumed this could be the case and requested clarification. She mentioned significant permitting delays for assisted living homes, acknowledging that while this is a new license type, similar issues could arise. She expressed hope that the licensing process for complex care residential homes would be more efficient and not take months to complete. She requested information on the expected processing time for licensure under SB 76 and confirmation that one business owner would be allowed to operate multiple licensed homes.

[4:35:10 PM](#)

MS. RICCI responded that the specific licensure requirements for complex care residential homes, including whether multiple homes on a shared property can be operated by a single business, will be promulgate regulation. She noted that careful design and implementation will be necessary to ensure compliance with federal requirements. She explained that while SB 76 allows for homes with up to 15 beds, the Department anticipates tailoring bed capacity through regulation based on the population served. For example, smaller settings may be more appropriate for youth or individuals with severe needs.

MS. RICCI said regarding concerns about licensing delays, she clarified that assisted living home licensure is handled by the Division of Health Care Services, which includes two sections for licensing: one for health facilities (e.g., hospitals) and another for residential licensing (e.g., assisted living homes). She acknowledged that residential licensing faced significant staffing shortages in FY24, with a vacancy rate between 29 and 31 percent. However, the Department has been working to fill positions and, as of three weeks ago, residential licensing had only one vacancy remaining. She said that while many team members are new and still in training, improvements are underway to speed up the licensing process. She added that SB 76, as written, considers the licensing of complex care residential homes to fall under the health facilities licensing and certification section—distinct from the residential licensing section that manages assisted living homes.

[4:38:24 PM](#)

CHAIR DUNBAR held SB 76 in committee.

[4:38:37 PM](#)

At ease.

SB 60-ESTABLISH ME/CHRONIC FATIGUE SYNDROME DAY

[4:39:09 PM](#)

CHAIR DUNBAR reconvened the meeting and announced the consideration of SENATE BILL NO. 60 "An Act establishing May 12 as Myalgic Encephalomyelitis/Chronic Fatigue Syndrome Day of Recognition."

[4:39:29 PM](#)

SENATOR HUGHES thanked Senator Tobin's office for presenting the legislation because earlier recognition by states means better chances for research and treatment.

[4:40:01 PM](#)

SENATOR TOBIN thanked the committee for taking the time to hear the legislation and expressed appreciation for their support and kind words to the testifiers who shared their stories.

[4:40:15 PM](#)

CHAIR DUNBAR solicited the will of the committee.

[4:40:17 PM](#)

SENATOR GIESSEL moved to report SB 60, work order LS-340070\I, from committee with individual recommendations and attached fiscal note(s).

[4:40:28 PM](#)

CHAIR DUNBAR found no objection and SB 60 was reported from the Senate Health and Social Services Standing Committee.

[4:41:16 PM](#)

There being no further business to come before the committee, Chair Dunbar adjourned the Senate Health and Social Services Standing Committee meeting at 4:41 p.m.