

HJR

58

State of Alaska

COMMITTEES

HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES
(Co-Chairman)
HOUSE JUDICIARY
HOUSE COMMUNITY AND
REGIONAL AFFAIRS



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Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

HIR 58

April 23, 1986

William T. Pound
Director
Denver Office
National Conference of State Legislatures
1050 Seventeenth Street, Suite 2100
Denver, Colorado 80265

Dear Mr. Pound:

I enjoyed meeting with you in Juneau and wanted to touch bases with you on a couple of items. First, I would like to receive the latest NCSL publication list. There are a couple of publications I'd like to order.

Also, I am sending you copies of two resolutions which were adopted by the Western Legislative Conference in 1985 and the Alaska Legislature this year. These resolutions, (1) dealing with AFDC error reduction and quality control and (2) easing restrictions on Medicaid waivers, are important to all states. Also enclosed is an article from the March '86 State Legislatures magazine relating to AFDC error rates. (I would encourage NCSL to take action upon similar resolutions at your next general assembly.) I'd offer these two resolutions in New Orleans myself, but probably won't be able to attend the meetings.

Thanks for all the assistance our office has received from NCSL and for lunch yesterday. I look forward to our continuing relationship.

Cordially,


Max F. Gruenberg, Jr.

Enclosures

MG/de

MEMORANDUM

TO: MAX GRUENBERG
FROM: NANCY BENNETT
DATE: JUNE 10, 1985
RE: MEDICAID WAIVER

BACKGROUND

The Medicaid waiver for Home and Community Based Services, known as 1915 (c) waivers, was established in 1981 by a federal law known as OBRA, section 2176 (Omnibus Reconciliation Act of 1981).

The original concept of the waiver was to contain rapidly rising medical costs by offering payment for services within the community to maintain the elderly, the mentally retarded and the mentally ill out of high cost institutions. States can apply for Medicaid waivers for a variety of services and eligible groups based on needs of the individual state, although the process is cumbersome and time consuming. The law has allowed states great flexibility in the past in determining what kinds of alternative services may be offered, what groups may be targeted and what geographical areas of the state will be covered. Applicants must be screened, and states must establish a pre-admission screening/case management service for the clients. Applicants must also be eligible for Medicaid if institutionalized, must be in the process of applying for institutionalization and the services provided through the waiver must cost the same or less than institutional services.

Nationally, it has been found that only 7% of the Medicaid clients are elderly but that this group uses over 50% of the funding available, with expenditures for nursing home care taking the major portion. By 1984, there were 138 applications filed by 47 states; one year before, in 1983, there were only 69 requests from 39 states. The increased activity of states in attempting the arduous process of waiver application indicates the perceived need for these services. In many cases, the quality of life of clients maintained in the community by personal care attendants, home health and other services is a major consideration.

Studies have shown that the most cost effective method of service delivery of home and community based services is through strict limitation of the services to targeted groups. Also shown, is that alternative services have not brought about the enormous cost savings which had been predicted, and, in fact, have often proven to be cost neutral. Some states, such as Alaska, "purchase" nursing home beds contractually through Medicaid on a prospective basis. While this method allows the state and providers of services to prepare budgets and plan with assurance, it also commits funding so

that it cannot be diverted for other services without a policy change.

ALASKAN EXPERIENCE

Alaska has higher nursing home costs than are experienced nationally, but as in other states, finds that a small number of Medicaid clients use the major portion of funding through institutional services (nursing homes, API and Harborview and this year Hope Cottages will become Medicaid eligible). Alaska also has a disproportionately high number of people handicapped by serious injuries (no doubt connected with our high accident rate) who cannot qualify for D.D. services and have limited community services available for their use. The chronically mentally ill are another under-served population in the state who could benefit from a range of community services which may eliminate the API "revolving door" syndrome.

The Senate HESS Committee instructed Commissioner Helen Bierne, Department of Health and Services, to apply for a Medicaid Waiver for non-institutional services in 1982, and amended the Medicaid statute at that time to indicate legislative approval for funding these services. Since that time, the state has been in the process of applying for the waiver - each application has been returned for more information or verification of information. The latest request, signed by the Governor in early 1985, was returned to be re-written according to the final Medicaid Waiver regulations just published this spring. Unlike other states, Alaska does not have a full time person working on the Medicaid waiver, and has lost two Medical Assistance Division positions in this year's budget process, so it is unknown when the Division will be able to complete the total re-write of the waiver application.

THE FUTURE OF THE MEDICAID WAIVER

The effect of the new regulations is devastating, and has been interpreted by some to mean that the administration is dumping the program. Some facets of the final regulations include:

1. States must estimate populations and costs of services. If the estimate is exceeded, the federal government will not reimburse but, rather, those costs must be born by the state and the state may not place a cap on services.
2. It is now more difficult to become eligible for waiver services. The draft regulations formerly controlling the program allowed waiver services if the difference between services and institutionalization was cost neutral, now all Medicaid costs (including medical services) must be compared to the cost of the waiver and the waiver must prove to be less expensive.

3. There is a greater emphasis on health and safety standards, which will raise costs to states to verify information.
4. States who have current waivers in place were given only 90 days to comply with new regulations or lose existing waivers.

The only hopeful consideration for the future of the waiver is that the Federal government is considering making non-institutional services an option under the Medicaid program. The effect of this change is that states could include selected services in their State Plan, and it would be absorbed into the normal Medicaid process. Of course, the regulations would need to be examined prior to final comment, but if the code allowed states sufficient flexibility in selecting services offered and eligible groups benefited, this process could well be the one of choice.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF MEDICAL ASSISTANCE

BILL SHEFFIELD, GOVERNOR

File 147

POUCH H-07
JUNEAU, ALASKA 99811

PHONE: (907)
465-3355

January 23, 1986

The Honorable Max Gruenberg
Alaska State House
P.O. Box V
Juneau, Alaska 99811

Dear Representative Gruenberg:

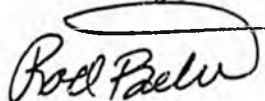
During HESS hearings held January 22, 1986 on HJR58, you requested a complete list of community services that Medicaid would pay for if our Medicaid waiver was approved. The list is as follows:

- . Adult Residential Care (excluding room and board)
- . Adult Foster Care
- . Home Health Nursing
- . Home Health Aide Services
- . Personal Care Attendant Services
- . Homemaker Services
- . Respite Care
- . Adult Day Care
- . Case Management

I am also enclosing a list of all Medicaid agency heads across the country as you requested.

If I can be of any further help, please let me know.

Sincerely,



Rod Betit
Director

Enclosure

cc: Commissioner John Pugh

Rep Fortney Stark
Sub-comm on Health
Comm on Ways & Means
House of Rep

1114 Longworth Bldg
Wash DC 20515

Senator Lowell Weicker
Sub comm Labor, Health & Human Ser
US Senate
Washington DC 20570

State of Alaska

COMMITTEES

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Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

MEMORANDUM

DATE: January 24, 1986

TO: Rep. Mike W. Miller, Chairman
House Rules Committee

FROM: Rep. Max F. Gruenberg, Jr.

SUBJECT: CS HJR 58: Urging the United States Department of Health and Human Services to ease the restrictions on the granting of Medicaid 1915(c) waivers.

CS HJR 59: Urging the United States Congress to pass an amended form of H.R. 1279 (99th Congress), the AFDC Error Reduction and Quality Control Act, or substantially similar legislation.

I would greatly appreciate it if you would schedule CS HJR 58 and CS HJR 59 for the House Floor. This action should not promote controversy, as there is no fiscal note attached and both bills were authored by the full House HESS Committee.

Thank you very much.



Official Business


Alaska State Legislature

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

DATE: January 28, 1986

TO: Senator Bettye Fahrenkamp, Chairperson
Senate HESS Committee

FROM: Rep. Max Gruenberg, Jr., Co-Chair 
House HESS Committee

SUBJECT: CS HJR 58
Urging the United States Department of Health and
Human Services to ease the restrictions on the
granting of Medicaid 1915(c) waivers.

This resolution is substantially the same as the one introduced at the Western Legislative Conference.

In CS HJR 58, the Committee added additional committees in Congress and other states to receive copies of the Resolution.

I would greatly appreciate an early scheduling of this resolution in your committee.

Thank you very much.

**HOUSE
COMMITTEE REPORT**

Date referred: 1/16/86

FURTHER REFERRALS:

DATE: Jan 23, 1986

HEALTH, EDUCATION AND
The SOCIAL SERVICES Committee has considered HJR 58

Urging the United States Department of Health and Human Services to ease the restrictions on the granting of Medicaid 1915(c) waivers.

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HJR 58 same title
- new title

and recommends do pass

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Mr. Greenberg
Robin L. Taylor
Sub Koparan
Rayce Newley
Katie Newley

no rec [Signature]

Sub Koparan co-chair -
Chairman
Mr. Greenberg