

**SB**

**32**

**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 1/21/09

FURTHER: Finance

Date of 5-Day Notice: \_\_\_\_\_  
 (in accordance with Uniform Rule 23)

DATE TURNED  
 IN TO OFFICE: 2/25/09

Health and Social Services Committee considered SENATE BILL NO. 32

SB 32 MEDICAID:HOME/COMMUNITY BASED SERVICES

"An Act relating to medical assistance payments for home and community-based services."

and recommends:

- be replaced with  SCS or  CS
- adopt previous  SCS or  CS
- attached amendment(s)
- adopt \_\_\_\_\_
- further referral to \_\_\_\_\_ Committee

*SB 32 (HSS)*  
*CS*  
*Forthcoming*

<b>SENATE BILL:</b>	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
<hr/>	
<b>HOUSE BILL:</b>	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Indel.	Zero	FN#
DHS	2/2/09	✓			1
DHS	1/29/09	✓			2

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Indel.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Ag Ellis</i>	ELLIS	X			
<i>Joe Thomas</i>	Thomas	✓			
<i>Joe Parkvan</i>	PARKVAN	X			
<i>Tom Dyson</i>	Dyson			✓	
CHAIR: <i>Bettye Davis</i>	DAVIS	X			

# FISCAL NOTE

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB 032  
( ) Publish Date: \_\_\_\_\_

Identifier (file name): SB032-DHSS-RR-02-02-09 Dept. Affected: Health & Social Services  
Title Medicaid: Home/Community Based Services RDU Department Support Services  
Component Rate Review  
Sponsor Ellis  
Requester Senate HSS Component Number 2696

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

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

	Appropriation Required	Information					
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>OPERATING EXPENDITURES</b>							
Personal Services	124.9	249.8	416.4	416.4	416.4	416.4	416.4
Travel	7.5	15.0	25.0	25.0	25.0	25.0	25.0
Contractual	19.2	3,598.4	2,244.0	2,244.0	2,244.0	2,244.0	2,244.0
Supplies	0.9	1.8	3.0	3.0	3.0	3.0	3.0
Equipment	45.0		30.0				
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>197.5</b>	<b>0.0</b>	<b>3,865.0</b>	<b>2,718.4</b>	<b>2,688.4</b>	<b>2,688.4</b>	<b>2,688.4</b>

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

1002 Federal Receipts	98.8	1,932.5	1,359.2	1,344.2	1,344.2	1,344.2
1003 GF Match	98.8	1,932.5	1,359.2	1,344.2	1,344.2	1,344.2
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other Interagency Receipts						
<b>TOTAL</b>	<b>197.5</b>	<b>0.0</b>	<b>3,865.0</b>	<b>2,718.4</b>	<b>2,688.4</b>	<b>2,688.4</b>

Estimate of any current year (FY2009) cost: \_\_\_\_\_

**POSITIONS**

Full-time	3.0	3.0	5.0	5.0	5.0	5.0
Part-time						
Temporary						

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

This legislation would require the Department to set rates for Medicaid home and community-based services providers as it currently sets rates for facilities such as hospitals and nursing homes. This rate-setting process involves providers developing detailed cost reports that the Department would then audit and use the findings to develop cost-based rates. Additional resources in staffing and contracting would be needed by the Department to fulfill its rate-setting functions for this new group of providers.

(Continued on next page)

Prepared by: William J. Streur, Deputy Commissioner Phone 334-2520  
Division Health Care Services Date/Time 2/2/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner Date 2/2/2009  
Dept. Health and Social Services

FISCAL NOTE

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

BILL NO. SB 032

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ANALYSIS CONTINUATION

Under this legislation, the Department would receive and audit cost reports from approximately 350 home and community-based service providers. The Department would contract with auditors to perform the audits. Additional staff positions would be necessary to oversee the work and conduct rate setting operations. The contract would begin in FY2011 to audit all providers; in subsequent years, half of the providers would be audited on a biennial schedule.

In addition, the Department anticipates that, beginning in FY2012, its volume of rate setting appeals would increase as a result of auditing these new providers and that additional funds would be needed to the existing rate-setting process. Additional funds would be needed to support rate-setting appeal work in the Department of Law.

Assumption:

Annual Personal Services:

3 Internal Auditor III positions in the Office of Rate Review for cost reporting - \$249.8 (half year in FY2010)  
2 Internal Auditor positions in the Office of Rate Review for appeals - \$166.6 (beginning in FY2012)

Annual Travel for audit staff to provide technical assistance and training to providers and receive training required by Government Auditing Standards - \$5.0 per FTE

Annual Contractual:

Contract to hire auditors for biennial audit of cost reports

FY20 11 - \$3,560.0

Subsequent years - \$1,780

RSA with Dept. of Law for appeals - \$400.0 (beginning in FY2012)

Office space, phones, etc. - \$12.8 per FTE

Annual Supplies - \$0.6 per FTE

One-Time Equipment - \$15.0 per FTE , year of initial hire

# FISCAL NOTE

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: SB 032  
( ) Publish Date: \_\_\_\_\_

Identifier (file name): SB032-DHSS-SDMS-01-29-09 Dept. Affected: Health & Social Services  
Title Medicaid: Home/Community Based Services RDU Senior & Disabilities Services  
Component Senior & Disabilities Medicaid Services  
Sponsor Ellis  
Requester Unknown Component Number 2662

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

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

	Appropriation Required	Information					
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	8,680.7	0.0	12,390.5	17,405.2	21,833.6	26,385.9	31,065.8
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>8,680.7</b>	<b>0.0</b>	<b>12,390.5</b>	<b>17,405.2</b>	<b>21,833.6</b>	<b>26,385.9</b>	<b>31,065.8</b>

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

1002 Federal Receipts	4,340.4		6,198.3	8,702.6	10,916.8	13,193.0	15,532.9
1003 GF Match	4,340.3		6,195.2	8,702.6	10,916.8	13,192.9	15,532.9
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>8,680.7</b>	<b>0.0</b>	<b>12,393.5</b>	<b>17,405.2</b>	<b>21,833.6</b>	<b>26,385.9</b>	<b>31,065.8</b>

Estimate of any current year (FY2009) cost: 0.0

**POSITIONS**

Full-time							
Part-time							
Temporary							

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

The proposed legislation would add home and community-based service providers to the Medicaid health facility rate setting statute, AS 47.07.070. This legislation would require the Department to use a similar rate methodology for establishing rates for home and community-based service providers.

Passage of this bill would likely require additional Medicaid benefits appropriations in the division of Senior and Disabilities of \$8,680.7 in 2010 and a 2.8% annual increase to home and community based provider payments in the basic cost of services each subsequent year. Costs would increase to a projected \$31,065.8 by 2015.

(continued on page 2)

Prepared by: William J. Streur, Deputy Commissioner Phone 907-269-7827  
Division Health Care Services Date/Time 1/29/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner Date 1/29/2009  
Dept. Health & Social Services

## FISCAL NOTE

STATE OF ALASKA  
2009 LEGISLATIVE SESSION

BILL NO. SB032

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### ANALYSIS CONTINUATION

#### BACKGROUND

This statute would affect an estimated 356 businesses who are providers of home and community based services, 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. The total expenditure for these waivers in 2008 was \$141.5 million. Costs are projected to increase by \$4.1 million in 2009 to \$145.6 million, which is the baseline projection used for this fiscal note. By assuming the status quo, without changes in population or utilization, costs associated with rate increases can be isolated.

HCBS providers currently have their rates or rate methodologies established in regulation. Since 2004 all of those rates have been frozen (some longer), except for 2009, when the legislature approved a 4-6% increase. This statute will apply the current Medicaid law requiring that the Department use a rigorous, cost-based rate setting process for establishing Medicaid payment rates for health facilities to HCBS providers. There would be two types of additional costs incurred: costs for the rate adjustment and costs providers would incur to comply with new financial reporting requirements.

#### ESTIMATED RATE ADJUSTMENT

For the purpose of this fiscal note, it is assumed home and community based providers receive an annual inflation adjustment as facilities currently do under AS 47.07.070. The 2.8% is the inflation for Home Health Agencies as this is the closest provider category to the waiver service providers. The department does not have the detailed cost reports required to fully implement section 070 until 2012; however, the department has assumed it will make interim rate increases averaging 2.8% prior to that time. The 2.8% increase has been applied to the 2009 baseline starting in 2010 for an increase of \$26,235.0 by 2015. Other impacts to the amount of additional reimbursement rates to providers are not possible to determine at this point in time.

#### ESTIMATED COSTS TO COMPLY WITH NEW FINANCIAL REQUIREMENTS

Many home and community based providers do not have the financial infrastructure to comply with the rigorous financial requirements of AS 47.07.070. Home and community based providers would have to invest substantial sums in accounting and report processes which in turn are passed on to the state through higher Medicaid payment rates. These costs are in addition to the costs for the rate adjustments. One-time costs include accounting system upgrades (\$142.5) and purchase of specialized cost reporting software (\$338.2). Ongoing annual costs include recordkeeper/accountant/contractor to obtain assistance with accounting efforts (\$1,425.0); professional assistance in preparing cost reports and completing forms (\$855.0); and annual independent audit (\$1,543.8). Legal fees to challenge rate setting regulations (\$300.0) would occur in 2010 & 2011 while legal fees for providers who appeal their rates (\$1,007.0) would begin in 2012 once those rates are established. Total additional costs to comply with new financial requirements would be \$4,604.5 in 2010, \$4,123.8 in 2011, and \$4,830.8 each year thereafter.

#### FUND SOURCE

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

26-LS0218VC

Michel

2/20/09

**CS FOR SENATE BILL NO. 32( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SIXTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**

**Referred:**

**Sponsor(s): SENATORS ELLIS, Davis, Paskvan**

*↑ long term care to home  
need fiscal note  
in CS --  
Dept says CS would  
have a mechanism  
Fiscal Note*

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to medical assistance payments for home and community-based  
2 services, provision of personal care services in a recipient's home, and assisted living  
3 homes; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* Section 1. AS 47.07 is amended by adding a new section to read:

6 **Sec. 47.07.069. Payment rates for provision of personal care services in a**  
7 **recipient's home, home and community-based services, and assisted living homes.**

8 (a) The department shall, by regulation, set rates of payment for provision of personal  
9 care services in a recipient's home under AS 47.07.030, home and community-based  
10 services under AS 47.07.045, and assisted living homes under AS 47.24.017 and  
11 AS 47.25.195(e) in accordance with 42 U.S.C. 1396 (Title XIX, Social Security Act,  
12 Medical Assistance) and this section. A rate established under this section takes effect  
13 under AS 44.62 (Administrative Procedure Act) but not until approved in writing by  
14 the commissioner. The commissioner may delegate the performance of these

1 functions.

2 (b) The department shall review the rates of payment established under of (a)  
3 of this section for a fiscal year. In reviewing the rates, the department shall, within the  
4 limit of appropriations made by the legislature for the department's programs under  
5 this chapter and under AS 47.25.120 - 47.25.300 for that fiscal year, including  
6 anticipated available federal revenue for that fiscal year, set rates that are based on

7 (1) reasonable costs related to patient care;

8 (2) audit and inspection results and reports, when the audit or  
9 inspection is conducted under AS 47.07.074; and

10 (3) the rate of inflation contained in the home health agency market  
11 basket data of the Centers for Medicare and Medicaid Services, United States  
12 Department of Health and Human Services.

13 (c) As a condition of obtaining payment under this section, a provider of  
14 personal care services in a recipient's home, a provider of home and community-based  
15 services, and an assisted living home shall allow

16 (1) the department reasonable access to the records of medical  
17 assistance recipients and providers; and

18 (2) audit and inspection of the records by state and federal agencies.

19 \* Sec. 2. AS 47.24.017(d) is amended to read:

20 (d) If the protective services under this section include the placement of a  
21 vulnerable adult in an assisted living home at the state's expense, the minimum daily  
22 reimbursement rate to the assisted living home for the vulnerable adult is the amount  
23 set under AS 47.07.069 for assisted living homes plus eligible room and board  
24 expenses [\$70]. The department may, under its regulations, provide for a daily rate  
25 higher than the amount set under this section [\$70] if the additional care provided to  
26 the vulnerable adult in the assisted living home justifies the additional reimbursement.  
27 In this subsection, "assisted living home" means an assisted living home licensed  
28 under AS 47.32.

29 \* Sec. 3. AS 47.25.195(e) is amended to read:

30 (e) Notwithstanding other provisions of this section and the provisions of  
31 AS 47.07, if the assistance provided to a needy person under AS 47.25.120 -

2/23

In 5/1/15 -

Rate-adv.

what km? -  
S. W. 15 -

Common Relief -

for S. & Disabled

Request Sherwood rd #11  
for rate increase  
for things -

1 47.25.300 includes the initiation or continuation of placement of the person in an  
2 assisted living home at the state's expense, the department's minimum daily  
3 reimbursement rate to the assisted living home for the person is the amount set under  
4 AS 47.07.069 plus eligible room and board expenses [\$70. THIS MINIMUM RATE  
5 IS NOT SUBJECT TO REDUCTION UNDER (c) OF THIS SECTION]. The  
6 department may, under its regulations and under the procedures of AS 47.07.070 -  
7 47.07.075, provide for a daily rate higher than the amount set under this section  
8 [\$70] if the care provided to the needy person in the assisted living home justifies the  
9 higher reimbursement. [A DAILY RATE HIGHER THAN \$70 FOR ASSISTED  
10 LIVING HOMES MAY BE REDUCED UNDER (c) OF THIS SECTION, BUT NOT  
11 BELOW \$70.]

12 \* Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 REPORT ON MEDICAL ASSISTANCE PAYMENT RATES. (a) The Department of  
15 Health and Social Services shall prepare and submit an annual report on medical assistance  
16 payment rates established under AS 47.07.069 to the governor that

- 17 (1) identifies trends in established rates of payment;  
18 (2) explains how the department has complied with AS 47.07.069(b) in  
19 establishing the rates; and  
20 (3) includes a cross reference to regulations adopted under AS 47.07.069 and  
21 the availability of the regulations.

22 (b) The department shall notify all legislators of the availability of the report prepared  
23 under (a) of this section and provide a copy of the report to the

- 24 (1) presiding officers of each house of the legislature;  
25 (2) chairs of the senate and house finance committees; and  
26 (3) chairs of the senate and house health and social service committees.

27 \* Sec. 5. Section 4 of this Act is repealed June 30, 2014.

28 \* Sec. 6. This Act takes effect July 1, 2011.

ALASKA STATE LEGISLATURE

Senate Labor and Commerce  
Committee, Chair

Legislative Budget and Audit  
Committee

Senate Rules Committee

Committee on Committees



*While in Session*  
State Capitol, Rm. 9  
Juneau, AK 99801  
(907) 465-3704  
Fax: (907) 465-2529

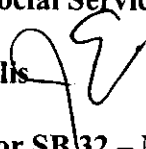
*While in Anchorage*  
716 W. 4<sup>th</sup> Ave, Ste. 440  
Anchorage, AK 99501  
(907) 269-0169  
Fax: (907) 269-0172

SENATOR JOHNNY ELLIS  
SENATE MAJORITY LEADER

MEMORANDUM

**DATE:** January 26, 2009

**TO:** Senator Bettye Davis  
Senate Health & Social Services Committee

**FROM:** Senator Johnny Ellis 

**RE:** Hearing Request for SB 32 – Medicaid: Home/Community Based Services

I am requesting that Senate Bill 32 be scheduled for a hearing in the Senate Health and Social Services Committee at your earliest convenience.

This bill includes the providers of home- and community-based services to Alaska's senior and developmentally disabled populations in the regular rate review process afforded to providers of institutional care. Alaska has made great strides in reforming our network of support for seniors as well as for children and adults with developmental disabilities. Allowing people who live with developmental disabilities the opportunity to live a full life as a member of their community took a great leap forward with the closing of Harborview ten years ago. However, our statutes provide for an annual Medicaid rate review for our institutions without providing that same treatment to home and community based service providers, a situation which may force people back into the institutions we have worked to avoid.

Included in this packet:

- A current version of SB 32 – 26-LS0218\R
- Sponsor Statement
- Background Information
- Letter of Support

Other backup will be forthcoming as required. Thank you.

ALASKA STATE LEGISLATURE

Senate 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, Ste. 440  
Anchorage, AK 99501  
(907) 269-0169  
Fax: (907) 269-0172

SENATOR JOHNNY ELLIS  
SENATE MAJORITY LEADER

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. 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. 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, and without this regular review process, many providers will be forced out of business.

ALASKA STATE LEGISLATURE

Senate 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, Ste. 440  
Anchorage, AK 99501  
(907) 269-0169  
Fax: (907) 269-0172

SENATOR JOHNNY ELLIS  
SENATE MAJORITY LEADER

MEMORANDUM

To: Senator Donny Olson,  
Chair, Senate Finance Subcommittee on the Department of Health and Social Services

From: Senator Johnny Ellis *JE*

Date: February 23, 2009

Subject: Home and Community Based Services Increment

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Home- and community-based services are a crucial element in the array of services provided to seniors and persons experiencing developmental disabilities in our state. They are a less-intrusive and more cost-effective way of dealing with long-term care, and play a crucial role in containing the overall growth of Medicaid spending.

While institutional care providers receive a statutorily mandated annual rate review, providers of home- and community-based services depend on regulatory action for increased rates. Except for an across-the-board increase last year, most providers have not received rate reviews or increases since 2004, and many have waited over a decade. While I have introduced legislation to remedy this situation (Senate Bill 32 is currently in front of the H&SS Committee, and goes next to the full Finance Committee), this long-term fix does nothing to solve this years problem.

I would ask for your subcommittee's support for a \$3.9 million increment in the FY2010 budget in the Senior and Disability Services Medicaid funding. This amount would support a 2.8% increase for the providers of Medicaid waiver services, equivalent to the Home Health Agency inflation factor. Thank you for your consideration, and feel free to contact my office at any time with questions or concerns you may have.

Cc: Sen. Bettye Davis  
Sen. Lesil McGuire  
Sen. Kevin Meyer  
Sen. Bill Wielechowski  
Commissioner Bill Hogan, DHSS

**Lynda Zaugg**

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**From:** Max Hensley  
**Sent:** Monday, February 23, 2009 2:19 PM  
**To:** Lynda Zaugg; Sherwood, Jon (HSS)  
**Cc:** Sen. Johnny Ellis  
**Subject:** SDS increment

If I may suggest an appropriate number, the original fiscal note for SB32 from SDS Medicaid Services contains the cost estimates for the amount of the Home Health Agency inflation rate (2.8%) for the 4 Medicaid waivers – a cost of approximately \$3.9 million.

**Max Hensley**  
Office of Sen. Johnny Ellis  
State Capitol, Room 103  
Juneau, AK 99801  
(907) 465-3704; (888) 330-3704  
<http://ellis.aksenate.org>

**Lynda Zaugg**

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**From:** Sherwood, Jon (HSS) [jon.sherwood@alaska.gov]  
**Sent:** Monday, February 23, 2009 11:01 AM  
**To:** Max Hensley  
**Cc:** Lynda Zaugg; Hefley, Patrick B (HSS); Hilgendorf, Rebecca J (HSS); Kesterson, Linda L (LAW); Laughlin, Wilda J (HSS); Hogan, William H (HSS)  
**Subject:** RE: SB 32 draft language  
**Attachments:** GR rates.pdf

Max,

Sorry for the delay, but I wanted to make sure I got it right. Medicaid pays for assisted living services out of the Senior and Disabilities Medicaid Services component. Room and board charges for Medicaid recipients are paid for out of their own funds (including any state or federal cash assistance such as APA or SSI), or if insufficient, the General Relief Assisted Living (AS 47.25.195(e)). Medicaid rates for assisted living are either pay under a formula established in regulation, which adjust for type of facility, regional differences, and client use of adult day care outside the assisted living home, or the rates can be individual provider rates that were originally based on budgeted costs prior to the rate freeze in 2004.

Payments for assisted living under Adult Protective Services (AS 47.24.017) and General Relief Assisted Living (AS 47.25.195(e)) would be paid out of Protection and Community Services under Senior and Disabilities Services after any required client contribution was paid. The GR/APS base rate is \$70, which is the rate in Anchorage and Southeast. The base rates are higher in other parts of the state, with the highest being \$93.10 for the Southwest Region. I have attached the rate document and a copy of the applicable regulations. The SDS/APS rates can be augmented up to \$22 per day, per 7 AAC 47.471. The Behavioral Health folks, who are also in the GR program, have higher augmented rates, per 7 AAC 47.472

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**From:** Max Hensley [mailto:Max\_Hensley@legis.state.ak.us]  
**Sent:** Thursday, February 19, 2009 3:06 PM  
**To:** Sherwood, Jon (HSS)  
**Cc:** Zaugg, Lynda (LAA)  
**Subject:** RE: SB 32 draft language

Thanks again for the prompt reply. I do have one question, and am working with the drafters to make these changes. How does the Department currently pay the rates for the assisted living homes we are addressing in this bill (what is the fund source, if Medicaid dollars are disallowed), and what is the rate (if it's not the \$70 minimum that is in statute)?

I look forward to hearing your response.

**Max Hensley**  
Office of Sen. Johnny Ellis  
State Capitol, Room 103  
Juneau, AK 99801  
(907) 465-3704; (888) 330-3704  
<http://ellis.aksenate.org>

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**From:** Sherwood, Jon (HSS) [mailto:jon.sherwood@alaska.gov]  
**Sent:** Wednesday, February 18, 2009 5:04 PM  
**To:** Max Hensley  
**Cc:** Nielson, Jack C (HSS); Hefley, Patrick B (HSS); Kesterson, Linda L (LAW); Hogan, William H (HSS)

**Subject:** RE: SB 32 draft language

Max,

I wanted to get back to you with our comments on the proposed committee substitute. The department appreciates the willingness of the Senator and the Committee to consider suggestions from us and our partners at the Department of Law.

First, as we discussed, the Department does not support tying the rate setting authority to specific criteria, such as those listed in the proposed AS 47.07.069(b).

The Department of Law recommends the following changes to the proposed substitute (CSSB 32( ) 26-LS0218\P Luckhaupt/Mischel 2/13/09) to make sure that the same language is used throughout to mean the same thing and to preclude overbroad references that might lead to unintended consequences.

- Replace the phrase "personal care attendants" with "provision of personal care services in a recipient's home" at Page 1, Lines 2, 5, and 8. This is necessary as the phrase 'personal care attendants' does not currently appear in the relevant statutes. AS 47.07.070 (referenced in Line 8) includes many optional services, but does not use the phrase "personal care attendants". However, it does include providing 'personal care services in a recipient's home' as an allowed service. 'Personal care services in a recipient's home' is defined at AS 47.07.900(15)
- Page 1, Line 9-10. Limit statutory reference for assisted living homes to "under AS 47.24.017(d) and AS 47.25.195(e)" as rates for assisted living homes are only referenced in those two subsections. The broad reference used in this draft [AS 47.25.120 – 47.25.300] includes all general relief, including an appeal provision at 47.25.180 for fair hearings which would be entirely inappropriate for provider rates. The broad statutory reference [AS 47.25.120 – 47.25.300] is not a problem when used on Page 2, Line 4 in .069(b) – as the reference there is the same as in AS 47.07.070(b) and does not specifically address whose rates are being set.

Also, if we are going to base rates on reasonable costs, as proposed in AS 47.07.069(b), the department will need audit authority. The Department of Law would prefer that if an audit section is included, it be separate (even if identical language is used) from the audit and inspection reports for health care facilities at 47.07.074. Rather than amending .074, a separate provision could be enacted allowing the audits. It would be necessary to require the same type of reports and audits from all providers included within the same statutory provision. Dept. of Law and our department are concerned that requiring the same kind of audits and reports for these providers as are required for health care facilities might prove overly burdensome for some of the smaller providers.

The Department also believes that the medical care services component of the CPI is not the right measure to use for a producer price inflation factor because it is a measure of consumer prices. Instead, our rate setting folks recommend the Home Health Agency Market Basket, which measures provider input prices.

With regard to payment to assisted living homes, federal law prohibits Medicaid from paying for room and board costs for people residing in non-institutional settings, such as assisted living facilities. So assisted living rates set for Medicaid under the proposed AS 47.07.069 must exclude the portion of the cost attributed to room and board. However, assisted living rates set under AS 47.24.017(d) and AS 47.25.195(e) are intended to include the room and board piece. As written, the proposed statutes would only require the department to pay the portion of the charge related to supportive services, not room and board. While the department is willing to consider the same factors when developing the rates under the different statutes, it is not possible to pay the same rates because the service purchased is not the same for Medicaid as for the other two statutes.

Let me know if you have questions. Oh, and please make sure to keep Linda Zaugg in the loop. Thanks. Jon

---

**From:** Max Hensley [mailto:Max\_Hensley@legis.state.ak.us]  
**Sent:** Friday, February 13, 2009 5:20 PM  
**To:** Sherwood, Jon (HSS)  
**Subject:** SB 32 draft language

I've attached what I received from our bill drafters regarding SB32. There are two components which are not currently included: first, we need to discuss a framework for the phase-in in order to find a way to define which groups will be included in the statute at which rates. Second, they need more time to work on the immunity language. I'm looking forward to hearing your thoughts, and would like to set up one more meeting for next week to discuss this version with the Senator. Thank you.

**Max Hensley**  
Office of Sen. Johnny Ellis  
State Capitol, Room 103  
Juneau, AK 99801  
(907) 465-3704; (888) 330-3704  
<http://ellis.aksenate.org>

**Lynda Zaugg**

---

**From:** Max Hensley  
**Sent:** Monday, February 09, 2009 2:04 PM  
**To:** Lynda Zaugg  
**Cc:** Sen. Johnny Ellis  
**Subject:** SB32 - rate review

I wanted to follow up with you in regards to the proposed language from the Department that we received this morning so that Sen. Davis can be kept in the loop. We are working with the supporters of the original bill and trying to come up with some compromise language that will satisfy our intent and the Department's cost concerns. I will keep you informed as soon as we have something the committee can work on. Let me know if you have any questions – we are working quickly to bring it back to the committee as soon as possible. Thanks for your help.

**Max Hensley**  
Office of Sen. Johnny Ellis  
State Capitol, Room 103  
Juneau, AK 99801  
(907) 465-3704; (888) 330-3704  
<http://ellis.aksenate.org>

Lynda Zaugg

SB 32

From: Laughlin, Wilda J (HSS) [wilda.laughlin@alaska.gov]  
 Sent: Monday, February 09, 2009 9:23 AM  
 To: Max Hensley  
 Cc: Lynda Zaugg; Kim, Anna C (GOV); Gallagher, Gerald L (GOV); Sherwood, Jon (HSS)  
 Subject: SB 32 language  
 Attachments: Modified HCBS rate setting language.pdf

I'm attaching the department's suggested language for SB 32, home and community based services. The Administration is OK with this. Let me know if you need anything else.  
 w.

2/11 ✓ Sen Ellis of/- (Amar) has copy of att.  
 & w/ab in language -

2/12 Tachel w Max - they are meeting w Comm.  
 @ 5 today - Both Sen D & I are from the  
 welcome - Sen D. heads to hotel - I'll be at  
 airport run - Per Max they would bring  
 suggested language to Sen Dan for her review

2/13 Tachel w Max - making progress - have a  
 draft proposal - attached

- A.) Ann report for Sgs (w sound of 4.5yr)
- B.) delay effective date

C.) HSS would like to phone - but that  
 can be saved for a later committee to what at -

Rate review to occur annually -  
 - Plan to meet w Dept again next week -  
 for purpose to discuss new draft

*Auto mail  
 JS*

**Section 1.** 47.07 is amended by adding a new section to read:

**Sec. 47.07.068 Payment rates for assisted living homes and home and community based services.** (a) The department shall, by regulation, set rates of payment under this chapter for assisted living homes (AS 47.24.017 and AS 47.25.195(e)) and home and community-based services (AS 47.07.045) in accordance with 42 U.S.C. 1396 (Title XIX, Social Security Act, Medical Assistance).

(b) the department shall review annually the rates set under this section for compliance with federal standards under 42. U.S.C. 1936.

(c) the department shall submit a report to the governor containing the information required under this subsection. The department shall send a copy of the report to the persons chairing the house and senate finance committees and the persons chairing the house and senate health and social services committees and shall notify the full legislature that the report is available to all legislators. The report must

(1) identify trends in rates of payment established under subsection (a);

(2) explain how the department has determined that the rates set under this section are in compliance with the requirements of subsection (b);

(3) indicate that written or electronic copies of regulations and reports developed by the department under this section are available.

**Section 2.** AS 47.07.068(c) is repealed June 30, 2014.

26-LS0218\P  
Luckhaupt/Mischel  
2/13/09

**CS FOR SENATE BILL NO. 32( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SIXTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATORS ELLIS, Davis, Paskvan**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act relating to medical assistance payments for home and community-based**  
2 **services, personal care attendants, and assisted living homes; and providing for an**  
3 **effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **\* Section 1. AS 47.07 is amended by adding a new section to read:**

6 **Sec. 47.07.069. Payment rates for personal care attendants, home and**  
7 **community-based services, and assisted living homes. (a) The department shall, by**  
8 **regulation, set rates of payment for personal care attendants under AS 47.07.030,**  
9 **home and community-based services under AS 47.07.045, and assisted living homes**  
10 **under AS 47.24.017 and AS 47.25.120 - 47.25.300 in accordance with 42 U.S.C. 1396**  
11 **(Title XIX, Social Security Act, Medical Assistance) and this section. A rate**  
12 **established under this section takes effect under AS 44.62 (Administrative Procedure**  
13 **Act) but not until approved in writing by the commissioner. The commissioner may**  
14 **delegate the performance of these functions.**

1 (b) The department shall review the rates of payment established under of (a)  
2 of this section for a fiscal year. In reviewing the rates, the department shall, within the  
3 limit of appropriations made by the legislature for the department's programs under  
4 this chapter and under AS 47.25.120 - 47.25.300 for that fiscal year, including  
5 anticipated available federal revenue for that fiscal year, set rates that are based on

6 (1) reasonable costs related to patient care;

7 (2) audit and inspection results and reports, when the audit or  
8 inspection is conducted under AS 47.07.074; and

9 (3) the rate of inflation contained in the medical care services section  
10 of the Consumer Price Index, as determined by the Bureau of Labor Statistics, United  
11 States Department of Labor.

12 \* Sec. 2. AS 47.07.074(a) is amended to read:

13 (a) As a condition of obtaining payment under AS 47.07.069 or 47.07.070, a  
14 provider of personal care attendant services, a provider of home and community-  
15 based services, an assisted living home, and [AS 47.07.070,] a health facility shall  
16 allow

17 (1) the department reasonable access to the records of medical  
18 assistance recipients and providers; and

19 (2) audit and inspection of the records by state and federal agencies.

20 \* Sec. 3. AS 47.24.017(d) is amended to read:

21 (d) If the protective services under this section include the placement of a  
22 vulnerable adult in an assisted living home at the state's expense, the minimum daily  
23 reimbursement rate to the assisted living home for the vulnerable adult is the amount  
24 set under AS 47.07.069 for assisted living homes [\$70]. The department may, under  
25 its regulations, provide for a daily rate higher than the amount set under  
26 AS 47.07.069 [\$70] if the additional care provided to the vulnerable adult in the  
27 assisted living home justifies the additional reimbursement. In this subsection,  
28 "assisted living home" means an assisted living home licensed under AS 47.32.

29 \* Sec. 4. AS 47.25.195(e) is amended to read:

30 (e) Notwithstanding other provisions of this section and the provisions of  
31 AS 47.07, if the assistance provided to a needy person under AS 47.25.120 -

1 47.25.300 includes the initiation or continuation of placement of the person in an  
2 assisted living home at the state's expense, the department's minimum daily  
3 reimbursement rate to the assisted living home for the person is the amount set under  
4 AS 47.07.069 [\$70. THIS MINIMUM RATE IS NOT SUBJECT TO REDUCTION  
5 UNDER (c) OF THIS SECTION]. The department may, under its regulations and  
6 under the procedures of AS 47.07.070 - 47.07.075, provide for a daily rate higher than  
7 the amount set under AS 47.07.069 [\$70] if the care provided to the needy person in  
8 the assisted living home justifies the higher reimbursement. [A DAILY RATE  
9 HIGHER THAN \$70 FOR ASSISTED LIVING HOMES MAY BE REDUCED  
10 UNDER (c) OF THIS SECTION, BUT NOT BELOW \$70.]

11 \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 **REPORT ON MEDICAL ASSISTANCE PAYMENT RATES.** (a) The Department of  
14 Health and Social Services shall prepare and submit an annual report on medical assistance  
15 payment rates established under AS 47.07.069 to the governor that

16 (1) identifies trends in established rates of payment;

17 (2) explains how the department has complied with AS 47.07.069(b) in  
18 establishing the rates; and

19 (3) includes a cross reference to regulations adopted under AS 47.07.069 and  
20 the availability of the regulations.

21 (b) The department shall notify all legislators of the availability of the report prepared  
22 under (a) of this section and provide a copy of the report to the

23 (1) presiding officers of each house of the legislature;

24 (2) chairs of the senate and house finance committees; and

25 (3) chairs of the senate and house health and social service committees.

26 \* **Sec. 6.** Section 5 of this Act is repealed June 30, 2014.

27 \* **Sec. 7.** This Act takes effect July 1, 2011.

**Lynda Zaugg**

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**From:** Laughlin, Wilda J (HSS) [wilda.laughlin@alaska.gov]  
**Sent:** Monday, February 09, 2009 9:23 AM  
**To:** Max Hensley  
**Cc:** Lynda Zaugg; Kim, Anna C (GOV); Gallagher, Gerald L (GOV); Sherwood, Jon (HSS)  
**Subject:** SB 32 language  
**Attachments:** Modified HCBS rate setting language.pdf

I'm attaching the department's suggested language for SB 32, home and community based services. The Administration is OK with this. Let me know if you need anything else.

w.

*2/11 ✓ Sen Ellis off-(Amory) has exp of att. o  
way in language*

**Section 1.** 47.07 is amended by adding a new section to read:

**Sec. 47.07.068 Payment rates for assisted living homes and home and community based services.** (a) The department shall, by regulation, set rates of payment under this chapter for assisted living homes (AS 47.24.017 and AS 47.25.195(e)) and home and community-based services (AS 47.07.045) in accordance with 42 U.S.C. 1396 (Title XIX, Social Security Act, Medical Assistance).

(b) the department shall review annually the rates set under this section for compliance with federal standards under 42. U.S.C. 1936.

(c) the department shall submit a report to the governor containing the information required under this subsection. The department shall send a copy of the report to the persons chairing the house and senate finance committees and the persons chairing the house and senate health and social services committees and shall notify the full legislature that the report is available to all legislators. The report must

(1) identify trends in rates of payment established under subsection (a);

(2) explain how the department has determined that the rates set under this section are in compliance with the requirements of subsection (b);

(3) indicate that written or electronic copies of regulations and reports developed by the department under this section are available.

**Section 2.** AS 47.07.068(c) is repealed June 30, 2014.

2/12

Max, what's happening with SB 32? I understand you have a meeting with the Comm of H&SS re SB 32 today? Lynda

**Lynda Zaugg**

---

**From:** Yerkes, Reuben A (GOV) [reuben.yerkes@alaska.gov]  
**Sent:** Tuesday, February 03, 2009 8:18 AM  
**To:** Sen. Johnny Ellis; Lynda Zaugg; Jennifer Thorsteinson  
**Subject:** SB 32 Fiscal Note  
**Attachments:** SB032-DHSS-RR-02-02-09.pdf, SB032-DHSS-SDMS-01-29-09.pdf

Attached are two fiscal notes for SB 32. Please let me know if I can be of further assistance.

Have a great day,

Reuben Yerkes  
Governor's Legislative Office  
Office of the Governor  
(907)465-4021

Date: 1/26/09

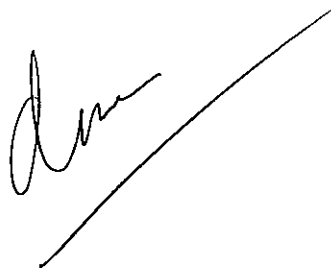
To: Sen. Davis

From: L Zaugg

Re: SB 32 Medicaid: Home/Community Based Services

Quick reminder: You indicated you were interested in co-sponsoring this bill and would need to bring it up on the floor. L

Cc: Don Burrell

A handwritten signature in black ink, appearing to read "Don Burrell", is written over a long, thin diagonal line that extends from the bottom left towards the top right.

# STATE OF ALASKA

## DEPT. OF HEALTH & SOCIAL SERVICES

*Alaska Commission on Aging*

December 12, 2008

Senator Ellis  
716 West 4th Ave. Suite 440  
Anchorage, AK 99501

SARAH PALIN, GOVERNOR

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

Dear Senator Ellis:

Alaska is home to more than 76,500 older Alaskans (people at least 60 years old), comprising 11% of the state's population, according to the Alaska Department of Labor 2007 estimates. Alaska's senior population is growing faster than any other state's except Nevada. Over the next 25 years, the growth of the Alaska senior population will be strong and continuous; the number of seniors is expected to grow at a rate of almost 6% annually statewide, increasing the number of seniors by nearly 5,000 each year. Most of this increase is attributable to the aging of our state's large baby boomer population.

The increasing cost of long-term care services, ranging from community services and in-home supports to assisted living and nursing home care, is a critical issue facing Alaska's Medicaid and senior grants programs, as the Alaska senior population continues to build and grow older. According to the Department of Health and Social Services, the cost of Medicaid will quadruple from 2006 to 2026 due to population growth, aging of the population, greater utilization of Medicaid services, and increased health care costs (The Lewin Group Report: February 2006).

On the bright side, Alaska is one of the leading states in establishing a balance between home- and community-based services and institutionalized care for elderly and disabled people, as stated in a recent AARP report. While other states have built nursing homes and other institutional long-term care facilities, Alaska has prudently invested in a continuum of long-term service supports that allow individuals to remain in their homes and communities for as long as possible close to family, friends, and tradition and are less costly. Alaska's senior home- and community-based grants program, using a combination of federal Older Americans Act funds with state funds, provides services to seniors of modest income who are not eligible for Medicaid. Like Medicaid, these services also face the pressures of rising demand.

The Alaska Commission on Aging (ACoA) is a State agency within the Department of Health and Social Services, established in 1982. Our mission is to plan, advocate, and educate on behalf of all older Alaskans and their caregivers to ensure their dignity and independence so that they may lead useful and meaningful lives.

We know that you value your senior constituents as active, well-informed members of your community. As the 2009 legislative session begins, we would like to share with you our recommendations on a number of senior issues before the Alaska Legislature.

1. Increase the availability of home- and community-based services to the growing senior population by supporting an increment of \$2.0 million for the **Senior Home- and Community-Based Grants** budget within Senior and Disabilities Services (for senior nutrition programs, senior transportation, adult day

services, family respite, care coordination, chore services, and Alzheimer's Disease and Related Dementia education); **establish regular Medicaid waiver rate reviews for all home- and community-based service providers** serving Alaska seniors and Alaska Mental Trust Authority beneficiaries; and support funding for the **Aging and Disability Resource Centers** under Senior and Disabilities Services to help individuals and their families navigate the long-term care system with information, referral, and options counseling services.

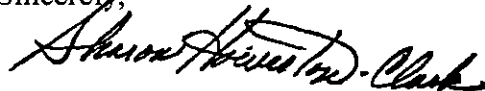
2. Support the re-authorization of the **Adult Dental Medicaid Program** that is scheduled to sunset on June 30, 2009. Continuation of this program is important for older Alaskans and all vulnerable adults who are Medicaid eligible to have access to prevention and intervention dental services that are not covered by the regular Medicaid dental program.
3. Support high quality, affordable, and accessible **health care for seniors** by strengthening workforce development efforts for health care professionals and direct service staff, providing adequate funding for Community Health Centers that serve senior patients and offering incentives to physicians and dentists to accept Medicare and Medicaid patients.
4. Create an **Alaskan Public Transportation Fund** for operation of local coordinated transportation systems that address barriers to access experienced by people with disabilities and fund development of coordinated transportation efforts in communities without public transit systems.
5. Enact legislation creating the **Alaska Housing Trust** and appropriate sufficient funds to support meaningful services for homeless Alaskans (17% of whom are age 55 and older) and those who are at risk of becoming homeless, including those Alaska seniors who are diagnosed with a mental illness and are unable to find a licensed assisted living or nursing home facility to care for them.

Public policy often focuses on the potential costs of services for seniors and may overlook the social and economic benefits of an increased retired senior population. Older Alaskans provide a wealth of experience, wisdom, historical perspective, and volunteer time. They also contribute to the state's economy with their retirement income and health care spending that totaled almost \$1.5 billion in 2004. Taking into account the social and economic assets Alaska seniors offer, we do well to invest in programs and services to ensure their ability to continue living here and contributing to the progress of our state.

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

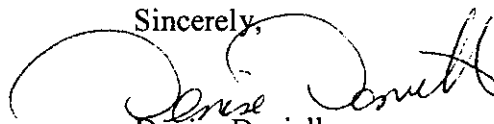
The Alaska Commission on Aging will be meeting in Juneau on February 10<sup>th</sup>-12<sup>th</sup>, 2009 and hopes to schedule a meeting with you to discuss our priorities in person. We truly appreciate your support of important senior legislation in prior years and look forward to working with you this legislative session. Thank you for your consideration of these advocacy priorities.

Sincerely,



Sharon Howerton-Clark, Chair  
Alaska Commission on Aging

Sincerely,



Denise Daniello  
ACoA Executive Director

# The least among us

Alaska's developmental disabilities providers look for allies in the state government

By Brendan Joel Kelley

**IT'S COMING SATURDAY**, on his Fox News program *Geraldo at Large*, Geraldo Rivera is devoting the show to the long waiting lists where people with developmental disabilities languish while waiting to receive services.

"The waiting list is, in essence, the new institution," Rivera told a Pennsylvania blogger associated with The Arc, a national network of service providers for the developmentally disabled. "It's imprisoning in some ways, handicapping the families of the developmentally disabled, really handcuffing them in ways that put tremendous stress and strain on their lives."

Though it's doubtful that Alaska will be mentioned on the show, our state also maintains a list of developmentally disabled people who are eligible for services but aren't receiving them due to inadequate funding. Each year the Department of Health and Social Services prepares a report on this list, and the report for 2008 is due any day now. When the last annual report was released last December, there were 943 individuals on the waiting list. They've been waiting for services an average of 3.7 years.

At the beginning of December, a couple of weeks before Republican Governor Sarah Palin released her budget, state Senator Johnny Ellis (D-Anchorage) wrote Palin a letter asking her to address the waiting list, known officially as the Developmental Disabilities Registry.

"During your time on the campaign trail with Senator John McCain as the Vice Presidential nominee, I was very pleased to hear you speak on multiple occasions about the problems faced by special needs children in our country," Ellis wrote. He then pointed out that as of October 1, the registry contained 993 individuals, mostly between the ages of 4 and 17. "I respectfully request that you do your very best to provide the funding necessary to fully eliminate the Waitlist," Ellis continued, before asking Palin to include funding recommended by the governor's Ad-

Hoc Committee on the DD Registry in her budget.

But that money wasn't included in the budget that Palin released on December 15. And for service providers in the developmental disabilities community, the waiting list is far from the only problem. Organizations like The Arc of Anchorage, Hope Community Resources, and many other home and community-based service providers are barely afloat financially, because the rates at which they're reimbursed aren't commensurate with the actual costs.

Ellis is hoping to change that with a bill he'll introduce in the next legislative session. The bill would evaluate reimbursement rates for home and community-based service providers annually.

**"THE NUMBER ONE THING** we want [the legislature] to do is establish a regular rate review process for how they pay us," says Gwendolyn Lee, executive director of The Arc of Anchorage. "The current system is not equitable."

Even if the waiting list were eradicated by sufficient funding from the state, Lee says, it would bring those people to a service provider system "that's weakened in its ability to deliver high quality services, and can't find the workers to meet the needs of the existing people."

At The Arc, which offers a large variety of services to those with developmental disabilities, under-funding has resulted in high turnover despite cost-cutting measures. "We have deferred maintenance; we have cut health insurance; we do not give raises; we ask people to do more," Lee says. "We are stretched; the rubber band is truly stretched."

Simply put, The Arc can only afford to hire workers at the lowest possible wages, making for high turnover and training costs. This means that the person with a disability has a constant revolving door of people coming and going from their life, each one having to learn the individual's critical issues, health issues, and personality nuances. "It's really depressing for the staff who are trying to deliver quality if they're constantly hiring and retraining people to do the very basics," Lee says.

There's a real danger to not addressing the financial concerns of home and community-based

"... this would be a real opportunity for Sarah Palin and myself and other legislators from both sides of the aisle to work together and put our money and our commitment where our mouths are. And I expect that she will. I just hope that we do enough to help those people that need the help the most."

—State Senator Johnny Ellis

rates were as low as 9 percent, while only a couple categories gathered responses from over 50 percent of the providers, due to the complexity of the audits.

Meanwhile, hospitals and nursing homes are reimbursed for their costs based on an annual rate review, which is what the home and community-based developmental disabilities providers are asking for. The difference between the two groups, Ellis says, is that "frankly, hospitals and nursing homes have powerful lobbyists in Juneau. These community-based services have never been joined together in a really organized group and have never really had effective lobbyists to get what they need.

"I'm going to put this bill in to the legislature, but it's a really difficult bill to get through, to do what the service providers want—regular rate review and adjustment. I've said to them that they need to create a coalition of people all over the state, clients and service providers and workers to say, 'we need the same thing that the hospitals and nursing homes have.' I think maybe the time has come."

**IT'S NOT JUST GERALDO RIVERA** that's put the spotlight on the issues the developmental disabilities community



Gwendolyn Lee, Executive Director of The Arc of Anchorage: "It all comes down to how we think about our fellow human beings."

ger provide these services because they can't afford to, based on the poor reimbursement from the state and/or the feds under Medicaid, then there will be people without services in the community who will have to be institutionalized at greater public expense and more human tragedy."

"It all comes down to how we think about our fellow human beings," Lee says. "Do we have an attitude that the least of these is the most important, and everyone is entitled to fair access to basic community life?"

**SIX YEARS AGO, THE STATE** realized that the system for reimbursing service providers was flawed and froze the reimbursement rates while studying the issue. Last year, for the first time, the legislature granted an increase in rates, which varied according to the type of services provided. But there is still no mechanism in place for rates to keep up with inflation and cost of living increases.

To study the problem, the state hired an auditing firm, Myers and Stauffer, which attempted to analyze the service providers' costs versus reimbursements. The technique that the firm used, however, was unwieldy for many of the smaller sized organizations that provide services for the developmentally disabled.

"I don't think they got great participation," Ellis says. Indeed, some of the provider response

would find an ally in her, while she held her baby boy Trig, who has Down syndrome.

"I understand that statement," Lee says. "As a parent of a new child with disabilities, it's easy to say 'I feel your pain, I understand your situation, I'll work to improve it.' It's easier said than done to really be an advocate. She is in a very different position than a lot of our families that may not have the circle of support that she has. I think that every family that heard that statement is watching now. We are now anxious to work with her to make that her legacy. It's an incredible opportunity for her, but she has to be willing to do it."

"This morning I heard Governor Palin say that we need to tighten our belts," says Ann WingQuest, The Arc of Anchorage's director of public affairs. "We're beyond tightened anymore. It frightens me when I hear her say that, because we have been so weakened and so stretched. She did say that we're not supposed to look to the government to make us healthy; the problem with our population is that their health care needs are not something that they elected. It wasn't like they were smoking and drinking and becoming obese. These are genetic or birth defects or whatever, and they need help."

Ellis is also looking to the governor to stand by what she campaigned on. "[Palin] got a lot of acclaim on the campaign trail as an advocate for kids with disabilities, not just kids with Down syndrome, but kids with disabilities. Now it's time to live up to that, and I'm hoping and inviting the governor to work with me to pare down the waiting list for DD services, to consider the bill on rate adjustment for DD providers and other community-based service providers. So this would be a real opportunity for Sarah Palin and myself and other legislators from both sides of the aisle to work together and put our money and our commitment where our mouths are. And I expect that she will, I just hope that we do enough to help those people that need the help the most."

There's still a chance that agencies such as The Arc and their advocates in the legislature might get their wishes. Governor Palin's communications director Bill McAllister says, "all of this is pending. The Department of Law is evaluating the rate re-basing issue. And the wait list is under review in the [Department of Health and Social Services] commissioner's office." ♦

*bjk@anchoragepress.com*



## 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 than 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

services. Not only does the lack of periodic reviews prevent adequate fiscal planning by providers, it prevents adequate fiscal planning by the State. By establishing a regular schedule (e.g. every 2 or 4 years), providers and DHSS can plan and allocate resources so that rate reviews create a minimal administrative burden. This in turn will permit the Legislature to engage in more effective management of our state's budget and the responsibility to care for our most vulnerable neighbors.

Our network of non-profit providers touch the lives of thousands of Alaskan families. In FY 2007, over 30,000 Alaskans received behavioral health services from non-profit providers. Provider associations report that almost 20,000 Alaskan seniors received home and community based services; 3,807 Alaskans received personal care attendant services; 2,636 Alaskans with developmental disabilities received services; 1,500 Alaskans received care through assisted living homes; and an estimated 1,400 children were enrolled in early intervention/infant learning programs.. This is nearly 60,000 Alaskans who receive care at home and in their communities, so that they do not require nursing home or other institutional care.

This is why we advocate for a schedule of home and community based rate reviews, inclusive of Medicaid and grant-funded services, to be established by statute.

**Supporters:**

Alaska Mental Health Trust Authority  
Governor's Council on Disabilities and Special Education  
Alaska Mental Health Board  
Advisory Board on Alcoholism and Drug Abuse  
Alaska Commission on Aging  
Alaska Association on Developmental Disabilities, serving 2,636 Alaskans  
AgeNet, serving 18,953 Alaskans  
Personal Care Attendant Provider's Association, serving 3,807 Alaskans  
Assisted Living Association – Alaska, serving 1,500 Alaskans  
Alaska Behavioral Health Association, serving 26,285 Alaskans

# The TRUST

The Alaska Mental Health Trust Authority

February 3, 2009

Senator Johnny Ellis  
Senate Health and Social Services Committee  
Alaska State Capitol, Room 103  
Juneau, AK 99801-1182

**Subject: Support Letter for SB 32**

Dear Senator Ellis:

The Alaska Mental Health Trust Authority (The Trust) encourages support of SB 32, a bill to establish a schedule of regular and periodic rate reviews for home and community based services (HCBS) in statute sponsored by you and co-sponsored by Senator Davis. This issue is one of our Coordinated Advocacy Agenda priorities with our six advisory groups and is critical to the providers who serve our beneficiaries. Unlike hospitals and nursing homes there are no mechanisms in place that provide for regular rate review or periodic adjustments for home- and community-based providers that serve Medicaid-eligible persons. Adequate funding for HCBS is essential for maintaining the foundation of care for vulnerable Alaskans close to home.

Prior to last year's rebasing of FY09 rates for HCBS providers rates had been frozen for 10 years without a review or increase, despite cost increases and mounting demand for services which The Trust study in FY 2008 on grant funding and Medicaid funding from 2000 through 2007 documented. Investment in the foundation of HCBS is prudent to assure services meet the needs of all vulnerable Alaskan with 2006 estimates provided by Senior and Disabilities Services showing the average annual cost of a semi-private room in a nursing facility was \$172,685 compared to \$25,026 for Medicaid Personal Care Attendant services and \$21,436 for the Medicaid waiver.

Home- and community-based services touch the lives of thousands of Alaskan families daily. In FY07, HCBS were provided to more than 59,000 Alaskans of all ages and included 30,000 recipients of behavioral health services; 2,636 Alaskans with developmental disabilities; an estimated 1,400 children enrolled in early intervention/infant learning programs; 3,807 Alaskans who received personal care attendant services; 1,500 Alaskans who received care through assisted living homes; and 20,000 older Alaskans who received senior home and community based services.

Regular rate reviews promote sound fiscal planning by the State and providers, which is essential for providing consistently high quality services and responsible state budget management.

Sincerely,

*for Melissa Culpepper*

Jeff Jessee  
Chief Executive Officer





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

Dear Chair Davis:

RE: SB 32-Ellis--Support

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*

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



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

**Kristan Jez**  
**PO Box 774376**  
**Eagle River, AK 99577**

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:

I want to thank you for taking the time to hold a hearing in regards to Senate Bill 32, which was sponsored by Senator Johnny Ellis. I strongly support this legislation and feel that community based service providers for the developmentally disabled should be treated as fairly and equally as hospitals and nursing homes.

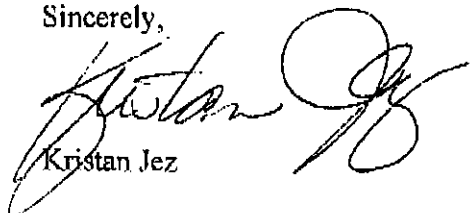
As someone who has worked for one of the agencies for the past 23 years, I know first hand the effects of rate freezes. Not only are the lives of our support recipients being under minded and diminished, the negative impact on the workforce is taking its toll.

Families are not receiving the quality of services they should be due to lack of an inadequate workforce. Families are being penalized because agencies are unable to offer reasonable wages, and maintain decent benefits. In addition, the escalating cost of heating fuel, gasoline, utilities, insurance and other supplies are crippling agencies.

We need something that is fair and equitable if agencies are to survive and provide the much needed services to Alaskan who experience a disability.

Thank you for your time and I urge the committee to pass this legislation on to the next step.

Sincerely,

  
Kristan Jez



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





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", written over a circular scribble.

Brian Richardson  
Chief Executive Officer

**Don Burrell**

---

**From:** Walter Majoros [walterm@jys.org]  
**Sent:** Sunday, February 01, 2009 7:51 PM  
**To:** Sen. Bettye Davis  
**Subject:** Support SB 32: Rate reviews for home and community-based services

Walter Majoros  
8250 North Douglas Highway  
Juneau, AK 99801-7635

RECEIVED  
FEB 02 2009

February 1, 2009

Bettye Davis

Dear Bettye Davis:

I support SB 32, establishing periodic rate reviews for home and community-based services.

Home and community-based services include a wide range of Medicaid and grant-funded services for 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.

Home and community-based services maintain individuals' quality of life and reduce the need for more costly institutional, emergency and nursing home care.

Both Medicaid and grant-funded services, are imperative to maintaining the systems of care that serve Alaska's most vulnerable populations.

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.

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.

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.

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 services. Not only does the lack of periodic reviews prevent adequate fiscal planning by providers, it prevents adequate fiscal planning by the State.

By establishing a regular schedule (e.g. every 2 or 4 years), providers and DHSS can plan and allocate resources so that rate reviews create a minimal administrative burden. This in turn will permit the Legislature to engage in more effective management of our state's budget and the responsibility to care for our most vulnerable neighbors.

The Alaska network of non-profit providers touch the lives of thousands of Alaskan families. In FY 2007, over 30,000 Alaskans received behavioral health services from non-profit providers. Provider associations report that almost 20,000 Alaskan seniors received home and community based services; 3,807 Alaskans received personal care attendant services; 2,636 Alaskans with developmental disabilities received services; 1,500 Alaskans received care through assisted living homes; and an estimated 1,400 children were enrolled in early intervention/infant learning programs.

This is nearly 60,000 Alaskans who receive care at home and in their communities, so that they do not require nursing home or other institutional care.

This is why we advocate for a schedule of home and community based rate reviews, inclusive of Medicaid and grant-funded services, to be established by statute.

Sincerely,

Walter Majoros  
723-6938

This message has been verified by CapwizXC as authentic and sent by this individual.  
Authentication ID: [NLS31Cx6]

**Don Burrell**

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**From:** Walter Majoros [walterm@jys.org]  
**Sent:** Sunday, February 01, 2009 7:55 PM  
**To:** Sen. Bettye Davis  
**Subject:** Support Reauthorizing Adult Dental Services!

Walter Majoros  
8250 North Douglas Highway  
Juneau, AK 99801-7635

February 1, 2009

Bettye Davis

RECEIVED  
FEB 02 2009

Dear Bettye Davis:

I support reauthorizing preventive and restorative dental services for adult Medicaid recipients. Medicaid coverage for these services will sunset June 30, 2009 without legislative reauthorization. The provisions for this are in both SB 65 and SB 82.

The Department of Health and Social Services reports that approximately 7,600 adult Medicaid recipients received these dental services in FY08 with 252 participating dental providers.

The American Dental Association recommends adult preventive and restorative dental services be included in all state Medicaid programs.

Dental pain, missing and decayed teeth and infection can affect employment and job advancement, contribute to missed work, dietary choices for seniors, and complicate management of other chronic diseases.

Dental infections due to periodontal disease have been associated with pre-term births, management problems for individuals with diabetes, risks for pneumonia in nursing homes, and other chronic diseases including cardiovascular disease.

The bacteria involved with the dental decay process are typically passed parent to child. Part of the efforts to reduce dental decay in young children relates to reducing the level of dental infection in the caregiver. Additionally, parents with dental coverage are more likely to access dental services for their children.

The coverage of preventive and restorative dental care for adult Medicaid recipients along with necessary behavioral changes, over the long term, offer a reduced likelihood of using more expensive services, like the hospital emergency room for management of a dental infection.

Sincerely,

Walter Majoros  
723-6938

This message has been verified by CapwizXC as authentic and sent by this individual.  
Authentication ID: [i9050SEJ]

**Don Burrell**

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**From:** Eric Holland [ericholland1@hotmail.com]  
**Sent:** Sunday, February 01, 2009 8:25 PM  
**To:** Sen. Bettye Davis  
**Subject:** Support SB 32: Rate reviews for home and community-based services

Eric Holland  
BX 1462  
Dillingham, AK 99576-1462

February 2, 2009

Bettye Davis

RECEIVED

FEB 0 2 2009

Dear Bettye Davis:

I support SB 32, establishing periodic rate reviews for home and community-based services.

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.

The Alaska network of non-profit providers touch the lives of thousands of Alaskan families. In FY 2007, over 30,000 Alaskans received behavioral health services from non-profit providers. Provider associations report that almost 20,000 Alaskan seniors received home and community based services; 3,807 Alaskans received personal care attendant services; 2,636 Alaskans with developmental disabilities received services; 1,500 Alaskans received care through assisted living homes; and an estimated 1,400 children were enrolled in early intervention/infant learning programs.

This is nearly 60,000 Alaskans who receive care at home and in their communities, so that they do not require nursing home or other institutional care.

This is why we advocate for a schedule of home and community based rate reviews, inclusive of Medicaid and grant-funded services, to be established by statute.

Sincerely,

Eric Holland

This message has been verified by CapwizXC as authentic and sent by this individual.  
Authentication ID: [55xlcds2]

**Don Burrell**

---

**From:** regina savchuk [gina6ak@yahoo.com]  
**Sent:** Sunday, February 01, 2009 7:56 PM  
**To:** Sen. Bettye Davis  
**Subject:** Support Reauthorizing Adult Dental Services!

RECEIVED  
FEB 02 2009

regina savchuk  
po#597  
kasilof, AK 99610-5971

February 1, 2009

Bettye Davis

Dear Bettye Davis:

The Department of Health and Social Services reports that approximately 7,600 adult Medicaid recipients received these dental services in FY08 with 252 participating dental providers.

Dental pain, missing and decayed teeth and infection can affect employment and job advancement, contribute to missed work, dietary choices for seniors, and complicate management of other chronic diseases.

Dental infections due to periodontal disease have been associated with pre-term births, management problems for individuals with diabetes, risks for pneumonia in nursing homes, and other chronic diseases including cardiovascular disease.

Dental infections due to periodontal disease have been associated with pre-term births, management problems for individuals with diabetes, risks for pneumonia in nursing homes, and other chronic diseases including cardiovascular disease.

The coverage of preventive and restorative dental care for adult Medicaid recipients along with necessary behavioral changes, over the long term, offer a reduced likelihood of using more expensive services, like the hospital emergency room for management of a dental infection.

Sincerely, a consumer of services

Regina Savchuk/ Kenai Peninsula NAMI  
907-260-5646

This message has been verified by CapwizXC as authentic and sent by this individual.  
Authentication ID: [a2147GAI]

**Don Burrell**

---

**From:** Patricia Chapman [patchapman@peacehealth.org]  
**Sent:** Sunday, February 01, 2009 10:10 PM  
**To:** Sen. Bettye Davis  
**Subject:** Support SB 32: Rate reviews for home and community-based services

Patricia Chapman  
3233 Emma court  
Ketchikan, AK 99901-5791

RECEIVED  
FEB 02 2009

February 2, 2009

Bettye Davis

Dear Bettye Davis:

My personal story is I have a disabled daughter with a TBI, getting and keeping qualified home care-providers is very hard. Once you have them trained and they develop good skills they go to work in the hospital or pioneer home where they can get more money. Or they are offered a job where they not only make more money but are offered health care benefits for them and their family.

It is unsafe to leave a disabled person who is unable to speak or move to care for themselves with unqualified providers. Yet I have a full time job that I use to try to provide insurance for my daughter's care so not to be a drain on the state. Many times I have had to stay home or come home early due to no providers.

It is imperative to the care of the seniors and disabled that are in their homes or assisted living facilities to compete in wages with the rest of the community. Without the assistance of the state helping with the pay for providers we would be living in poverty and she would not have the care as my health would become impacted.

I urge you to increase the rate of pay for qualified personnel in home and community based services.

Sincerely,

Patricia Chapman  
907-617-5704

This message has been verified by CapwizXC as authentic and sent by this individual.  
Authentication ID: [03rxmpn7]

**Don Burrell**

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**From:** Mary Fries [sheppardfries@gmail.com]  
**Sent:** Monday, February 02, 2009 7:30 AM  
**To:** Sen. Bettye Davis  
**Subject:** Support SB 32: Rate reviews for home and community-based services

Mary Fries  
PO Box 2229  
Homer, AK 99603-2229

RECEIVED  
FEB 02 2009

February 2, 2009

Bettye Davis

Dear Bettye Davis:

I support SB 32, establishing periodic rate reviews for home and community-based services.

My personal story is ... that I have been a care coordinator with South Peninsula Hospital working to provide these services to the lower Kenai Peninsula for 10 years. I have seen the enormous value to the recipients of these services and the increased quality of life it provides to the elderly and disabled first hand, not to mention the savings to the state by preventing Long Term Care admissions. While the cost of providing these services has increased dramatically, the reimbursement has not kept pace. Please fund these programs adequately. We have an enormous wave of elderly citizens who are in need of these services heading our way. The Baby Boomers have arrived! The reality is there are not enough expensive long term care beds to service all who need this level of care.

Home and community-based services maintain individuals' quality of life and reduce the need for more costly institutional, emergency and nursing home care.

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.

Sincerely,

Mary Fries  
907-235-0302

This message has been verified by CapwizXC as authentic and sent by this individual. Authentication ID: [61jluh5]

**Don Burrell**

---

**From:** T. Frank Box [tfbox000@acsalaska.net]  
**Sent:** Sunday, February 01, 2009 2:25 PM  
**To:** Sen. Bettye Davis  
**Subject:** Support SB 32: Rate reviews for home and community-based services

T. Frank Box  
1231 W Northern Lights #461  
Anchorage, AK 99503-2337

RECEIVED  
FEB 02 2009

February 1, 2009

Bettye Davis

Dear Bettye Davis:

I support SB 32, establishing periodic rate reviews for home and community-based services. Home and community-based services include a wide range of Medicaid and grant-funded services for vulnerable Alaskans.

My personal story is ...

I am a 2 time brain tumor survivor, That needed immediate assistance in order to survive the brutal treatment regimes of radiation & 1 year of chemotherapy. In an adled cognitive state, I went looking for answers and found the Head Injury Support Group @ Access Alaska Inc. After 2 & a Half years of speech therapy & 2 years of volunteering w/ the group. II graduated from DVR, was retrained & hired as a peer support specialist, so I get to relive the struggles of my past, every day in advocacy efforts for the under served populations of our state.

I also work as the coordinator for the Home E-Mods grant projects @ Access Alaska, I have seen the benifits first hand, as the institutionalized are set free to be care for by people they choose.

Home and community-based services maintain individuals a quality of life and reduce the need for more costly institutional, emergency and nursing home care. Family members can be trained to provide care to a person they know and are able to communicate with.

The Alaska network of non-profit providers touch the lives of thousands of Alaskan families. In FY 2007, over 30,000 Alaskans received behavioral health services from non-profit providers. Provider associations report that almost 20,000 Alaskan seniors received home and community based services; 3,807 Alaskans received personal care attendant services; 2,636 Alaskans with developmental disabilities received services; 1,500 Alaskans received care through assisted living homes; and an estimated 1,400 children were enrolled in early intervention/infant learning programs.

This is nearly 60,000 Alaskans who receive care at home and in their communities, so that they do not require nursing home or other institutional care.

This is why we advocate for a schedule of home and community based rate reviews, inclusive of Medicaid and grant-funded services, to be established by statute.

Sincerely,

T. Frank Box  
073514977

This message has been verified by CapwizXC as authentic and sent by this individual.  
Authentication ID: [v55111IFI]

**Don Burrell**

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**From:** KATHY HUSKEY [kahuskey@hotmail.com]  
**Sent:** Sunday, February 01, 2009 7:53 PM  
**To:** Sen. Bettye Davis  
**Subject:** Support SB 32: Rate reviews for home and community-based services

KATHY HUSKEY  
PO BOX 772482  
EAGLE RIVER, AK 99577-2482

February 1, 2009

Bettye Davis

RECEIVED

FEB 0 2 2009

Dear Bettye Davis:

I support SB 32, establishing periodic rate reviews for home and community-based services.

Home and community-based services include a wide range of Medicaid and grant-funded services for 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.

Home and community-based services maintain individuals' quality of life and reduce the need for more costly institutional, emergency and nursing home care.

Both Medicaid and grant-funded services, are imperative to maintaining the systems of care that serve Alaska's most vulnerable populations.

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.

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.

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.

For more than 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 services. Not only does the lack of periodic reviews prevent adequate fiscal planning by providers, it prevents adequate fiscal planning by the State.

By establishing a regular schedule (e.g. every 2 or 4 years), providers and DHSS can plan and allocate resources so that rate reviews create a minimal administrative burden. This in turn will permit the Legislature to engage in more effective management of our state's budget and the responsibility to care for our most vulnerable neighbors.

The Alaska network of non-profit providers touch the lives of thousands of Alaskan families. In FY 2007, over 30,000 Alaskans received behavioral health services from non-profit providers. Provider associations report that almost 20,000 Alaskan seniors received home and community based services; 3,807 Alaskans received personal care attendant services; 2,636 Alaskans with developmental disabilities received services; 1,500 Alaskans received care through assisted living homes; and an estimated 1,400 children were enrolled in early intervention/infant learning programs.

This is nearly 60,000 Alaskans who receive care at home and in their communities, so that they do not require nursing home or other institutional care.

This is why we advocate for a schedule of home and community based rate reviews, inclusive of Medicaid and grant-funded services, to be established by statute.

Sincerely,

KATHY A. HUSKEY  
907-696-3387

This message has been verified by CapwizXC as authentic and sent by this individual.  
Authentication ID: [aqisREP4]

**Don Burrell**

---

**From:** Patricia Chapman [patchapman@peacehealth.org]  
**Sent:** Sunday, February 01, 2009 10:00 PM  
**To:** Sen. Bettye Davis  
**Subject:** Support Reauthorizing Adult Dental Services!

Patricia Chapman  
3233 Emma court  
Ketchikan, AK 99901-5791

RECEIVED  
FEB 02 2009

February 2, 2009

Bettye Davis

Dear Bettye Davis:

The American Dental Association recommends adult preventive and restorative dental services be included in all state Medicaid programs.

Dental pain, missing and decayed teeth and infection can affect employment and job advancement, contribute to missed work, dietary choices for seniors, and complicate management of other chronic diseases.

Dental infections due to periodontal disease have been associated with pre-term births, management problems for individuals with diabetes, risks for pneumonia in nursing homes, and other chronic diseases including cardiovascular disease.

The bacteria involved with the dental decay process are typically passed parent to child. Part of the efforts to reduce dental decay in young children relates to reducing the level of dental infection in the caregiver. Additionally, parents with dental coverage are more likely to access dental services for their children.

The coverage of preventive and restorative dental care for adult Medicaid recipients along with necessary behavioral changes, over the long term, offer a reduced likelihood of using more expensive services, like the hospital emergency room for management of a dental infection.

I support reauthorizing preventive and restorative dental services for adult Medicaid recipients. Medicaid coverage for these services will sunset June 30, 2009 without legislative reauthorization. The provisions for this are in both SB 65 and SB 82.

I work in an emergency room that sees many patients who have no dental care and they suffer many other complaints due to the poor dental health. This ultimately costs us more in medical care.

Sincerely,

Patricia Chapman  
907-617-5704

Employer Name: Ketchikan General Hospital Employer City: Ketchikan  
Position: ER Coder

Are you a registered voter?: Yes  
Did you vote in the last election?: Yes

Age: 67  
Gender: Female  
Organization: AKHIMA

Interest Group: Health related fields

Would you like a reply?: Yes  
Have you visited our website?: No

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Authentication ID: [jiemXUT5]

**Don Burrell**

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**From:** Helen Simmonds [simmondsfamily@barrow.com]  
**Sent:** Sunday, February 01, 2009 1:16 PM  
**To:** Sen. Bettye Davis  
**Subject:** Support SB 32: Rate reviews for home and community-based services

Helen Simmonds  
P.O. Box 786  
Barrow, AK 99723-0786

February 1, 2009

Bettye Davis

RECEIVED  
FEB 02 2009

Dear Bettye Davis:

I support SB 32, establishing periodic rate reviews for home and community-based services.

My personal story is ...my 28 year old son who was dual diagnosed at the age of 15. He was going in and out of jail from the time he turned 18 to the age of 25. Since the time he became eligible for home and community based services, he has only been there once. The services also has given him a sense of stability due to the structured atmosphere of homes. This has made considerable improvements with his impulsive behavior. I have observed however, that the rate of pay for day hab employees may affect his behavior. He gets used to a person but the person does not stay. I have become acquainted with some of the day hab workers and they want to stay but cannot because of the minimum rate of pay. The providers spend monies to train the staff and unfortunately a good majority of them do not stay. With continued support, this could be a great opportunity for both the consumers and the providers.

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.

Home and community-based services maintain individuals' quality of life and reduce the need for more costly institutional, emergency and nursing home care.

Both Medicaid and grant-funded services, are imperative to maintaining the systems of care that serve Alaska's most vulnerable populations.

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.

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.

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.

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 services. Not only does the lack of periodic reviews prevent adequate fiscal planning by providers, it prevents adequate fiscal planning by the state.

By establishing a regular schedule (e.g. every 2 or 4 years), providers and DHSS can plan and allocate resources so that rate reviews create a minimal administrative burden. This in turn will permit the Legislature to engage in more effective management of our state's

budget and the responsibility to care for our most vulnerable neighbors.

The Alaska network of non-profit providers touch the lives of thousands of Alaskan families. In FY 2007, over 30,000 Alaskans received behavioral health services from non-profit providers. Provider associations report that almost 20,000 Alaskan seniors received home and community based services; 3,807 Alaskans received personal care attendant services; 2,636 Alaskans with developmental disabilities received services; 1,500 Alaskans received care through assisted living homes; and an estimated 1,400 children were enrolled in early intervention/infant learning programs.

This is nearly 60,000 Alaskans who receive care at home and in their communities, so that they do not require nursing home or other institutional care.

This is why we advocate for a schedule of home and community based rate reviews, inclusive of Medicaid and grant-funded services, to be established by statute.

Sincerely,

Helen Simmonds  
9078523006

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