

**SB**

**32**

<target><bill>SB 32</bill><subject>SB  
32</subject><comm>HFIN26</comm></target>

# ALASKA STATE LEGISLATURE

Finance Committee  
•  
Health & Social Services Committee  
•  
Legislative Council  
•  
Committee on Committees



*While in Session*  
State Capitol, Rm. 103  
Juneau, AK 99801  
(907) 465-3704  
Fax: (907) 465-2529

*While in Anchorage*  
716 W. 4<sup>th</sup> Ave  
Anchorage, AK 99501  
(907) 269-0169  
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SENATE MAJORITY LEADER  
JOHNNY ELLIS

## SPONSOR STATEMENT – SENATE BILL 32

### AN ACT RELATING TO MEDICAL ASSISTANCE PAYMENTS FOR HOME- AND COMMUNITY-BASED SERVICES

Senate Bill 32 creates a mechanism for regular Medicaid rate review for providers of home- and community-based services to Alaska's elderly and developmentally disabled citizens. Institutional service providers receive regular reviews in order to bring rates in line with costs.

However, home and community-based services (HCBS) have been conclusively proven to lower overall long-term Medicaid costs. One recent study in the academic journal *Health Affairs* found that states with long-established high proportions of HCBS spending saw a 3% overall decrease in long-term care spending between 1995 and 2005 as opposed to a 14.5% increase in low-HCBS states. The study concluded:

*"Justifications based on financial constraints can no longer be credibly offered as reasons for forcing such people [seniors and persons with developmental disabilities] into nursing homes and other institutions. HCBS programs may be one instance in which offering people greater choice also helps reduce costs."<sup>1</sup>*

Over the last few years, however, rates for home- and community-based services have been frozen. During that time, not only have costs increased, the medical environment – including regulations, technology, and client expectations – has shifted dramatically. These shifts threaten the continued viability of the hundreds of HCBS providers, primarily private businesses that employ thousands of Alaskans in every region of the state.

Home and community based services are the key to helping our seniors and those living with developmental disabilities live their lives as productive members of our communities while controlling the growth of health care costs. Without the regular review process in Senate Bill 32, many providers will be forced out of business and HCBS services will be taken away from thousands of Alaskans across the state.

<sup>1</sup> *Health Affairs* 28, no. 1 (2009): 262-272.

# ALASKA STATE LEGISLATURE

Rules Committee  
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Finance Committee  
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Health & Social Services Committee  
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Legislative Council  
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SENATE MAJORITY LEADER  
JOHNNY ELLIS

## EXPLANATION OF CHANGES – SENATE BILL 32

**SB 32 – An Act relating to medical assistance payments for home and community-based services and provision of personal care services in a recipients home; and providing for an effective date.**

Both the Senate Health and Social Services Committee and the Senate Finance Committee adopted committee substitutes for SB32 which made the changes outlined below. The Senate Finance Committee CS was passed unchanged by a unanimous vote on the Senate floor, and approved without amendment by the House Health and Social Services Committee. All page and line references are to the current (Senate Finance CS) version of the bill.

- 1) Section 1 – page 1 line 5 through page 2 line 21
  - a. S HSS: The language in section one was moved to create a new section of statute, AS 47.07.069. The bill as originally introduced amended AS 47.07.070 and AS 47.07.074. This change was to alleviate the concern of hospitals and nursing homes that the current rate review process they participate in would not be affected, and the concern of both the Department of Health and Social Services (DHSS) and the home and community based service (HCBS) providers that the audit and cost monitoring process would not be subject to the strict federal rules that apply to the hospital and nursing home rate review process.
- 2) Section 1 – page 1 line 5 through page 2 line 21
  - a. S HSS: Added personal care services and assisted living homes for vulnerable and needy adults to the services that would be covered by the rate review process. As originally drafted, the bill only applied to home and community-based services provided under a Medicaid waiver. Most HCBS providers take part in all three services, and applying the review process to their entire clientele would make the process easier to participate in.
  - b. S FIN: Removed assisted living homes for vulnerable and needy adults to the services covered. These services are funded through general relief medical, and the services remaining (including some assisted living home services) are funded through Medicaid.
- 3) Section 1 – page 2 line 5
  - a. S FIN: Changed the requirements that rates be “based on” cost to rates that “consider” cost. This change allows DHSS to develop a less complex rate review process that cut the costs of administration for the Department and the costs of accounting and

compliance for the providers and Medicaid, while at the same time preserving the intent of the legislation. This and the other related changes (#3, 4, 5, and 6) cut the administrative fiscal note by over 90% from \$3.8M in FY11 to just \$360,000.

- 4) Section 1 – page 2 line 6 and 15-16
  - a. S FIN: Replaced the phrase “reasonable costs related to patient care” with a requirement of “periodic cost surveys, to be conducted at least once every four years.” The previous phrase is used to define the more complex rate review process used by hospitals and nursing homes, and this is another change that allows for a more flexible system.
- 5) Section 1 – page 2 line 8
  - a. S FIN: Removed the qualification that audits and cost reports be done under the requirements of AS 40.07.074, the rate review process currently used by hospitals and nursing homes. This is another change related to the more flexible and lower rate review system needed for HCBS providers.
- 6) Section 1 – page 2 lines 10-12
  - a. S HSS: Added the home health agency inflation rate to the calculation used to determine rates. As originally drafted, the bill only considered the cost of services. This addition allows DHSS to develop a less complex rate review process that cut the costs of administration for the Department and the costs of accounting and compliance for the providers and Medicaid.
- 7) Section 2 and 3 (of S HSS CS)
  - a. S HSS: Conforming language to amend statutes regarding assisted living homes for vulnerable and needy adults (see change #2 above).
  - b. S FIN: Deleted (see change #2 above)
- 8) Section 2 and 3 – page 2 line 22 through page 3 line 6
  - a. S HSS: Required a report to the Legislature detailing trends in rates as the rate review process in the bill was implemented, and sunsets the report in 2014. Concern was expressed about the effect a cost-based review system would have on rates, and the report was a way to keep the Legislature informed as the new system went into place. The report was sunsetted after 2014 because by that time, the review system would be fully operational and an annual report would be superfluous.
- 9) Section 4 – page 3 line 7
  - a. S HSS: Added a delayed effective date of July 1<sup>st</sup>, 2011. The original bill had no effective date. DHSS asked for the additional time to develop a rate review process that would fairly include the wide variety of providers.

# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSSB032(FIN)  
 () Publish Date: \_\_\_\_\_

Identifier (file name): SB032CS(FIN)-DHSS-SDMS-04-15-10 Dept. Affected: Health & Social Services  
 Title Medicaid: Home/Community Based Services RDU Senior & Disabilities Services  
 Component Senior & Disabilities Services  
 Sponsor Ellis, Davis, Paskvan, McGuire Medicaid Services  
 Requester Senate FIN Component Number 2662

**Expenditures/Revenue (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURE</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims	0.0	0.0	18,339.6	30,025.7	44,537.6	45,606.5	46,701.0	
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>18,339.6</b>	<b>30,025.7</b>	<b>44,537.6</b>	<b>45,606.5</b>	<b>46,701.0</b>	

<b>CAPITAL EXPENDITURE</b>							
<b>CHANGE IN REVENUES</b>							

**FUND SOURCE (Thousands of Dollars)**

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
1002 Federal Receipts			9,169.8	15,012.9	22,268.8	22,803.3	23,350.5
1003 GF Match			9,169.8	15,012.9	22,268.8	22,803.3	23,350.5
1004 GF							
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>18,339.6</b>	<b>30,025.7</b>	<b>44,537.6</b>	<b>45,606.5</b>	<b>46,701.0</b>

Estimate of any current year (FY2010) c \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if nece:

The bill requires DHSS to set rates for home and community-based services and personal care under the Medicaid program by regulation. DHSS is to review the rates annually and subject to legislative appropriation and available federal funds, set rates that consider the results of periodic provider cost surveys, at least once every four years, audit and inspection reports, and the Home Health Agency Market Basket data (an annually published inflation factor for a related service) are also items required for consideration in rate setting under the bill.

Providers are required to participate in cost surveys, and allow DHSS access to client records and any state or federal audits or inspections.

(continued on page 2)

Prepared by: William J. Streur, Deputy Commissioner  
 Division Health Care Services

Phone 907-269-7827  
 Date/Time 4/14/10 12:00 PM

Approved by: Alison Elgee, Assistant Commissioner  
DHSS Finance & Management Services

Date 4/15/2010

FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

BILL NO. CSSB032(FIN)

**ANALYSIS CONTINUATION**

This statute would affect approximately 350 businesses who are providers of home and community based services (HCBS), including residential living services. These services are delivered under four Medicaid waivers: Adults with Disabilities, Children with Complex Medical Conditions, Mental Retardation/ Developmental Disabilities, and Older Alaskans. Expenditures for these waivers in FY2008 were \$141.5 million. This bill would also affect an estimated 52 businesses not included above that provide personal care services. Expenditures for personal care services in FY2008 were \$72.3 million. Total costs in FY2008 that would be subject to the rates is \$213.8 million.

Current rates for Medicaid home and community-based services are not subject to regular review and adjustment to costs. Rate increases have been sporadic and have not grown with inflation.

This bill would require the review those rates annually and set rates based on provider cost surveys, audits and inspections, and inflation. DHSS recognizes that any increases in provider rates under this legislation are subject to appropriation; however, the estimates in this fiscal note reflect the funds DHSS would need to request in order to comply with the bill.

**ESTIMATED RATE ADJUSTMENT**

The department has worked with expert consultants and prepared a draft design of a new reimbursement system for home and community based providers which would meet the requirements of SB32. The new reimbursement system proposal is based on historical costs with inflation as required by SB32. The proposal phases rates in from current levels to an average cost level after 4 years. The consultants have modeled the cost of implementing the newly designed system effective July 1, 2011 and the cost increases from state fiscal year 2010 are estimated for 2012 (yr 1) at \$18,339,601, for 2013 (yr 2) at \$30,025,677, and for 2014 (yr 3) at \$44,537,582. If the department pursues this methodology, a rebasing to actual costs would likely occur in 2014, which could affect the cost estimate to an unknown extent during 2014. All of the rate models are based to some extent on costs, however, so the department wouldn't expect potential differences in 2014 projections to be material. After the rebasing, rates would increase according to projected inflation (current projection 2.1%) for 4 more years. SB 32 has an effective date of July 1, 2011.

**FUND SOURCE**

Costs are eligible for the federal medical assistance percentage which is projected to be 50% in FY2012 and beyond.

# FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSSB032(FIN)  
 () Publish Date: \_\_\_\_\_

Identifier (file name): SB032CS(FIN)-DHSS-RR-04-15-10 Dept. Affected: Health & Social Services  
 Title Medicaid: Home/Community Based Services RDU Department Support Services  
 Component Rate Review  
 Sponsor Ellis, Davis, Paskvan, McGuire  
 Requester Senate FIN Component Number 2696

**Expenditures/Revenue** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURE</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURE</b>								
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<b>CHANGE IN REVENUES</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF							
1005 GF/Program Receipt							
1037 GF/Mental Health							
Other Interagency Receipt							
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2010) c \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

The proposed legislation amends AS 47.07 to add payment rate provisions for Medicaid providers of personal care services and home and community-based services. This legislation would require the Department to review rates annually and set rates considering periodic cost surveys and the Centers for Medicare and Medicaid Services' home health agency inflation rate. The effective date is July 1, 2011.

(Continued on next page)

Prepared by: William J. Streur, Deputy Commissioner  
 Division: Health Care Services

Phone 907-269-7827  
 Date/Time 4/14/10 5:00 PM

Approved by: Alison Elgee, Assistant Commissioner  
DHSS Finance & Management Services

Date 4/15/2010

FISCAL NOTE

STATE OF ALASKA  
2010 LEGISLATIVE SESSION

BILL NO. CSSB032(FIN)

**ANALYSIS CONTINUATION**

Under this legislation, the Department would periodically survey providers to obtain cost information. There are approximately 350 home and community-based service providers, including assisted living homes, and an additional 50 personal care providers. Beginning in FY2010, the Department would need to begin developing cost surveys and providing training and technical assistance to providers as they modify their accounting systems to be able to respond to the surveys. The department needs to be able to provide this assistance to providers, so there is clear understanding of the information needed and clear definitions of cost centers; otherwise, it is likely that providers will be unable to provide accurate survey responses.

The Department would also perform some review and inspection of survey information to ensure accuracy before using survey data to set rates. Staff positions would be necessary to oversee the surveys and conduct rate setting operations. These positions are included in the FY2011 operating budget.



# Alaska State Legislature

Official Business, State Capitol, Juneau, Alaska, 99801

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Secretary Kathleen Sebelius  
United States Department of Health and Human Services  
200 Independence Avenue SW  
Washington, D.C. 20201

August 5, 2009

Dear Secretary Sebelius,

We write today to urge the Center for Medicare and Medicaid Services (CMS) to lift the moratorium on new applicants to Alaska's Medicaid waiver programs as CMS and our Department of Health and Social Services work together to resolve the underlying problems in these programs. Too many of Alaska's most vulnerable citizens will be hurt if these services are put on hold. In turn, we commit to working with CMS and DHSS to implement any statutory changes that would help these programs continue to serve as the most cost-effective, least restrictive form of care for disabled and elderly Alaskans.

We recognize the severity of the problems CMS identified with Alaska's waiver services, and have struggled with some of these issues for years. In fact, this past year, Senate Majority Leader Johnny Ellis introduced Senate Bill 32, which would create a fair and predictable system of rate reviews for home- and community-based service providers, one of the major issues raised by the CMS audit.

The bill is poised to move quickly in the next legislative session, having passed the Alaska Senate unanimously. This legislation holds bi-partisan co-sponsors in both houses of the Alaska Legislature. Senator Ellis has pledged to work with all parties involved, and has offered up his legislation as a vehicle for additional statutory changes that may become necessary during this process.

We hope that our willingness to work with you will be a sign of good faith – Alaska's disabled and elderly populations need us to work together to solve this problem, and can't afford to wait any longer.

Sincerely,

Handwritten signature of Johnny Ellis.

Senate Majority Leader Johnny Ellis

Handwritten signature of Gary Stevens.

Senate President Gary Stevens



Senator Dennis Egan



Senator Hollis French



Senator Linda Menard



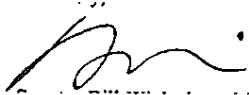
Senator Donald Olson



Senator Joe Paskvan



Senator Joe Thomas



Senator Bill Wielechowski



Rep. Lindsey Holmes



Representative Beth Kerttula



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10  
2201 Sixth Avenue, MS/RX 43  
Seattle, Washington 98121

AUG 19 2009

The Honorable Johnny Ellis  
Alaska State Legislature  
Official Business  
State Capitol Room 103  
Juneau Alaska, 99801

Dear Senate Majority Leader Ellis:

Thank you for writing to Secretary Sebelius regarding the Alaska home and community-based waivers that serve disabled and elderly beneficiaries. The Secretary has received your letter of August 5, 2009, and has asked that I respond to you on her behalf. We share your concern about the waivers and the need to resolve the outstanding issues as quickly as possible so the State can resume enrollment of beneficiaries.

On July 31<sup>st</sup>, the Centers for Medicare & Medicaid Services (CMS) clarified its position on the moratorium as it relates to personal care services. As a result, Medicaid beneficiaries will be able to receive personal care services, which will help them remain in their homes and communities. CMS is working closely with State officials to identify the most expeditious ways to resume waiver services to beneficiaries, while ensuring that those services are provided in an environment that assures beneficiaries' health and welfare.

CMS is pleased to see the responsiveness from the Alaska Department of Health and Social Services in recent weeks to expedite resolution of some of the issues of concern. Specifically, State officials identified a job recruitment strategy that allows a wider range of health care professionals to apply for the vacant evaluator positions. Filling these vacancies with qualified staff should help the State eliminate the backlog in evaluations and re-evaluations, which was one of the reasons for the imposition of the moratorium.

I sincerely appreciate your interest and willingness to respond to the health and welfare needs of Alaska's Medicaid beneficiaries, including your willingness to make possible legislative changes that may be required to address some of the issues with the waivers. This will certainly help expedite the process if state laws are needed to be changed.

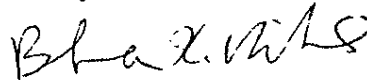
Please know that the Department of Health and Human Services and CMS are committed to moving the process forward with speed and attention to the needs of our most vulnerable beneficiaries.

Page 2 - The Honorable Johnny Ellis

AUG 19 2009

If you have any questions, please feel free to call me at (206) 615-2267. I will also provide this response to the co-signers of your letter.

Sincerely,



Barbara K. Richards  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

cc:

William Hogan, Commissioner, Alaska DHSS

Jackie Garner, CMS, Consortium Administrator

Terry Pratt, CMS, Acting Director, Disabled and Elderly Health Programs Group

# STATE OF ALASKA

## DEPT. OF HEALTH & SOCIAL SERVICES

### *Alaska Commission on Aging*

SEAN PARNELL, GOVERNOR

P.O. BOX 110693  
JUNEAU, ALASKA 99811-0693  
PHONE: (907) 465-3250  
FAX: (907) 465-1398

December 8, 2009

Senator Johnny Ellis  
716 West 4<sup>th</sup> Ave. Suite 500  
Anchorage, AK 99501-2133

Dear Senator Ellis:

The Alaska Commission on Aging (ACoA) is pleased to present to you our FY2011 legislative priorities for the upcoming session. These top issues were identified with input from older Alaskans, family caregivers, providers, and senior advocates statewide. The ACoA is a state agency under the Department of Health and Social Services, established in 1982. Our charge is to plan, educate and advocate on behalf of all older Alaskans (persons aged 60 years and older) through inter-agency collaboration so that Alaska seniors/elders may lead useful and meaningful lives with dignity and independence and have access to quality services when seniors need them to remain safely in their homes and chosen communities for as long as possible.

**1. Establish a regular and periodic schedule of rate reviews for home- and community-based services that serve persons who are Medicaid-eligible and meet nursing home level of care.** This measure will promote ongoing awareness of the true costs of providing services. SB 32, sponsored by Senator Johnny Ellis, passed the Senate and the House Health and Social Services Committee last session and waits to be scheduled for a hearing in House Finance. ACoA encourages passage of this legislation.

**2. Eliminate, or alternatively, adjust the cap on adult dental services reimbursed by Medicaid to provide program benefits that keep pace with higher health care costs due to inflation, and allow Medicaid patients access to two-years program benefits in a single year** to permit scheduling of treatment around the oral health care needs of the patient. The current law places a statutory \$1,150 limit on dental health care expenditures per eligible client. When the Medicaid Adult Dental program was created in 2005, this amount was sufficient to pay for one half of a set of dentures, either an upper or lower, with the idea that a patient who needed dentures could have both sets if the treatment was scheduled around the turn of the fiscal year. Although health care costs continue to rise, the cap has not been increased in three years. Allowing Medicaid patients access to two years of program benefits in a single year furnishes Alaskans and their dentists the flexibility needed to provide treatment addressing oral health emergencies that can occur at any time.

**3. Provide increased operating and capital funding to establish an Alaskan Public Transportation Fund for operations of local coordinated transportation systems** which the State can use to leverage additional federal funds to improve accessible, affordable transportation for older Alaskans, persons with disabilities, low-income individuals, youth and others without access to transportation so that Alaskans with special needs may have greater access to employment and community participation opportunities. According to the Governor's Coordinated Transportation Task Force Report (2009), Alaska is one of only three states in the nation that does not provide any specific state funding for public transportation.

**4. Provide operating funding to enhance the Aging and Disability Resource Centers,** administered under the Division of Senior and Disabilities Services, to streamline access to more efficient information and referral services by providing eligibility screening, options counseling, and assessments so that Alaskans can make informed decisions and have access to long-term care services through a "one-stop shop," reducing confusion and program fragmentation.

**5. Return to the original wording of AS 47.07.020 (b) (6), the Medicaid statute establishing income eligibility for persons requiring nursing home level of care, referencing 300% of the maximum Supplemental Security Income (SSI) benefit rate rather than the current frozen dollar amount (\$1,656 a month) to reflect changes in cost of living so that seniors and other Medicaid-eligible persons will not be disqualified for services, including home- and community-based waiver services, due to small increases to their Social Security and other benefits. The amount of \$1,656 is the monthly amount of 300% of SSI in 2003. The 2009 income equivalent is \$2,022 monthly.**

We also want to take this opportunity to share with you highlights from the Alaska Elder/Senior Community Forums that we hosted in Kotzebue (August) and Anchorage (December) to increase understanding about the issues that are of most importance to older Alaskans and to identify unmet needs. These forums, to be held in other locations statewide in the coming year, are being conducted to gather public input that will be used to develop the next Alaska State Plan for Senior Services, FY2012-2016. This document, prepared every four years, provides the State with a guide for delivering senior services and meets the requirement of the U.S. Administration on Aging for the state to access funding from the Older Americans Act which provides federal funding for a range of senior programs. Although these forums will be ongoing, Anchorage and Kotzebue participants identified the following issues as the most important:

- Provide improved access to quality and affordable health care, long-term supports that include home- and community-based services in communities where older Alaskans live, and promote disease prevention and wellness programs;
- Promote financial security, increase affordable senior housing, and improve elder safety;
- Provide safe, dependable, and affordable coordinated community transportation services so that seniors/elders can get to medical appointments and remain actively engaged in their communities;
- Enhance information and assistance services to help individuals access long-term support services and make informed decisions regarding their care.

Upon retirement, more seniors are choosing Alaska as their lifelong home to be close to family, friends and the unique Alaskan lifestyle. For the first time, Alaska is now the state with the fastest growing senior population, according to the U.S. Administration on Aging (2008), replacing Nevada, which held that position for many years. Alaska is home to approximately 80,000 persons aged 60 years and older who comprise about 12% of the state's population (Alaska Department of Labor). Alaska's senior population is expected to increase by four to six percent each year through 2020, as baby boomers become of age, by which time the total number of seniors will grow by almost 64 percent. The oldest Alaska seniors, 85 and older, are expected to triple during the next 25 years, vastly increasing the number of Alaskans living with Alzheimer's disease and related disorders.

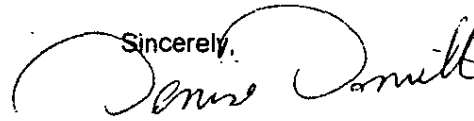
Please feel free to contact Denise Daniello, ACoA's executive director (465-4879 or [denise.daniello@alaska.gov](mailto:denise.daniello@alaska.gov)) for additional information about these issues or with any questions concerning Alaska's senior population.

The Alaska Commission on Aging will be meeting in Juneau February 10<sup>th</sup>-12<sup>th</sup>, 2010 and hopes to schedule a meeting with you to discuss our priorities in person. We look forward to working with you this legislative session. We appreciate your consideration of these advocacy priorities and thank you for your support of services for older Alaskans.

Sincerely,

  
Sharon Howerton-Clark  
Chair, Alaska Commission on Aging

Sincerely,

  
Denise Daniello  
ACoA Executive Director

# IN SIGHTS

Different needs. One dream.

## Alaskans with Disabilities Held Hostage by Medicaid Moratorium

- More than 2,000 people kept waiting for critically needed assistance
- Solution is at least six months away

The Arc was helping 21 families with the paperwork that would finally allow them to receive services when the state of Alaska announced a moratorium on new cases. A federal audit of Alaska's Medicaid program revealed deficiencies of such significance the federal government has forbidden the state to sign up any new people or process applications until improvements are made.

The federal Centers for Medicare & Medicaid Services made the announcement June 26. The two programs involved are the "Home and Community Based Medicaid Waivers" and "Personal Care Assistance." Almost 2,000 people were initially affected. The moratorium on personal care services was lifted August 10, but the freeze on community-based services remains.

Community-based services help Alaskans who experience disabilities with the activities of daily life, including in-home care for medically fragile children, renovations to make homes wheelchair accessible, job training services, and residence in group homes or assisted living homes.

"Most people agree with the federal audit's findings," said Executive Director Gwen Lee. "There are problems with the state's management; but the moratorium hurts the people the program is supposed to

help. Surely they could have found a better way to move the state into compliance."

The state says it will take at least six months to satisfy federal requirements. Meanwhile hundreds of Alaskans who are otherwise eligible for these services will remain in limbo. Until then, families and non-profit organizations like The Arc are struggling to bridge the gap.

## Rally Protests Harsh Remedy

- Federal response to state's management problems hurts Alaskan families, especially those with disabilities

On the day the federal moratorium ended for the state's personal care services program, which affects predominantly elderly Alaskans, Alaskans with disabilities took to the streets to protest the continued moratorium on the program that provides them with the assistance they need to lead ordinary lives.

State Sen. Johnny Ellis (D-Anch) and state Rep. John Harris (R-Valdez) addressed the crowd of several hundred. The administration must craft short-term solutions to get the moratorium lifted, but the two legislators pledged to continue working on long-term legislative solutions to the management problems that precipitated the federal sanction.

Ellis introduced SB 32 last year to reform the state's process for



Community Living Services Team Leader Karen Betts (left, with balloon) spent her lunch hour marching in support of families affected by the moratorium.

paying for the services non-profit organizations provide people with disabilities. His staff is working to resolve concerns of key legislators in hopes of quick passage when the legislature reconvenes in January.



Jerry Stoops and Individual Service Provider Pedro Ramirez joined several hundred people protesting the federal moratorium that prevents people from enrolling or even applying for disability services.

# Medicaid Moratorium to Baby Charlie: Sorry, Fella

- While bureaucrats dither, giggly 18-month old waits for diapers, clothes, blankets
- The Arc throws his sacrificing foster family a baby shower, but your help is needed, too

In many ways, Charlie seems like a typical 18-month old child. He's a happy little boy. When he hears his foster dad's voice in the hall, he giggles so hard his crib shakes.

Until two weeks ago, however, Charlie's crib was in a hospital, where he had spent every day of his life. He has chronic lung disease, motor and vision problems, and growth insufficiency syndrome. He has no pituitary gland.

His biological parents are unable to care for him, so The Arc's nurses asked Mary and Robert Rupe to be his foster parents. The Rupes' adopted daughter, Kathryn, 7, was born with multiple disabilities and receives services at The Arc. And Mary Rupe is a licensed practical nurse, which makes her a natural choice for medically fragile children, for whom it is often difficult to find qualified foster homes.

Mary had several job opportunities, but once she met Charlie, she

was smitten. She and Robert started the licensing process for foster parents; then they and their two teenage sons went through extensive training specific to Charlie's needs.

Everything was moving ahead just fine . . . and then the Medicaid moratorium was announced (see story on page 1).

Charlie is one of hundreds of Alaskans caught up in the state and federal government's disagreement over management of the Medicaid system. Until that is resolved, the state is prohibited from taking new cases or even accepting applications for community-based services to people who experience disabilities.

Despite the setback, The Arc and the Rupes were determined to bring him home as scheduled on August 5. "He's already waited eighteen months," said Lynne Stevens, one of The Arc's staff nurses. "He shouldn't have to wait another six months for the state to comply with the federal government's requirements."

The moratorium does not affect payment for medical equipment like the g-tube, trach, and ventilator. And Charlie will still be able to see his doctors and get medical treatment. That's the good news.

The bad news is that the state will not be paying the stipend for medically fragile children until after the moratorium ends. That means the Rupes have to come up with the money right now to pay for Charlie's basic needs like diapers, clothes and blankets. The second income Mary could be earning as a nurse is not available, so the whole family will make sacrifices. The Arc's staff chipped in for a baby shower.

Finally, on August 8, surrounded by his team from The Arc, the Rupes took Charlie home. Kathryn and her brothers are overjoyed



Kathryn Rupe welcomes foster brother Charlie into the family. Charlie's homecoming would have been set back by the Medicaid moratorium but for the Rupes' determination not to let bureaucracy interfere with Charlie's best interests.

## Help Charlie!

If you'd like to help 18-month old, medically fragile Charlie and the Rupe family, his foster parents, here's the wish list.

To donate, simply contact Katie Shurosky, Care Coordinator, at 277-6677. We'll take care of the rest.

- Winter clothes (size 18-24 mo.)
- Clothes (size 18-24 mo.)
- Blankets
- Diapers (size 18 lbs.)
- Baby wipes
- Desitin
- Diaper genie
- Diaper bag
- Bumpo tray
- Jumparoo
- Inflatable bathtub
- Burb cloths
- Aveno baby wash and lotion
- Baby thermometer

with their new brother and Charlie couldn't be happier.

### The Arc of Anchorage Board of Directors

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Lieza Wilcox

# A Nail-Biting Happy Ending for One Family Caught in the Moratorium

- With dad being deployed and mom too petite to lift his breathing equipment, premie's future looked horribly uncertain
- Secondary insurance, an option not available to many affected by the moratorium, was persuaded to fill the gap left by Medicaid freeze

Eddie Murray and his family are among the fortunate ones.

Eddie, now four months old, was born prematurely. He needs an oxygen concentrator to help him breathe, as well as cardiac and apnea monitors. He would probably qualify for Medicaid as a "child with complex medical conditions," but the federal moratorium prevented The Arc's nurses from sending in his application.

Eddie's family lives in a two-story house on base. The oxygen

concentrator weighs fifty pounds and until now, Eddie's dad has been around to move it up and down the stairs. But the Army is deploying Dad at the end of August.

Eddie's mom is petite; carrying fifty pounds around each time Eddie was moved put her at risk of a back injury or a fall.

Without the moratorium, Medicaid would have paid for a solution that would keep both mother and child safe. For several weeks after the moratorium was announced, the

family struggled to find an answer before Dad leaves.

Luckily, the family was able to persuade Tri-Care, the insurer for military families, to buy a second concentrator. With one upstairs and the other downstairs, Eddie's mom can move him without risk.

It was a relief for all concerned; but there are many families who cannot rely on other insurance for the help they need while the moratorium continues. For them, a happy ending might be a long way off.

# IN SIGHTS

Different needs. One dream.

## Still waiting for Juneau's approval: Rate reform and other "corrective actions" Medicaid officials demand

- 289 stalled applications from desperate families are now (finally!) moving forward again, including 21 here at The Arc
- Up for debate: Legislative bill SB 32, "absolutely critical to the long-term survival" of The Arc and other non-profits

"We're thrilled that families can get the help they need, and of course, that's the most important part of the story, said Ms. Lee. "But there's another part of this story: the silent crisis of Medicaid rates that don't reflect what it actually costs The Arc to provide those services."

The corrective action plan acknowledges this problem and promises to fix it. Resolution will require legislative action. SB 32, introduced last session by Sen. Johnny Ellis (D-Anc), provides for annual review of the reimbursement rates, similar to those already enjoyed by hospitals.

"SB 32 is absolutely critical to the long-term survival of not-for-profit service providers," said Dave Falsey, Board Vice President. "It's also imperative to do something in the short

term to fix the problems caused by a six-year freeze on rates."

When the Medicaid moratorium began last summer, 21 families served by The Arc went into limbo, unable to get urgently needed funding for disability services. The federal government ended the controversial moratorium on community-based services in August.

For those 21 families, the two-month moratorium was a long wait. They can breathe a sigh of relief now that their applications are moving forward again. When the moratorium ended, 289 people statewide had applications on hold—people desperate for services.

"What this means is people who were stuck can now get services,"

said Executive Director Gwen Lee.

The moratorium put a hold on new applications for community-based services for Alaskans experiencing disabilities or serious health issues. The alternative is long-term hospitalization, a nursing home, or other facility – which is more expensive and less attractive to people, who generally prefer living at home.

Call Chris at 777-0340  
to join our  
Action Brigade for SB 32.

We'll alert you  
when it's time  
to contact your legislators.

**The Arc of Anchorage  
Board of Directors**  
Rod Shipley, President  
Dave Falsey, Vice President  
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Anchorage Daily News

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## Troubled Alaska health programs face federal restriction

**IN-HOME CARE: Lawsuits, huge case backlog prompt moratorium on applications.**

By LISA DEMER  
ldemer@adn.com

(07/14/09 22:11:34)

State programs intended to help disabled and elderly Alaskans with daily life -- taking a bath, eating dinner, getting to the bathroom -- are so poorly managed, the state cannot assure the health and well-being of the people they are supposed to serve, a new federal review found.

The situation is so bad the federal government has forbidden the state to sign up new people until the state makes necessary improvements.

No other state in the nation is under such a moratorium, according to a spokeswoman for the federal Centers for Medicare & Medicaid Services.

In the meantime, frail and vulnerable Alaskans who desperately need the help are struggling. One elderly woman is stuck in a nursing home, for lack of care at home. Another woman, suffering from chronic pain and fatigue, said she's so weak, she often can't even pop dinner into the microwave.

The moratorium is expected to last four or five months. State officials estimate about 1,000 Alaskans will be affected.

A particularly alarming finding concerns deaths of adults in the programs. In one 2 1/2 year stretch, 227 adults already getting services died while waiting for a nurse to reassess their needs. Another 27 died waiting for their initial assessment, to see if they qualified for help.

The programs at issue provide in-home help for thousands of Alaskans with the basics of life, from medication to meals. The goal is to help people stay in their own homes rather than go into nursing homes or other institutions.

The services are paid for by Medicaid, the state-federal health program for the poor and the disabled, and overseen by the state Division of Senior and Disabilities Services. Individuals qualify based on income and need. Private contractors do most of the work. The programs cost about \$250 million this year, with the federal government currently paying 61 percent of the bill.

Two broad categories of programs are at issue: One, providing just personal care, serves 3,200 people and the other, with a broader range of services including home health care, helps about 3,800 through what are known as Medicaid waivers. Some clients get help through both types of program.

Division officials on Tuesday acknowledged serious problems, including a backlog of about 2,000 people waiting for a nurse assessment to determine what services they need. They said fixes are coming.

People in the programs are well served, the officials say, once they are signed up for services. They claim it's mainly a paperwork and documentation problem.

"We do believe that quality care is happening in Alaska. Our system for getting that information is not well established. That's what we have to fix," said Rebecca Hilgendorf, director of senior and disabilities services.

One person waiting for her assessment is 80-year-old Esteen Knights-Thomas, who has been at Providence Extended Care most of the last month. She is recovering from an incident in Pennsylvania when her legs were scarred by acid from a strong insecticide used in her rented apartment, her daughter said.

Knights-Thomas said Providence is very nice, but "I would rather be at home with somebody helping me."

For one, she'd like to eat what she wants. "Here you can't do that. You have to eat what they give you," said Knights-Thomas, who also is blind in one eye.

Her daughter La Verne Jones, 60, can't provide the care herself. She can barely get around, suffers from a rare eye disease, and is overdue for a hip replacement. She was approved for personal care services before the moratorium, but that help can't extend to her mother.

In March, the state told officials with the federal Centers for Medicare & Medicaid Services about the huge backlog of people waiting to be evaluated.

"That was the first red flag that went up for us, that something was going on there that was not meeting our expectations," said Mary Kahn, a spokeswoman for the federal agency.

"Rather than continue to let the state admit more and more people into what we believe has been a poorly managed system, we just said hold the phone, we're going to try to find other ways to serve these people," Kahn said. "And we're going to stop enrollment in this program because we are quite concerned."

State officials said some private agencies in Alaska provide similar services through grant funding. But advocates say those services are very limited.

Another sign of trouble for the feds: eight lawsuits against the state division.

Most were brought by the Northern Justice Project, a private civil rights firm created in 2006 to pursue class action suits and other big cases.

"I think the lawsuits reflect that these two programs are and have been run incompetently for some time," said Jim Davis, one of the partners and founders of the justice project.

The common thread in the suits is that seniors and disabled Alaskans aren't getting the services they are entitled to, under the law, Davis said. In one big win, the state Supreme Court ruled last year that the state had improperly cut off or reduced services to more than 1,000 needy people.

State officials say they are trying to settle those lawsuits.

As to the backlog, most of the people waiting for an assessment already are getting services but are overdue for their annual check by a nurse to see if they need more or less help, state officials said.

An earlier attempt to reform the personal care assistance program may have inadvertently created some of the current trouble. After costs soared from \$8 million a year in fiscal 2000 to \$80 million five years later, the Legislature ordered the state Department of Health and Social Services to control the spending. The state eventually decided to hire its own nurses to

determine who needed how much care. The cost of that program dropped.

But a nationwide nursing shortage means about 40 percent of the nurse positions stay vacant, hence the backlog, said Marcy Rein, chief of programs for senior and disabilities services.

The state now is looking into allowing other types of professionals, including clinical social workers, to do the assessments -- something the feds say it should have already done.

State officials say a new project manager starts work Thursday to oversee improvements. They also are working to update the division's data collection system.

Doctors and other health care providers wrote to the Centers for Medicare & Medicaid with concerns that the state wasn't responsive. Some alleged that the lack of state controls "has resulted in the death(s) of the active clients," the federal review said.

While the people served are frail and suffer from chronic health issues, the state never investigated to determine if any failure in service contributed to the deaths, the federal review found.

"Thus, if someone passed away because a (personal care assistant) did not show up, for example, there was no indication this would have been reported or investigated," the report said.

The state plans to start doing fatality reviews.

Davis, the attorney who has brought many of the suits, said he doesn't believe people are dying because of poor quality care or abuse. While the state doesn't allow as many hours of care as people need, he said, the care itself is good. The multitude of private contractors makes the field competitive, and clients can switch providers if they aren't satisfied, he said.

Federal officials conducted their "focused review" in May and notified Health and Social Services Commissioner Bill Hogan of the moratorium in a June 26 letter.

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Find Lisa Demer online at [adn.com/contact/ldemer](http://adn.com/contact/ldemer) or call 257-4390.

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# JUNEAU EMPIRE.COM

## Feds crack down on Alaska home care programs Moratorium bars new participants until problems solved

Wednesday, July 15, 2009

By Pat Forgey | **JUNEAU EMPIRE**

The federal government is barring Alaska from accepting more of its frail and elderly residents into its home and personal care services programs until the state shows it can fix a series of problems that may be endangering seniors.

Alaska Senior and Disability Services Director Rebecca Hilgendorf acknowledged problems at a press conference Tuesday, but said the state was already on its way to addressing those issues.

"Some of them are absolutely correct," she said. "We want to make improvements."

A lack of staffing, especially in the number of nurses who assess prospective clients for home health services and monitor care, has been hampering Alaska. The home care program has a 40 percent vacancy rate, said Marcy Rein, chief of SDS programs.

Money is available in the state budget, Hilgendorf said, but a nationwide shortage of registered and licensed nurses has made hiring in Alaska particularly difficult, she said.

What Hilgendorf did dispute was whether anybody had been hurt by the lack of care or supervision.

"We believe there is a very good quality of care being given to Alaskans," Hilgendorf said.

It is unclear what impact the understaffing has had. The CMS review noted that from October, 2006 to May 2009 there had been 27 deaths among people waiting for initial assessments, and 227 deaths among those waiting to be reassessed.

Alaska officials said they don't know if any of those deaths were caused by inadequate care, but had not done the mortality studies that would help answer that question.

Federal regulations require Alaska to have necessary safeguards in place to protect the health and welfare of the recipients of services, said Barbara Richards, associate regional administrator for the federal Centers for Medicare & Medicaid Services (CMS), in a letter to Commissioner Bill Hogan of the Department of Health and Social Services.

"The Alaska State Medicaid Agency has not provided CMS sufficient assurance that those necessary safeguards are currently in place and/or being followed," Richards wrote.

A hiring freeze instituted earlier this year by Gov. Sarah Palin as a cost savings measure delayed some hiring, Hilgendorf said, though some hires were granted waivers.

Hilgendorf said that while some nurses were hired elsewhere while awaiting waivers, that happens

sometimes in the highly competitive world of nurse recruiting anyway and can't be directly linked to the freeze. Palin lifted the freeze June 1.

The state has taken new steps to boost hiring, Rein said, including advertising on Yahoo.

State officials say they expect the backlog of assessments for service eligibility to be resolved in four to five months.

While the federal moratorium will bar new people from the programs, it will not affect the several thousand people already in it, Hilgendorf said.

Alaska has waivers from federal authorities to provide frail and elderly residents with community and home-based care, and keep them out of expensive nursing homes and hospitals.

The home and community services can also help move people out of spendy specialized facilities, freeing up space for those with greater need.

Half the cost of those programs is picked up by Medicare and Medicaid, which must approve how Alaska manages its programs.

Alaska began using nurses in 2007 to do assessments, replacing a system in which assessments were sometimes done by those who would be doing care, setting up a conflict of interest.

Using nurses in its employ to do the assessments provided significant cost savings, Hilgendorf said.

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[http://juneauempire.com/stories/071509/loc\\_463956258.shtml](http://juneauempire.com/stories/071509/loc_463956258.shtml)

**Max Hensley**

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**From:** Max Hensley  
**Sent:** Tuesday, August 04, 2009 4:57 PM  
**To:** Sen. Johnny Ellis  
**Subject:** Sebelius Press Release DRAFT



**FOR IMMEDIATE RELEASE: August 5, 2009**

## Alaska State Legislature Senator Johnny Ellis

---

Max Hensley      Web Site: <http://ellis.aksenate.org>  
716 W 4th Suite 500      Phone: 907.269.0169      Fax:  
Anchorage, AK      907.269.0172  
99501-2133      Email: [Heather.Beaty@legis.state.ak.us](mailto:Heather.Beaty@legis.state.ak.us)

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### **LEGISLATORS URGE FEDS TO END MEDICAID MORATORIUM** Offer Ellis Bill as Vehicle for Comprehensive Solution

ANCHORAGE – Today 11 Senators and Representatives of both parties sent a joint letter to Secretary Kathleen Sebelius of the US Department of Health and Human Services asking her to lift the moratorium on new applicants to Alaska's Medicaid waiver services in the wake of an unsuccessful audit by the federal Center for Medicare and Medicaid Services (CMS). In recognition of the seriousness of the problems discovered by the CMS audit, and as a sign of their commitment to finding a long-term solution, the legislators noted an existing bill, Senate Majority Leader Johnny Ellis' Senate Bill 32, which partially addresses the issue and could be revised to encompass further changes if necessary.

"Home and community based services have long been proven to be the most cost-effective and least-restrictive form of care," said Senator Ellis. "Unfortunately, over 2000 of Alaska's most vulnerable citizens are put at risk while bureaucrats in Washington and Juneau look for a solution. We can work together to solve this problem, and continue to serve our elderly and disabled friends and neighbors."

Senate Bill 32 passed the Senate on a unanimous vote, holds 12 co-sponsors from both parties in both houses of the Legislature, and awaits a hearing in the House Finance Committee when the Legislature returns to session in January.

###

# MUNICIPALITY OF ANCHORAGE

Department of Health and Human Services



907-343-6718

*Mayor Dan Sullivan*

## SENIOR CITIZEN ADVISORY COMMISSION

February 9, 2010

The Honorable Johnny Ellis  
State Capitol Room 103  
Juneau AK, 99801

Dear Senator Ellis,

RE: Letter of Support for SB 32

The Municipality of Anchorage Senior Citizens Advisory Commission strongly supports the passage of SB 32, which provides for a regularly scheduled rate review for home and community based services similar to the annual rate review already in place for nursing homes and hospitals.

Many older Alaskans are receiving home and community based services which allow them to remain in their own home rather than in an institution. These services cost much less than the costs associated with the level of care provided in an institutional environment. However, the costs of providing care in any environment are continually on the rise. Reimbursement rates must be in line with rising costs.

As our Alaskan population continues to grow older, more home and community based services are needed. Service providers will not be able to stay in business if the costs outweigh the reimbursement rates, or they will have to serve fewer Alaskans, who require these services to maintain their independence as long as possible in their golden years. This is a workforce development issue for all Alaskans.

The Commission supports SB 32 and urges passage of this important legislation.

Respectfully,

Dawnia Clements, Chair  
Senior Citizens Advisory Commission  
6800 Louise Court  
Anchorage, AK 99507

CC: Senator Lyman Hoffman, Co-Chair, Senate Finance Committee  
Senator Bert Stedman, Co-Chair, Senate Finance Committee

## ALASKA ASSOCIATION OF HOMES FOR CHILDREN

Residential Child Care Agencies Serving the Needs of Alaska's Youth

February 4, 2010

The Honorable Senator Johnny Ellis  
Alaska State Legislature  
State Capitol Building, Room #103  
Juneau, Alaska 99801-1182

**RE: Support for Senate Bill 32 from the Alaskan Association of Homes for Children (AAHC).**

Dear Senator Ellis,

On behalf of the membership of this Association, we thank you for your introduction of SB 32.

We support the development of a rate review mechanism for home and community based service providers as a necessary step to assure continued services to those in need throughout the state. Successfully conducting business within our agencies is contingent on a reimbursement rate that can keep up with inflation and cost of living. Employers in this arena currently struggle with recruiting and maintaining workforce within a fixed rate system. We hope this model of reimbursement will be applied to other providers delivering health care services in the future.

Please let us know if there is anything else our membership can do to support your legislation of SB 32.

Respectfully,



Brad Ohs  
AAHC President

Alaska Baptist Family Services  
Anchorage, AK

Alaska Children's Services  
Anchorage, AK

Alaska Family Services  
Palmer, AK

Covenant House of Alaska  
Anchorage, AK

Fairbanks Native Association  
Fairbanks, AK

Family Centered Services of Alaska  
Fairbanks, AK

Juneau Youth Services  
Juneau, AK

Kenai Peninsula Community Care  
Center  
Kenai, AK

Maniilaq Association  
Kotzebue, AK

Nome Children's Home  
Nome, AK

North Slope Borough Children's  
Services  
Barrow, AK

North Star Behavioral Health  
Anchorage & Palmer, AK

Presbyterian Hospitality House  
Fairbanks, AK

Providence Behavioral Health  
Systems  
Anchorage, AK

Residential Youth Care  
Ketchikan, AK

The Salvation Army Booth Memorial  
Home  
Anchorage, AK

The Boys and Girls Home of Alaska  
Fairbanks, AK

Youth Advocates of Sitka  
Sitka, AK

# Palmer Senior Citizens' Center, Inc.

*Seniors helping Seniors*

February 11, 2009

The Honorable Senator Johnny Ellis  
Alaska State Legislature  
State Capitol Building, Room #103  
Juneau, Alaska 99801-1182

Dear Senator Ellis:

The Palmer Senior Citizens Center, Inc. (PSCC) wanted to express our sincere appreciation for your support and commitment to the seniors in the state of Alaska. PSCC supports your efforts to pass SB32 which will put into statute a regular review of home and community based waiver rates.

Thank you for making the time to meet with Kenneth Anderson, PSCC Board President, and Rachel Greenberg, Office Manager, on Tuesday, January 10<sup>th</sup> at 2:00.

The Palmer Senior Citizens Center, Inc. hopes that your busy schedule will allow time for you or your staff to visit us. Thank you again.

With Best Regards,

*Kenneth A. Anderson*

Kenneth A. Anderson  
Board President

*Richard G. Tubbs*

Richard G. Tubbs  
Executive Director



831 S. Chugach St. • Palmer, Alaska 99645 • Phone: (907) 745-5454 • Fax: (907) 746-5173  
Email: [pssc@mtaonline.net](mailto:pssc@mtaonline.net)





The Honorable Senator Johnny Ellis  
State Capitol  
Juneau, Alaska 99801-1182

Dear Senator Ellis;

I am writing in support of SB 32 on behalf of the membership of the Alaska Behavioral Health Association. The issues of rates and the mechanism and frequency of adjusting those rates are the primary issue for our membership this year.

We support the effort to put into place rate setting mechanisms for the home and community based services and that this model will be applied to the other providers that contract with the State of Alaska to deliver services. It is difficult to manage a business that is focused on delivering health care services when the cost for reimbursement does not keep pace with inflation and cost of living. Fixed costs don't go away and agencies have been trying to meet their grant obligations while keeping the business solvent. Employers are not able to offer competitive wage and benefit packages because of insufficient reimbursement rates.

Please let me know what else our members can do to support your legislation.  
Thank you.

In Health,

Steve Horn  
Executive Director

Attachment



AARP Alaska  
3601 C Street  
Suite 1420  
Anchorage, AK 99503

T 1-866-227-7447  
F 907-341-2270  
TTY 1-877-434-7598  
www.aarp.org/ak

February 3, 2009

The Honorable Bettye Davis, Chair  
Senate Health, Education and Social Services Committee  
Alaska State Capitol, Room 30  
Juneau, AK 99801-1182

RE: SB 32-Ellis--Support

Dear Chair Davis:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Health and Social Services Committee to support SB 32, authored by your Committee colleague Senator Johnny Ellis and co-sponsored by you.

SB 32 would allow annual rate reviews of all home and community based services similar to the process for hospitals. Rates for HCBS services under Medicaid have remained the same for several years, discouraging needed providers from entering the field and forcing current providers to reduce their services and cut back on clients.

As we age, many of us would prefer to stay at home or with our families but sometimes we need extra help to do so. With the growing numbers of older people who need support to live on their own, private and public organizations now offer many different options to allow us to "age in place" in our homes and communities. These options form the continuum of home and community based services, ranging from meals on wheels to adult day care. In addition to meeting our personal preferences to remain home and in our communities, HCBS services are much less expensive than institutional care.

Younger persons with disabilities are also primary users of HCBS services to allow them to continue their education, work and participate as full citizens in their communities and with their families.

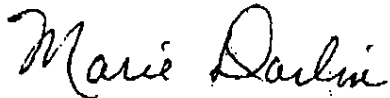
We cannot expect the providers of HCBS to continue to operate on rates often set years ago. It makes sense to review HCBS rates every year just as we do with hospitals.

AARP requests an "AYE" vote on SB 32.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-752-3314).

Thank you for your consideration.

Sincerely,



Marie Darlin, Coordinator  
AARP Capital City Task Force  
415 Willoughby Avenue, Apt. 506  
Juneau, AK 99801  
586-3637 (voice)  
463-3580 (fax)

CC: Vice-Chair Joe Paskvan  
Senator Johnny Ellis  
Senator Joe Thomas  
Senator Fred Dyson

Advisory Board on Alcoholism  
and Drug Abuse



Alaska Mental Health Board

Governor's Council on Disabilities  
and Special Education



The TRUST

The Alaska Mental Health  
Trust Authority

## Establish a Regular and Periodic Schedule of Rate Reviews for Home and Community-Based Services

The Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse and the Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority, the Alaska Brain Injury Network and the Alaska Suicide Council, have identified the establishment of a regular and periodic schedule of rate reviews for home and community based services one of their four legislative priorities for 2009. Regular and periodic rate reviews, for both Medicaid and grant-funded services, are imperative to maintaining the systems of care that serve Alaska's most vulnerable populations. The provisions for this legislation are in SB 32, sponsored by Senator Ellis.

- Before last year's rate rebasing for FY09, most home and community-based services providers had been over a decade without a rate review or increase. This resulted in an erosion of the system, as frozen rates resulted in a diminishing pool of resources – reducing the quality and availability of services.
- In FY07, home and community based services were provided to nearly 57,000 people who would have otherwise been served by costly institutional or nursing home care.
- In order for the Department of Health and Social Services (DHSS) and the State of Alaska to create and maintain a 10-year fiscal plan that adequately budgets for the costs of home and community-based services, a schedule of rate reviews is necessary.
- Our system of care for Alaskans with special needs is based on a network of non-profit providers. Without adequate funding, our providers cannot continue to provide quality services. Without our providers, we have no system of care.

### Overview

Home and community-based services include a wide range of Medicaid and grant-funded services for Trust beneficiaries and other vulnerable Alaskans. Mental health care, infant learning, personal care attendant services, assisted living services, senior care, substance abuse counseling, and services for Alaskans with developmental disabilities are all examples of services provided at home or in our communities. These services maintain individuals' quality of life and reduce the need for more costly institutional, emergency and nursing home care.

For more that 10 years, providers have struggled to meet the demand for services while maintaining an acceptable quality of service because there has been no structure for reviewing the rates paid for those



February 23, 2009

Senator Bettye Davis  
Chair, Senate Health and Social Services Committee

Senator Johnny Ellis  
Sponsor, SB32

Senator Hoffman, Co-Chair – Senate Finance Committee  
Senator Stedman, Co-Chair – Senate Finance Committee  
Senator Eiton, member - Senate Finance Committee  
Senator Huggins, member - Senate Finance Committee  
Senator Olson, member - Senate Finance Committee  
Senator Thomas, member - Senate Finance Committee

I am writing this letter in support of SB32, a bill which I believe will strengthen Home and Community Based (HCB) Providers like Access Alaska and many others. We HCB providers form the backbone of Alaska's long-term care system. We HCB providers are not only the current backbone, but given our cost-effectiveness and desirability – consumers want to age in place – we are the state's answer to the long-term care dilemma.

Like hospitals and nursing homes, we are businesses with actual costs – we pay rent or mortgages, insurance, and personnel. As these costs have grown while reimbursement rates stay flat, our ability to pay workers a living wage has decreased to the point that in many communities, direct service workers can earn more working at a fast food restaurant than they can helping to care for our elders. This has limited our ability to attract workers and in some cases is creating a crisis in the long-term care system.

This is but one example of the ravages of the current rate-setting regime.

In the larger view, it is important to keep in mind that a strong HCB provider system is critical to the state's ability to meet the coming wave of long-term care users. Policy groups from the National Conference of State Legislatures to the AARP have all recommended states rebalance their Medicaid spending in favor of HCB and take advantage of new waiver and partnership opportunities, in order to meet the growing demand for Medicaid long-term care services. In many cases, Alaska has not taken advantage of these opportunities.

Alaska has the envious position of being one of the top states in the nation in terms of balanced spending between institutional (nursing home) care and HCB care. However, the system has been strained to the point of breaking over the last several years, primarily because of the inattention to Medicaid reimbursement rates. Therefore, it makes sense that the state should do everything it can to strengthen the system.

I believe SB32 goes a long way toward doing just that. We greatly appreciate your leadership on this issue and stand ready to support its passage and implementation.

Sincerely,

Jim Beck  
Executive Director  
Access Alaska, Inc.

ANCHORAGE  
121 W. Pinewood, Suite 105  
Anchorage, Alaska 99503  
907-248-4777  
Fax 907-248-0639  
Toll free 800-770-1488  
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526 Coffey Road, Suite 100  
Fairbanks, Alaska 99701  
907-479-7940  
Fax 907-474-4052  
Toll free 800-770-7940  
TTY 907-474-8619

Mat Su  
897 Commercial Drive  
Wasilla, Alaska 99654  
907-357-2588  
Fax 907-357-5585  
Toll free 800-770-0228

Kenai  
10807 Kenai Spur Highway  
Kenai, Alaska 99611  
907-283-7224  
Fax 907-283-5993  
Toll free 888-260-9336

Opening Doors to Independence  
www.accessalaska.org  
info@accessalaska.org



6311 DeBarr Road Suite L-2 Anchorage, AK 99504  
Phone: (907) 336-3365 and Fax: (907) 336-3397

February 3, 2009

Senator John Ellis  
Senator Bettye Davis  
via email

Dear Senator Ellis and Senator Davis,

I am writing to support SB 32, which establishes periodic rate reviews for home and community-based services. Ensuring consistent rate increases for providers enables less expensive care for the elderly and develops a workforce aimed at the medical field.

As the second largest provider of in-home care services, we are intimately familiar with the associated challenges. The cost of doing business has increased while rates have been flat. Without entrepreneurial incentive, providing direct care may rest on the more expensive option; state-managed assisted living facilities and state-managed skilled nursing facilities

Workforce development for the medical field starts with our in-home care staff. Our Personal Care Assistants (PCA's) can receive certification and provide low level care for the elderly. Many family members and college-age PCA's get their first glimpse at the medical field.

Thank you for your support of SB 32. Please contact me with any questions. My direct line is extension 104 at (907) 336-3365.

Best regards,

A handwritten signature in black ink, appearing to be "BR" with a flourish.

Brian Richardson  
Chief Executive Officer

# AGENET

Alaska Geriatric Exchange Network

March 17, 2009

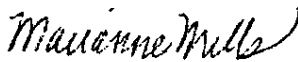
The Honorable Senator Bert Stedman  
Alaska State Legislature  
State Capitol Building, Room #516  
Juneau, Alaska 99801-1182

Dear Senator Stedman:

Agenet, Alaska's Association of Senior Service Providers, would like to formally offer our support for your efforts to ensure the ongoing viability of long term care in the home and community by introducing Senate Bill 32. By including in statute the regular review of rates for services provided by home and community based providers, Alaskans of all ages who experience disabilities will have a much greater opportunity to continue to reside in their own homes and communities.

The members of Agenet appreciate your efforts to codify a process which will ensure that the long term home and community based system of care in this state remains vibrant and able to meet the increased demands for service in the future. Through passage of SB 32, the Alaska State Legislature and the Department of Health and Social Services will have the information necessary to plan for our growing senior population and the system of care which will be needed. Our thanks and appreciation and support are with you.


Sincerely,



Marianne Mills  
President

Agenet Members Include: Senior Citizens of Kodiak, Rendezvous Senior Day Services, Alzheimer's Disease Resource Agency, Soldotna Area Senior Citizens, Wasilla Area Seniors, Kenai Senior Services, Homer Senior Citizens, Southeast Senior Services, Southeast Alaska Independent Living, Anchorage Senior Activity Center, Serendipity Adult Day Center, North Star Council on Aging, Frontier Community Services, Palmer Senior Citizens Center, Center For Community, Fairbanks Resource Agency, Forget-Me-Not Center, Seward Seniors, Older Alaskans Program—Salvation Army, Ready Care, Sterling Area Senior Citizens, Bartlett Regional Hospital, Center for Human Development, Easter Seals of Alaska, Tanana Chiefs Conference, Qutekcak Native Tribe, Immediate Care

cc: Senator Johnny Ellis



## **AGENET'S 2009 Legislative Priorities**

**The Association of Alaska's Providers of Services to Older Alaskans**

Contact Information: Marianne Mills (463-6154) or Ken Duff (262-6331)

### **1. Support legislation, such as SB 32, which would put into statute a regular review of Home and Community-Based Medicaid Waiver rates similar to the process for institutions (hospitals, nursing homes).**

- Services available to persons eligible for the Home and Community-Based (HCB) waiver program include meals, transportation, chore, respite, care coordination, adult day services, specialized medical supplies/equipment and home modifications.
- These services are provided for a fraction of the cost of institutionalized care to older Alaskans in their own homes and traditional communities.
- Investing in home and community-based care is the most cost effective way to provide long-term care while supporting local communities throughout the state.
- Regular rate reviews will provide parity with hospitals and nursing homes which have had a similar statute in place since 1999.
- Regular rate reviews will provide a good management tool for the Department of Health and Social Services to determine program costs, budget adequately, and create a 10-year fiscal plan.

### **2. Work with the legislature to adjust grant rates with a \$2 million increment for Family Caregivers, Nutrition, Transportation & Support Services grants.**

- Senior grants help pay for home and community-based services for senior citizens who are not eligible for the HCB Medicaid Waiver program, services such as meals, rides, adult day, chore, respite, care coordination, and health promotion.
- Investing in senior grants upfront save millions of dollars the State would otherwise pay for expensive institutional care (nursing homes). In Alaska, the cost of one month's stay in a nursing home is \$10,000-\$20,000 per senior (compare this to a package of grant services for only \$61 to \$83 per month).
- Alaska's long term care policy is aimed at allowing Older Alaskans to remain at home for as long as possible; these grants help them remain at home, saving the state money, and also support the unpaid work of their family caregivers, work which has been valued at \$534 million in Alaska.
- In July 2009, a regional funding formula will shift senior grant monies out of seven (of nine) regions of the State, jeopardizing local communities from providing much-needed services; this shift will happen even though senior populations in all regions are still increasing and as the costs for food, fuel and workers increase.
- The proposed \$2 million increase in senior grants will help ensure that all regions of the State receive adequate funding to continue senior grant services so that seniors may remain in their traditional communities.



**CENTER FOR COMMUNITY**

700 Katlian Street, Suite B

Sitka, AK 99835

Phone: 907-747-6960

Senator Johnny Ellis  
Alaska State Legislature  
P.O. Box  
Juneau, AK 99811

**RE: Support on behalf of constituents in Sitka, Yakutat, Hoonah, Kake, Angoon, Wrangell, and Ketchikan, for SB 32, "An act relating to medical assistance payments for home and community-based services."**

Center for Community is a non-profit organization that provides personal care and home and community based services throughout the services throughout South East Alaska: with clients and employees in nearly every community from Yakutat to Metlakatla. In these communities, we employ a total of 71 Southeast residents and serve 113 Southeast clients at the current time (not counting Juneau).

Senate Bill 32 will cure a long-standing problem in Alaska's Medicaid system for long term care of our seniors and other children and adults with disabilities of all kinds. SB 32 will finally ensure that the Legislature and the Administration regularly receive information about the true cost of providing care to Alaskans--at home--who are trying to avoid more expensive institutionalized long term care. SB 32 gives everyone the information necessary to make both short term budgetary and long term policy choices.

Thank you for your introduction of Senate Bill 32. If we can do anything to further legislative support for passage of SB 32, please call upon us.

Sincerely

A handwritten signature in cursive script that reads "Connie J. Sipe".

Connie J. Sipe, Executive Director  
Center for Community

[csipe@cfc.org](mailto:csipe@cfc.org)

(Sitka Headquarters Office: 747-6960)



**Alzheimer's**  
Resource of Alaska

Senator Bert Stedman  
Senator Lyman Hoffman  
Co-Chairs Senate Finance Committee  
Alaska State Legislature  
Capitol Building  
Juneau, Alaska 99801

Anchorage &  
Statewide Services  
1750 Abbott Road  
Anchorage, AK 99507  
phone 907-561-3313  
fax 907-561-3315  
Toll-free in Alaska  
800-478-1080

March 2, 2009

Senators Stedman & Hoffman,

Fairbanks Services  
565 University Ave.  
Suite 2  
P.O. Box 72791  
Fairbanks, AK 99707  
phone 907-452-2277  
fax 907-457-3376

The Alzheimer's Disease Resource Agency of Alaska (ADRAA) formally requests your support of the CS for Senate Bill 32 which has just been referred to the Senate Finance Committee and is currently awaiting a hearing date. As you are aware, CSSB 32 would regulate rate review for medical assistance payments for home and community based (HCB) personal care services for providers working in personal and assisted living homes. Currently, no such review is regularly mandated for HCB or Assisted Living Care, although facility based providers such as nursing homes are reviewed regularly to keep up with the growing population served and accurate information regarding cost of care.

Juneau Services  
3100 Channel Drive  
Suite 19  
Juneau, AK 99801  
phone 907-586-6044  
fax 907-586-6084

The Alzheimer's Resource of Alaska provides in home care services for individuals affected by Alzheimer's disease and related dementias and for frail elders. In FY08, we provided 57,452 hours of services statewide. The services provided include personal care, respite for family caregivers, and household chores such as meal preparation, snow shoveling, and chopping wood. It is the work of unpaid family caregivers as well as professional in home workers that allows elders to remain in their homes, and their communities rather than being placed in full time nursing care at great cost to the state.

Mat-Su Valley Services  
Trinity Barn Plaza  
P.O. Box 4406  
Palmer, AK 99645  
phone 907-746-3413  
fax 907-746-3412

ADRAA thanks the bill's sponsor and co-sponsors for their foresight on this issue and for their continued support of seniors across Alaska. We enthusiastically support SB 32 which would strengthen the existing infrastructure of home and community based services and would allow for the best possible outcome for both our clients and employees.

[www.alzaska.org](http://www.alzaska.org)

Sincerely,

Dulce Nobre  
Executive Director

*mtt*

cc: Senator Johnny Ellis  
Senator Charlie Huggins  
Senator Bettye Davis  
Senator Donald Olsen

cc: Senator Joe Thomas  
Senator Kim Elton  
Senator Joe Paskvan



## Community Resource Network

The mission of the Community Resource Network is to assist its members to best serve the needs of our community by:

- Informing and educating the members regarding health and human services.
- Mobilizing people and resources through member involvement.

Jeannette Lacey Dunn  
 Bartlett Regional Hospital  
 3260 Hospital Drive  
 Juneau, Alaska 99801

The Honorable Bill Stoltze  
 House of Representatives  
 Alaska State Capitol  
 Juneau, AK 99801

January 15, 2010  
 RE: SB 32 Medicaid: Home/Community Based Services

Dear Representative Stoltze,

My name is Jeannette Lacey Dunn and I am writing on behalf of the Community Resource Network (CRN). The CRN is comprised of many Juneau community agencies that provide services such as health care, home health care, care coordination, long-term care, assisted living, independent living, and others. Members work together to better serve our clients and our community through collaboration and actively working to improve services. We are in support of SB 32, which will establish a process for regular rate review for home and community based services (HCBS) in statute comparable to the one in place for nursing homes to serve persons who are Medicaid-eligible and meet nursing home level of care. We understand this bill was passed by the Senate and has been referred to the House Finance Committee.

Home and Community Based Services help to keep overall Medicaid costs down by allowing more people to remain in their homes rather than utilizing more costly in-patient long-term-term care. However, over the last few years, rates for HCBS have been frozen, which restricts agencies that are providing these services. The rate review will allow agencies to continue to provide HCBS for those who need them to maintain their independence. It will also assist the Department of Health and Social Services and the Alaska State Legislature to plan and make informed decisions related to long term care for older Alaskans and persons with disabilities.

We believe that regular rate reviews are essential in serving both our clients and the State of Alaska by being as fiscally responsible as possible. Please schedule SB 32 for a hearing in the House Finance Committee. We would appreciate your support of this important legislation.

Respectfully,  
 Members of the Community Resource Network

*Jeannette Lacey Dunn*  
*Douglas Farnell*  
*Kelly Stadel*  
*Laura Dameron*

*Sammy Murphy*  
*Mo Soboria est*  
*Willie Deane*  
*Julie De Farcy*

*Marianne Mills*

# The TRUST

The Alaska Mental Health  
Trust Authority

Alaskan Seniors  
**Living Longer Growing Stronger**  
from the Alaska Commission on Aging



**Governor's Council on Disabilities  
and Special Education**

**Advisory Board on Alcoholism  
and Drug Abuse**



**Alaska Mental Health Board**

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## Joint Advocacy 2010 Legislative Priorities

The Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, Governor's Council on Disabilities and Special Education and the Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority and the Alaska Brain Injury Network, have identified the following as their top legislative priorities for the 2010 session:

**Home and Community-Based Services Rate Review.** SB 32, Medicaid home and community based services, sponsored by Sen. Johnny Ellis (D-Anchorage), passed the Senate last session and is currently in the House Health and Social Services committee. The bill establishes a framework for periodic reviews and adjustments so that Alaska's system of care can continue to meet the needs of Trust beneficiaries. Advocacy efforts will focus on passing this bill.

**Adult Dental Reimbursement.** The Alaska Mental Health Trust Authority is working with its partners to develop a solution that will allow for adjustment of the current cap on adult dental services reimbursed by Medicaid. Currently, the annual cap for dental services – such as cleanings, exams, crowns, root canals and dentures – is \$1,150 per individual. With the rising cost of dental care, this cap is proving inadequate. Trust beneficiaries continue to list dental services as a priority unmet health need. Advocacy efforts will focus on raising this cap.

**Supported Housing.** The Alaska Mental Health Trust Authority, in collaboration with the Alaska Housing Finance Corporation, is requesting \$4 million this session for the Homeless Assistance Program (supported housing services for homeless individuals, families and people with disabling conditions earning 30% below the Area Median Income (AMI)). This request is in the same amount of general funds that was approved in last year's budget. Supported housing services are key to continued and sustained recovery for many Trust beneficiaries. Current economic trends have made this priority increasingly important for action. With an approach of maintaining affordability while offering outreach and support services, Trust beneficiaries can afford housing that provides a safe and healthy environment. Advocacy efforts will focus on passing this funding request.

**Coordinated Transportation.** With the establishment of the Governor's Coordinated Transportation Task Force in October 2008, the state is researching how to "facilitate and enhance the coordination and integration of community-based public transportation services for the benefit of persons with special needs." The partner boards support taking the next step and developing policies and funding to support community-coordinated public transportation systems.

Advisory Board on Alcoholism  
and Drug Abuse



Alaska Mental Health Board

ALASKA MENTAL HEALTH BOARD  
ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE  
431 NORTH FRANKLIN STREET, SUITE 200  
JUNEAU, ALASKA 99801  
(907) 465-8920

Senator Johnny Ellis  
716 W. 4<sup>th</sup> Avenue  
Anchorage, AK 99501-2133

May 5, 2009

Dear Senator Ellis,

On behalf of the members of the Alaska Mental Health Board and the Advisory Board on Alcoholism and Drug Abuse, we would like to express our sincerest thanks for your work and advocacy on behalf of all Alaskans, including Alaskans experiencing mental health and substance abuse disorders. Your work during the budget process and the legislation you introduced this past session not only raised awareness about Alaska's most critical social issues, but also will help improve the lives of many people.

We are proud to have been able to support HB 81/HB 83 and SB 32 Rate Review, and look forward to working with you and your staff in the coming session. Please feel free to contact us, or our staff, if you have any questions or need additional information.

Sincerely,

Lonnie Walters, Chair  
ABADA

Debi Keith, Chair  
AMHB

MH / AL



Assets, Inc.

Matthew J. Jones M.A., Executive Director

February 3, 2009

The Honorable Bettye Davis  
Chair – Senate Health & Social Services  
State Capital, Room 30  
Juneau, AK 99801

Re: Support for Senate Bill 32 – An Act relating to medical assistance payments for home and community-based services.

Dear Senator Davis:

Thank you for scheduling Senate Bill 32, sponsored by Senator Johnny Ellis, for a hearing in Senate H&SS on Wednesday, February 4<sup>th</sup>. As a provider of services to individuals experiencing developmental disabilities, Assets Inc. strongly supports this legislation and greatly appreciates the added authority of your co-sponsorship.

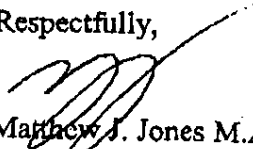
All too frequently I have to account to families and guardians our inability to hire and keep employees qualified to work with their family member. Years of frozen rates and no manner in which to regularly review them have been very destructive to the goal of maintaining meaningful therapeutic relationships between our clients and staff.

Each year about this time I have to make the painful decisions about what part of employee benefits to reduce or eliminate. It impacts our ability to recruit and maintain employees and destroys morale. These good people aren't leaving to work for another provider, but rather are leaving the field altogether.

We are extremely grateful that Senator Ellis has introduced this much needed legislation and urge the Committee to pass it on to the next Committee of Referral.

Thank you for your consideration.

Respectfully,

  
Matthew J. Jones M.A.  
Assets Inc.  
Executive Director

cc: the Honorable Johnny Ellis  
State capital, RM 9  
Juneau, AK 99801





**N A S W** ALASKA CHAPTER

National Association of Social Workers

401 E. Northern Lights Blvd., Suite 205  
Anchorage, Alaska 99503  
907-332-NASW (6279) Fax: 907-332-6270  
1-800-478-NASW (6279)  
[Director@naswak.org](mailto:Director@naswak.org)  
<http://www.naswak.org>

March 17, 2009

The Honorable Johnny Ellis  
Alaska State Senate  
Alaska State Capitol Room 103  
Juneau, AK 99801

Dear Senator Ellis:

This is a letter of support for SB 32.

Our membership is well aware of the problems with home and community based services, and particularly when it comes to the elderly and developmentally disabled. We favor anything that can be done to lower costs and regular reviews are a mechanism that can work. At the very least, it will lead to the establishment of rate uniformity within the industry.

We are particularly pleased with Section 2 which requires Health and Social Services (HSS) to submit an Annual Report on medical assistance. We interpret this to mean that this review will be ongoing responsibility for HSS.

The only addition we would like to suggest is to add a (3) at the end of the section which requires HSS to place the Annual Review on its website.

Thank you very much for your sponsorship of this important piece of legislation.

Sincerely,

LaVerne Demientieff, President

*mtw*

...the power of social work

# AGENET

Alaska Geriatric Exchange Network

The Association of Alaska Providers of Senior Services

April 29, 2009

Senator Johnny Ellis  
State Capitol, Room 103  
Juneau, Alaska 99801-1182

Dear Senator Ellis:

On behalf of the members of AGENET (the Alaska Geriatric Exchange Network), I want to thank you for your leadership in order to establish regular rate reviews for Home and Community Based (HCB) services. Through your sponsorship of Senate Bill 32 and your efforts to educate others about its importance, we nearly reached our goal this past session.

As you know, establishing regular rate reviews in statute was the number one priority of HCB provider groups (serving senior citizens, persons with developmental disabilities and behavioral health) as well as the Alaska Mental Health Trust Beneficiary boards. You and your staff worked closely with our rate review coalition to move the bill forward. I especially want to commend Max on the countless hours he put into making SB 32 successful.

We look forward to working with you and the rest of the Alaska State Legislature next session to pass Senate Bill 32 so that we can implement it as soon as possible. Feel free to contact me at 463-6154 for further information. Thank you again.

Sincerely,

*Marianne Mills*

Marianne Mills, President  
AGENET