

**KEY
COALITION
OF ALASKA:
LEGISLATIVE
PRIORITIES
2016**

<TARGET><BILL></BILL><SUBJECT>KEY COALITION OF ALASKA
LEGISLATIVE PRIORITIES
2016</SUBJECT><COMM>SHSS29</COMM></TARGET>



February 19, 2016

Senator Bert Stedman
Alaska State Capitol
Juneau, Alaska 99801

Dear Senator Stedman,

Thank you for taking the time to meet with us today and for reviewing our priorities and Legislative Platform for 2016.

We are members of the Key Coalition of Alaska. This is our 29th consecutive year in Juneau as advocates for family members and friends who experience disabilities. We remain united in our vision that communities are enriched by embracing the unique talents and gifts of each of its members and supporting everyone to be fully included in all daily life routines. We are firm in our belief that community programs and supports are by far the most cost effective and fiscally responsible mode of service delivery for the State of Alaska and offer the highest quality of life. This is particularly critical today, in light of the current fiscal crisis.

This legislative session begins with the most significant and potentially devastating challenge in its relatively young history. With oil production decreasing and the price per barrel of oil dramatically plunging with no realistic increase in sight, we embrace a budget with a deficit that soars into the billions. Savings, such as the Constitutional Budget Reserve, will be depleted in a handful of years. New taxes, such as a sales tax, an income tax, or a combination of both will not even begin to scratch the surface of this enormous shortfall. This fiscal mountain that now looms before us seems far too high and seemingly impossible to climb. Life, as we have known it has changed. We need a sound fiscal plan.

Alaskans have faced adversity before. We are not strangers to challenges, obstacles, and hard times and adverse conditions. From the great and devastating Good Friday Earthquake, to volcanic eruptions, massive, consuming forest fires, geographical isolation and unpredictable extreme weather conditions, we have forged a unique bond that ties us together as Alaskans in this Great Land of the Far North.

The Key Coalition has always believed that we are all part of the Family of Alaska and have an equal share in the benefits, opportunities and promises that our land holds for us, every day. And when the challenges are great and much is asked of us to sacrifice, suffer and sustain, we likewise believe that we will be part of the solution and freely give an equal share to Alaska. This is the heart and the very essence of true Community Inclusion.

It is our trust, our sacred duty to assure, by united advocacy and purpose, that our sacrifice is equal to that of other Alaskans. We seek true partnership in these challenging times. We support equitable reductions and equal sacrifice, and we bring solutions that will contribute to the future health of Alaska. Already our Initiative to end the Wait List has been reduced by 75%. Instead of a minimum of 200 families per year to come off that Wait List, we have been cut to just 50 on an annual basis. There are also efforts to institute caps on certain waiver services.

Over the course of nearly three decades, we have accomplished much, together, to strengthen the Family of Alaska. In partnership with our Legislature and Administration, institutions have been closed, wait lists have been reduced, children experiencing disabilities now live with their parents in communities of choice, health care supports have been restored, and funding to keep kids in Alaska, rather than being sent out of state, has been allocated. All of these milestones have embraced fiscal conservatism, capturing a federal matching share to offset total costs and decrease utilization of General Funds.

We must not let these perilous times tear us apart. We cannot begin a fiscal battle for shrinking dollars that creates an Alaska where no one wins and everyone loses - when all of our gains disappear. Our 2016 theme, "Pulling Together", reflects the direction, the philosophy and the spirit we must adopt and maintain as we navigate through this perfect fiscal storm.

And so we now launch this, our 29th Key Campaign, pulling together to rise to the challenge, to climb that impossible fiscal mountain, and to continue the dream of that one day, that "some day", **when no Alaskan family has to wait...**

Your Constituents,

"Unity, Advocacy, Community for All..."

Key Coalition of Alaska



Legislative Priorities 2016



**RESTORE THE DEVELOPMENTAL DISABILITIES REGISTRY
THROUGH
COST SAVINGS RECOMMENDATIONS FOR THE IDD WAIVER**

RESTORE THE DEVELOPMENTAL DISABILITY REGISTRY

- In FY16, in response to the need to make mandated cuts to its budget, the Division of Senior and Disabilities Services (SDS) reduced the number of annual draws from the DD Registry, (waitlist for Medicaid home and community-based waiver services for individuals with intellectual and developmental disabilities), from 200 to 50.
- Key Coalition of Alaska believes decreasing the number of draws from 200 to 50 will result in a significant increase in the number of people on the Registry and in the long run, increase costs to the State.
- Key Coalition believes there are better, alternative ways to reduce the budget for IDD waiver services which will enable SDS to restore or partially restore the 200 draws per year from the FY17 DD Registry.

IMPLEMENT COST SAVINGS RECOMMENDATIONS FOR THE IDD WAIVER

- Implement the following cost saving recommendations for Medicaid home and community-based waiver services that provide alternatives to more expensive services and better meet individual needs.
 - “Semi-independent living” is a residential option that allows for several residents to receive staff support at the same time rather than more expensive group home waiver services where State licensing mandates require close supervision and direction of their daily living routines.
 - “Companion” services allow individuals to participate in the community without the more expensive focus on skill development associated with day habilitation waiver services, the only current service available for community participation.
 - “Smart home” and other technologies, such video monitoring systems, tablets, smart phones, webcam and digital videoconferencing, can reduce the need for direct staff support.
 - “Tele-practice” can result in some services being delivered more cost effectively and can result in higher quality of services provided intermittently to individuals living in rural and remote areas of the state.
- Increase efficiency and consistency in administrative processes.
 - Implement a process to stream-line and ensure a timely response for increasing service hours when justified – “soft cap” (starting point) to be developed by SDS.
 - Streamline the eligibility and level of care re-determination process.
 - Redesign the Plan of Care form so it is less lengthy and burdensome to complete and review

WHAT IS THE POTENTIAL IMPACT OF THESE RECOMMENDATIONS?

- Key Coalition estimates SDS will see the following savings if the cost saving recommendations are implemented:
 - Assuming 100 individuals received semi-independent living services instead of group home services, SDS could save at least **\$2,263,000**.
 - Assuming 100 individuals chose to replace 5 hours of day habilitation services with companion services per week, annual cost savings could be approximately **\$650,000**.
 - The cost savings for one individual using technology to replace direct staff support by 6 hours a day was \$95,790 per year; if 100 people were served in a similar way, annual cost savings could be approximately **\$9.5 million**.
 - One provider estimated the use of tele-practice could reduce costs by as much as \$500 for one individual in travel costs alone. If 500 people were served in a similar way, annual cost savings could be a minimum of **\$250,000**.
 - SDS could see a savings of approximately **\$800,000** if Key Coalition's and other groups' efficiency and consistency recommendations were implemented.
 - Key Coalition believes, that, the 1915(i) and 1915(k) options can help reduce the number of people on the DD Registry by re-financing Community Developmental Disabilities grants to draw down federal funds and/or increase the federal match for certain Medicaid services. **The 1915 (i) option requires that DD grants remain fully funded and available for re-financing.**

HOW CAN YOU HELP?

- Add intent language to SDS's Medicaid budget to ensure that as cost savings recommendations are implemented, the number of annual DD Registry draws are restored or partially restored to 200.
- Monitor the process the DHSS uses to prepare the new five-year home and community-based waiver plan for the Centers for Medicare and Medicaid Services as well as the specifics of the proposed plan.
- Monitor the process the DHSS uses to prepare 1915(i) and 1915(k) option packages for the Centers for Medicare and Medicaid Services as well as the specifics of the proposed options.

**DEVELOP STATE FISCAL PLAN
THAT INCLUDES
COST SAVINGS RECOMMENDATIONS FOR MEDICAID**

NEED FOR A STATE FISCAL PLAN

- Key Coalition of Alaska recognizes the fiscal situation Alaska faces, the implications for state agency budgets and the need to find cost savings and efficiencies.
- Key Coalition supports the adoption of an “Alaska Fiscal Plan” that looks at a combination of cuts, cost-savings recommendations, maximizing the economic return of the land and non-cash assets of the Alaska Mental Health Trust Authority, use of the Permanent Fund, and revenue enhancements that will move us from the ups and downs of fluctuating oil prices.

COST SAVINGS RECOMMENDATIONS FOR THE GENERAL MEDICAID PROGRAM

- In 2015, one of the cost savings recommendations made by Key Coalition and the Governor’s Council on Disabilities and Special Education – the establishment of the durable medical equipment re-use program – was introduced as HB 161 and signed into law May 27, 2015.
- One of the cost savings recommendations made by Save the Waiver AK, the Governor’s Council on Disabilities and Special Education and Key – the establishment of a voucher system for the purchase of incontinence supplies, gloves and other personal care supplies that can be obtained from non-medical suppliers – is being examined by Health Care Services for pilot implementation by the end of calendar year 2016.
- Establish prior authorizations for Medicaid prescriptions for a minimum of one year, or the life of the prescription, depending on need and prognosis.
- Implement policies and procedures that reduce transportation costs.

WHAT IS THE POTENTIAL IMPACT OF THESE RECOMMENDATIONS?

- Alaska should see cost savings from implementation of its durable medical equipment re-use program similar to what Kansas saw (\$3.15 return on investment for every \$1 spent).
- Alaska should see cost savings of 25% for the purchase of personal care supplies when the voucher system is implemented.
- Some types of medications needed by individuals with intellectual and developmental disabilities are not going to change, so extending the length of time before re-authorization is required can reduce administrative workload.
- People who live in rural and remote areas of Alaska will be to refill their prescriptions in a timely manner.

HOW CAN YOU HELP?

- Monitor the regulation and implementation process used by the Department of Health and Social Services to establish the DME Re-Use program and voucher program.
- Recommend the Department of Health and Social Services explore re-vamping the process used to purchase prescription drugs and transportation services.

PASS HB 188 AND SB 104 (ABLE ACT)

WHAT IS THE ABLE ACT?

- HB 188 and SB 104 will allow individuals whose disabilities occur before age 26 and their families access to savings accounts that would allow individual choice and control while protecting eligibility for Medicaid, SSI, and other important benefits.
- In addition to having a disability that occurred before age 26, eligible individuals must meet the disability requirements for Supplemental Security Income (SSI) or the Social Security disability, retirement, and survivors program, OR certify under penalty that they have a qualifying diagnosis that is essentially equal to Social Security level of disability.
- ABLE accounts are modeled after the successful 529 college savings programs that let deposits grow tax-free to pay for educational expenses.
- ABLE accounts could be spent for education, transportation, job training and support, assistive technology, health and wellness, legal and other services – often paid by state and federal funds - that will help them live full, productive lives in their communities.
- Contributions would be limited to \$14,000 per year and capped at \$100,000.

WHAT IS THE CURRENT STATUS OF THE BILLS?

- HB 188 and SB 104 were introduced April 11, 2015 by Representative Sadler (Millett and Gara, co-sponsors) and Senator Giessel (Ellis co-sponsor).
- Both bills were referred to Labor and Commerce April 11, 2015.
- Both bills will be heard in Labor and Commerce and then Finance.
- The sponsors hosted a public forum on the bills January 9 in Anchorage.
- SB 104 was heard and held in Senate Labor and Commerce February 4, 2016.
- The sponsors are working on amendments to the bills.

WHAT IS THE POTENTIAL IMPACT OF IMPLEMENTATION?

- Families will be able to save money for their children with disabilities, similar to the way families save for education expenses for their children without disabilities, through special savings plans.
- Adults with disabilities will be able to save to meet their needs.
- Children and adults with severe disabilities will be able to keep their eligibility for long-term services and supports that help them live full, productive lives in their communities.

HOW CAN YOU HELP?

- Consider co-sponsoring HB 188 or SB 104.
- Pass HB 188 and SB 104.
- Contact the sponsors, the Governor's Council on Disabilities and Special Education and/or the Key Coalition of Alaska president, Millie Ryan (millie309@gmail.com), to obtain more information about the bills.