

SB

58

SFIN

FILE

SB 58

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

SENATE FINANCE
COMMITTEE

Adopted
1-LS0138\G.1
Lauterbach
4/5/99

Amendment Number: 1

Bill Number: SB 58

Sponsor: Wilken Date: 4/6/99

A M E N D M E N T
by: Mindy

OFFERED IN THE SENATE

BY SENATOR WILKEN

TO: SB 58

1 Page 4, line 8:

2 Delete "or"

3 Page 4, following line 8:

4 Insert a new paragraph to read:

5 "(2) subacute care, regardless of the site where the care is given; in this
6 paragraph, "subacute care" means care that is rendered for a limited time period
7 immediately after, or instead of, acute hospitalization to treat one or more specific,
8 active, complex medical conditions or to administer one or more technically complex
9 treatments in the context of a patient's underlying long-term conditions and overall
10 situation; or"

11 Page 4, line 9:

12 Delete "(2)"

13 Insert "(3)"

14 Page 5, line 26, following "organizations":

15 Insert ", including public and private agencies or organizations"

SENATE FINANCE COMMITTEE
1999 COMMITTEE ACTION

Bill Number	SB 58
Amendment	1
Motion	Adopt
<u>Motion by</u>	Wilken
<u>Objection</u>	
<u>Objection by</u>	
<u>Removed</u>	
<u>Second Objection by</u>	
<u>Committee Member</u>	<u>Vote</u>
Senator Pete Kelly	
Senator Lyda Green	
Senator Randy Phillips	
Senator Dave Donley	
Senator Loren Leman	
Senator Al Adams	
Senator Gary Wilken	
Co-Chair Sean Parnell	
Co-Chair John Torgerson	
<u>Tally</u>	
Yea	0
Nay	0
Absent	0
<u>MOTION</u>	W/ast object.

GARY WILKEN

SENATOR
Districts 29 & 30
West Fairbanks

Senate Standing Committees

Member: Finance
Member: Health, Education, &
Social Services (HESS)
Member: Legislative Budget & Audit
Member: State Affairs

Alaska State Legislature

Senate

During Session:
State Capitol Building
Juneau, Alaska 99801-1182
Tel: (907) 451-5501 (in Fbks area)
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Fairbanks, Alaska 99701
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MEMORANDUM

RECEIVED

MAR 31 1999

Senate Finance
Committee

TO: Senator John Torgerson, Co-chairman
Senator Sean Parnell, Co-chairman
Senate Finance Committee

FROM: Senator Gary Wilken

DATE: March 29, 1999

RE: Request for Hearing

I respectfully request that SB 58, *Services for Adults with Long-Term Needs*, be scheduled for a hearing before the Senate Finance Committee.

Senate Bill 58 will allow all Alaskans, with demonstrated long-term care needs, the opportunity to receive services through the Department of Administration's home and community-based care program. Currently only Medicaid-eligible adults receive long-term health care services under this program.

Under SB 58 moderate-income adults who cannot pay the full cost of home care will be able to receive health care at home or in their communities. The participants will help pay the cost of the program on a sliding scale.

Senate Bill 58 does not create an entitlement program. The program is extended only to as many adults as the annual appropriation allows.

Thank you for your assistance in this request.

Gary Wilken

Alaska State Legislature



Official Business

State Capitol
Juneau AK
99801-1182

Long-Term Care Task Force

Senate Bill No. 58

An Act establishing an in-home and community-based services program for certain adults with long-term care needs; and providing for an effective date.

Currently only Medicaid-eligible adults can receive long-term health care services under the Department of Administration's home and community-based programs. Under this Medicaid option, individuals can receive the long-term health care they need in their homes and communities rather than institutions. Medicaid recipients have found this option very popular and almost twice as many Alaskans elected this waiver in FY97 than in FY96.

The proposed legislation will allow all Alaskans, with demonstrated long-term care needs, the opportunity to request services through the home and community-based care program. As noted, currently only Alaskans who are Medicaid-eligible receive this health care service. Under this bill, moderate-income adults who cannot pay the full cost of home care will be able to receive services under the home and community-based program. This program will not replace family care giving, but will support and augment the care given by families.

The adults receiving services will contribute through co-payment for services on a sliding scale. This bill does not create an entitlement program as the program is extended only to as many adults as the annual appropriation allows.

Under this legislation moderate-income seniors and adults with disabilities will have an opportunity to receive long-term health care at home or in their communities and therefore may avoid, or at least postpone, the need for more costly long-term care in an institution.

LTC **TASK FORCE**
Long-Term Care Task Force



FINAL REPORT
January 1999

Representative Con Bunde, Co-chairman
Senator Gary Wilken, Co-chairman

State Capitol Building
Juneau, Alaska 99801-1182

HOME AND COMMUNITY-BASED LEGISLATION

RECOMMENDATION

13

The Task Force recommends that legislation be drafted and introduced to establish a home and community-based services program for certain adults with long-term care needs.

In 1995 Governor Knowles appointed a Long-Term Care Steering Committee, chaired by Department of Administration Commissioner Mark Boyer and Department of Health and Social Services Commissioner Karen Perdue, to develop and implement an interdepartmental Long-Term Care Strategic Plan. The Steering Committee developed legislation to create a comprehensive home and community-based services program that would not be limited to just Medicaid-eligible persons.

Many seniors and adults with disabilities cannot fully pay for all the long-term care services they need, but still cannot qualify to receive Medicaid benefits. When these moderate income seniors or adults with disabilities do not receive the necessary health care services, they can ultimately require more intensive services than would have been needed had they received earlier support to stabilize their situation.

The legislation proposed by the Steering Committee authorizes the Department of Administration to establish and administer a program of home and community-based support services for adults with long-term care needs. Under this proposed legislation, adults receiving services are expected to contribute through co-payments for services on a sliding scale and are required to apply for payment from other sources if available.

The long-term care home and community-based program offered under Medicaid is meeting great acceptance. When given an option, people often elect to receive the long-term health care they need in their home and community rather than an institution. Almost twice as many Alaskans elected this Medicaid waiver in FY97 as in FY96.

Passage of the proposed legislation will allow all Alaskans with demonstrated needs the opportunity to request services through the Department of Administration's home and community-based care program, not just those eli-

“Many seniors and adults with disabilities cannot fully pay for all the long-term care services they need.”

“The Task Force acknowledges the value of home and community-based long-term care services.”

gible for Medicaid. The Task Force acknowledges the value of home and community-based long-term care services and recommends this legislation be introduced for further consideration. (Please see Appendix B, page 69, for further detail.) ❖

MEDICAID COVERAGE FOR ALZHEIMER'S PATIENTS

RECOMMENDATION

14

The Task Force requests the Departments of Administration and Health and Social Services review all options available to the state, including Medicaid, to support the long-term care needs of patients whose sole diagnosis is Alzheimer's Disease and Related Disorders.

"To be eligible for Alaska's Medicaid long-term care waiver programs, applicants must require skilled nursing services."

Alzheimer's Disease and Related Disorders (ADRD) refers to cognitive impairments that are progressive and degenerative in nature. As a result of these impairments, effected adults require supervision and cueing from other individuals in order to adequately and routinely perform activities of daily living and instrumental activities of daily living.³⁰ People whose sole diagnosis is Alzheimer's Disease and Related Disorders do not typically require daily supervision by medical professionals.

To be eligible for nursing home care and home and community-based services from Alaska's Medicaid program, applicants must be low-income and require skilled nursing or intermediate care. Persons whose sole diagnosis is ADRD typically do not meet the criteria for skilled nursing or intermediate care and consequently, the Alaska Medicaid program will not pay for nursing home placement or home and community-based services.

Alaska is only one of two states whose Medicaid eligibility standards for nursing home and home and community-based services require that the patient needs "professional-level medical supervision."³¹ This requirement, as determined by the Department of Health and Social Services, effectively eliminates eligible Medicaid ADRD-only patients from the state's major long-term care services.

Persons with ADRD may have great difficulty living without assistance.³² Currently for many people who suffer from ADRD, respite service for their families is the only long-term care service available.³³ The Task Force recognizes the desire for additional assistance for this particular group of Alaskans and understands that



Alaska Commission on Aging

Resolution 99-4

In support of SB 58: Establishing an in-home and community-based services program for certain adults with long-term care needs

Whereas many Alaskan seniors and younger adults with disabilities or chronic illness do not have the resources necessary to fully pay for the essential long-term care services upon which they are dependent, and

Whereas many of these Alaskans have incomes slightly exceeding the maximum allowable for receiving financial assistance from the Medicaid long-term care program, or have long-term needs that do not meet the nursing home level of care standard required within the Medicaid long-term care program, and

Whereas assisting these individuals to receive appropriate care before their needs become more intensive has the potential to prevent or delay the need for more costly services, and

Whereas SB 58 will assist some Alaskans to receive appropriate and cost-effective in-home and community-based long-term care by assisting in meeting the full cost of necessary services after the individual has paid what he can; and

Whereas the Legislative Long Term Task Force Report of January, 1999, recommended the passage of this legislation in its Recommendation #13,

Now therefore the Alaska Commission on Aging strongly encourages the Twenty-First Alaska Legislature to pass SB 58.

Adopted this 9th day of March, 1999.

A handwritten signature in cursive script that reads "Alaire E. Stanton".

Alaire Stanton
Chair

Testimony on SB 58
Senate Finance Committee
April 6, 1999

Submitted by: Kay L. Burrows
Director, Division of Senior Services

Alaska has the second highest growing senior population proportionately in the Nation. Coupled with the highest cost of nursing home care in the nation, this potentially means a staggeringly high cost for publicly funded long term care in Alaska in the near future. It has been estimated that the cost of public funds for long term care, \$73.0M in 1996, will be \$372.0M by 2015, if the types of service delivery are not expanded and costs are not reduced. Utilizing Home and community-based services have shown that costs can be reduced from nursing home costs. Alaskans like having this option of service delivery. The use of these home and community-based services have expanded from 220 people in FY 96 to over 580 in March FY 99. In FY 98, the average Medicaid annual cost for home and community-based care was around \$12,500, while an average Medicaid nursing home annual cost was \$89,000. We served approximately 692 adults in the home and community-based program for \$13M in FY 98. During that same fiscal year, there was an average census of 500 Medicaid clients in nursing homes, at a cost of \$45M.

SB 58 allows all Alaskans, with demonstrated long-term care needs, the opportunity to request services through the home and community-based care program of the Department of Administration. Currently, only Alaskans who are Medicaid-eligible receive this health care service. Under this bill, moderate-income adults who cannot pay the full cost of home care will be able to receive services under the home and community-based program. The adults receiving services will contribute through a co-payment for services and are required to apply for payment from other sources if available. This bill does not create an entitlement program as the program is extended only to as many adults as the annual appropriation allows. The Department of Administration plans to apply for grants, federal funding and private foundation moneys to extend the program.

Alaskans have stated in several recent surveys that they would prefer to receive home and community-based services. However, the current structure requires them to impoverish themselves in order to become Medicaid eligible to use the current Medicaid waiver service. It also requires them to meet the Medicaid nursing home level of care, before they are eligible for home and community-based services. Other states, such as Indiana, have shown that supportive, cost-effective home and community-based services available before a person needs the nursing home level of care often keeps that person from ever requiring Medicaid services. These services, such as home health care nursing, can be expensive also. The current rate for a home health nursing home visit in Anchorage is \$120 per visit. Thus someone needing two visits per week may have to pay \$1080. per month out-of-pocket. This can be a significant expense, but is far less costly then the average monthly nursing home cost of \$7400.

There are a variety of home and community-based services available in the state, funded through Medicaid, state or federal funds. Many currently have age restrictions which do not allow adults under the age of 60, or non Medicaid eligible, to use them. This bill would allow those services to be used by all Alaskan adults, based on the authorization amount and additional private funding sources. Some of these services include; adult day care, adult respite care, chore/homemaker services, nutrition and transportation services, at-home skilled nursing and therapy care, personal care and care coordination.

In many instances, it is more cost-effective for the State to provide access to and partial financing of the services consumers most desire—home and community-based services that to continue to rely heavily on and pay for 90% of the nursing home care in the state. If Alaska is going to manage the growth in public and private long term care expenditures, this legislation is necessary to give the State the ability to design systems responsive to consumers, their families, their communities and regions.



Emily F. Ennis, Executive Director

FAIRBANKS RESOURCE AGENCY

805 AIRPORT ROAD, SUITE 1 • FAIRBANKS, ALASKA 99701 • (907) 456-8901 • FAX 452-5171

April 6, 1999
Senate Finance Committee Co-Chair
Senators Parnell & Torgerson

Dear Senator,

My name is Charlie Burnitt and at 62, I suffer from lymphoma and Von Recklinghausen's disease. I currently live alone in my own house and continue to function somewhat independently with support from my sister and Community Services. Through the brokered program I am able to attend the Adult Day Center at Fairbanks Resource Agency on a daily basis and receive noon meals from North Star Council on Aging that are delivered to the Adult Center. I enjoy living alone, however the Adult Center provides the chance for me to visit with other people and participate in activities like beading and playing bingo. If I did not have the adult center to attend, I would be very lonely and would miss flirting with the women.

Sincerely,

A handwritten signature in cursive that reads 'Charlie Burnitt'.

Charlie Burnitt

c.c. Senator Gary Wilken



Emily F. Ennis, Executive Director

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April 6, 1999

Senate Finance Committee Co-Chair
Senators Parnell & Torgerson

Dear Senator,

My name is Grace Heaton. I recently turned 88 years old. With age I have become very forgetful, as I often say, "My forgetter has gotten better." Approximately a year ago I moved in with my daughter. She and her husband work full time and were concerned about me staying home alone during the day. They were worried that I may fall and have no one around to help me. Also because I am forgetful I cannot prepare meals for myself. Needless to say my family had many concerns. I began attending Fairbanks Resource Agency's Adult Day Care program so I could spend the day in a safe place and would not have to be home alone. I enjoy Adult Day Care and like helping out there. (I use to be a nurse and still have a need to help others.) Yesterday I moved into an assisted living home. I have been told that a program called brokered services will help pay for my special care and allow me to continue attending Adult Day Care two times per week. Since most of my money will be paid to the assisted living home, I would not be able to afford Adult Day Care. Now I can continue seeing the friends I have made and be active outside my home setting.

Sincerely,

A handwritten signature in cursive script that reads "Grace E. Heaton".

Grace Heaton

c.c. Senator Gary Wilken

SENATE FINANCE COMMITTEE

SIGN-IN

SB 58-SERVICES FOR ADULTS WITH LONG-TERM NEEDS

NAME: Alison Elger Subject/Bill No: SB 58
Co./Dept./Title: Dep Comm Phone: 465-2200
Address: DOA Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Kathy Kloster Subject/Bill No: _____
Co./Dept./Title: adminstrator St. Ann's Phone: 586-3883
Address: mother of Alzheimers victim Zip: 99801
Sumner

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions