

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

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Alaska Commission on Aging FY2010 Budget & Policy Recommendations October 2009

Budget Recommendations

Priority #1: Alzheimer's Disease & Related Dementia and Brain Injury Grant Program

Recommended Funding: \$800.0 GF/MH

Proposal Summary: The ACoA recommends a GF/MH and GF increment for grant funds to provide access to a targeted menu of home- and community-based services for persons with mild to moderate Alzheimer's disease and related dementia (ADRD) and traumatic brain injury (TBI) using a sliding fee scale that will provide assistance for persons to remain safely at home as well as support for their caregivers. This grant program will have a regional focus and may serve as a benchmark for future changes to the existing Medicaid waiver program to better serve Alaskans with ADRD and TBI, provide cost data for these services, evaluate their effectiveness in delaying nursing home care, and provide services to individuals to increase their independence, safety, and provide additional support to family caregivers. Currently, Alaska's Medicaid waiver program is limited to individuals with medical needs sufficient to justify a nursing home level of care. Income-eligible individuals with early or mid-stage Alzheimer's disease or traumatic brain injury who have functional needs – cueing, for example – are often not eligible for the waiver program unless they have another primary diagnosis necessitating nursing home level of care.

Need: Health care costs for individuals with ADRD are more than triple the costs for seniors without ADRD in the same age category (Alzheimer's Association 2004). In 2010, ACoA estimates 6,340 older Alaskans may have ADRD, based on age-specific prevalence rates. The risk for ADRD increases with age. The number of older Alaskans affected by ADRD is expected to increase as the population of the "oldest old," persons age 85 and older, continues to grow. Seventy percent (70%) of people with ADRD live at home where they receive care from family and friends (Alzheimer's Association 2004). Additional services for persons with ADRD will increase elder safety in the home, provide assistance with activities of daily living, support family caregivers (especially those who work outside the home) as well as distant family caregivers (who live outside the recipient's community), and delay the need for institutionalized nursing home care.

The Alaska Brain Injury Network (ABIN) estimates at least 10,000 Alaskans suffer from traumatic brain injury. The proposed grant program addresses the needs of individuals with TBI who require rehabilitation and supports to re-learn and to maintain activities of daily living and other skills necessary to live independently and to reduce the need for long-term residential care. According to data provided by the Alaska Trauma Registry (2006), approximately 677 older Alaskans live with a brain injury resulting largely from falls.

Service Menu: Grant-funded services to support a person with ADRD or TBI would vary depending upon the unique needs of each individual and be determined through a person-centered planning process involving a team including the individual with ADRD or TBI, a care coordinator, family members, and others as appropriate. Each individual would have a maximum annual allowance for service up to \$15,000 and allowed to choose from a menu of services. For individuals with ADRD such services would include in-home day care, assistive technology, and tele-care services among other services as appropriate. Proposed grant-funded services for persons with TBI include cognitive rehabilitation, respite care, family education and training, supported employment, assistive technology, and other services. The ADRD/TBI grants program would initially target the South Central region and pending its success and funding availability expand to other regions of the State in future years.

Numbers Served: The ADRD/TBI grants program is estimated to serve at minimum 60 Alaskans or more depending on the types of services chosen.

Consequences of No Funding: Vulnerable Alaskans who do not meet nursing home level of care and those who are not sufficiently low-income to qualify for Medicaid, require services that address their functional needs to remain safe in their homes and provide additional support to family caregivers. Limited access to services, especially supervision, may increase the likelihood of harm that can result from leaving kitchen appliances on unattended, falls, wandering, and other occurrences from being left unsupervised; accelerate deterioration to a point where persons become waiver-eligible and require assisted living or nursing home care prematurely; increase the number of persons on the Pioneer Home waitlist, and decrease readiness for vocational rehabilitation/employment for persons with TBI. The Commission believes that the proposed grant program can provide targeted home- and community-based services when the need arises and will help the person to remain at home longer by slowing their decline and reducing caregiver stress.

Priority #2: Aging and Disability Resource Centers (ADRCs)

Funding Recommended: \$360.0 (\$200.0 GF/MH & \$160.0 GF)

Proposal Summary: In collaboration with Senior and Disabilities Services, ACoA recommends funding to continue the work of the ADRCs and to enhance information and referral services already provided to include options counseling, eligibility screening, and assessments and to open one new regional ADRC in a region not already being served. ADRCs are federally mandated as the entrance into the state's delivery system of long-term care services. Currently, three ADRCs operated by the Anchorage Municipality, Southeast Alaska Independent Living Council (SAIL), and the Kenai Peninsula Independent Living Center provide ADRC services. In 3rd quarter FY09, the ADRCs had a total of 8,913 contacts of which 2,934 of them were from persons 60 years of age and older. The ADRCs report that requests for information and referral fall mostly in the categories of employment, education, assistive technology, and housing.

Consequences of No Funding: Less than adequate investment in the ADRCs and not ensuring that all regions of the State have access to one creates confusion as to how seniors and people with disabilities can access long-term care services. The ADRCs are an important component of the infrastructure for long-term care supports that must be developed before the bulk of the baby boomers reach their senior years and require services.

Priority #3: Tele-Care / Smart Home Technology Project

Funding Recommendation: \$411,200 GF/MH

Proposal Summary: This project utilizes "smart home" technology and a remote caregiver as a model to extend the continuum of home- and community-based services for senior home health care by integrating technology and tele-caregiver services for at-risk seniors in select urban and rural

communities. Frail homebound elders and those with mild to mid stages AD/DR of modest income who spend the majority of their day at home with limited supervision are the target populations. A tele-care program combines technology with trained off-site caregiver staff to provide real-time monitoring by a remote caregiver using two-way audio and visual communication in combination with smart home sensors installed in the participant's home in order to promote personal safety and manage the risks of independent living. The two-way technology allows the remote caregiver to make virtual home visits to interact with the senior for socialization purposes and to provide medication reminders, oversight, guidance, and cueing through verbal prompts. An individualized plan of care with the tele-care system would be developed to meet a person's special needs by a care coordinator.

The proposed outcomes from this project are reduced social isolation, lowered incidence of medical emergencies and hospitalizations (through oversight and improved safety), maintenance or improvement of a person's functional levels, increased support for family caregivers while they are at work or for distance caregivers, and enhanced feelings of well-being for the senior. The project will track and measure the proposed outcomes noted above which are also tied to cost savings for the Medicaid waiver program and other public funding sources. This project is a systems-change effort that enhances home- and community based services by integrating caregiving with technology to facilitate care of frail elders and those with early to moderate stage dementia to improve safety and delay the need for nursing home care.

Need: Alaska's senior population is growing, projected to more than double over the next 20 years, and living longer which is increasing the demand for health care. Advanced age increases the likelihood that more seniors will live with chronic conditions and disabilities. However, due to workforce shortages in Alaska's health care system (tied to retirement of existing workers and limited ability to recruit and retain new workers because of low pay/benefits, demanding work, and limited potential for advancement), there is an insufficient number of quality caregivers available, a deficiency which may be even more acute in rural Alaska.

Equipment: The smart home technology includes varied sensors such as door sensors (to help detect wandering or intruders into the home), temperature sensors, carbon monoxide sensors, smoke detectors, and pressure pads (to detect falls). Video-cams are used for monitoring in high risk areas such as the kitchen and living room. Home tele-health medical devices (to check blood pressure, heart rate, glucose levels, and other health measures) connected to the recipient's health care provider, can also be integrated into the system for an additional cost. Equipment can be installed in any home with access to broadband (DSL or cable) and is portable.

Service Cost & Numbers Served: Below are cost estimates for the demonstration project. According to estimates from a company that provides tele-care services, a 12-month service package costs \$25,188 per individual (\$2,099 monthly or \$5.83 hourly) that includes installation of equipment, 12 hours/ day supervision, and 24-hour emergency watch. In comparison, costs are significantly higher for nursing home care (\$219,913) and assisted living (\$60,048).

Recommended Pilot Project – 15 seniors using services for 12 months	
15 seniors X \$25,188 (cost of 12 month service package)	\$377,820
15 seniors X \$250 (one-time installation fee)	\$ 3,750
Project start-Up activities & evaluation	\$ 29,630
Total Pilot	\$411,200

Consequences of No Funding: Although there are no immediate consequences this year, ACoA believes that we must begin building a variety of infrastructure types as soon as possible including this kind of home- and community-based services approach that integrates tele-health and assistive technology, and

enhances workforce sufficiency. The long-term goal is to craft a statewide system that will be able to respond to all senior needs at the most efficient level, thus avoiding the escalating costs of institutional care for as long as possible. The tele-care/smart home technology project is a foundational program that we could build on into the future, adding other types of technology and interactive care that best serve the long-term care needs of Alaskans wherever they live.

Priority #4: Emergency Intervention Services

Funding Recommendation: \$400.0 GF/MH

Proposal Summary: "Emergency Intervention Services" targets vulnerable seniors who are at risk of becoming homeless and displaced from assisted living facilities, nursing homes or private residences due to a diagnosis of mental illness or who have severe maladaptive behavior and are not able to locate a facility appropriately licensed to care for them. This project would provide immediate emergency intervention using a team of professionals (health care provider, social worker/care coordinator or case manager, and a gero-psychiatrist) coordinated through a statewide program to provide assessment, counseling, health care, appropriate housing and a plan of care for target individuals as well as additional training for providers to become licensed to care for seniors with severe maladaptive behaviors. This project addresses a serious gap in our state's long-term care continuum for vulnerable elders.

Need: Long-term care providers report increasing cases of seniors with severe maladaptive behavior and mental illness (typically previously undiagnosed) among residents, with an increasing number of cases in the Pioneer Homes alone. Seniors with behavioral health needs are transferred to Alaska Psychiatric Institute (API), the State's psychiatric hospital, where they are treated but then are not allowed to return to their former residence because the assisted living facility or nursing home does not have the staff capacity and appropriate license to care for them. With limited in-state capacity to serve these individuals, more may be referred outside the state for care. According to a recent survey of assisted living homes (2009), there are approximately thirteen assisted living homes statewide licensed to care for mentally ill seniors as well as persons with developmental disabilities with the majority of them located in south central Alaska. According to Certification and Licensing (July 2009), there are a total of 163 beds statewide licensed to care for persons with mental illness who are seniors or developmentally disabled.

Consequences of No Funding: The Commission believes that the State must develop the infrastructure to serve this emerging population by having a response team in place to address the increasing number of cases of older Alaskans who cannot remain in their long-term care residences due to mental illness or behavioral health problems. There are limited in-state options for this population. API and the Pioneer Homes are not suitable long-term placements at this time.

Policy Recommendations

ACoA proposes the following six policy recommendations to improve the health and welfare of older Alaskans and provide support for their family caregivers.

1. Promote a formal process in statute whereby waiver rates are evaluated and allocated annually according to the cost of providing services.

Discussion: Pending approval, SB32 will establish a process for regular rate review for home- and community-based services in statute comparable to the one in place for nursing homes to serve persons who are Medicaid-eligible and meet nursing home level of care and will promote ongoing awareness by the State of the true costs of providing services. SB32, passed by the Senate last session and approved by the House Health and Social Services Committee, is waiting to be scheduled for a hearing in House Finance.

2. Advocate for (a) elimination, or alternatively (b) upward adjustment, of the annual cost cap for services under the Medicaid Adult Dental Program in consideration of the increasing costs for dental health care.

Discussion: Now that the Medicaid adult dental program has been reauthorized without a sunset date, ACoA believes that we must address the inadequate annual cap for services either by eliminating the cap entirely and allowing the Department of Health and Social Services to manage the program or to advocate for an increase in the annual cap. The current annual limit for the Medicaid Adult Dental Program is set at \$1,150, which was intended to cover the cost of either upper or lower dentures when the program was first established in 2005 (with the understanding that an individual would thus be able to obtain a complete set of dentures over a two-year period). While dental costs have continued to rise, the cap has remained constant without adjustment for inflation. Program data provided by Public Health suggests average costs have been well under the current cap (ranging from \$395 to \$1,125 for services covered). However, should an individual have an emergency situation arise and need extended services, a complete set of dentures, for example, a cost cap should not disallow that care and compromise an individual's health. Other Medicaid-funded health care services do not impose spending caps; ACoA believes that dental health should be treated on par with other health care services.

Therefore, the Commission recommends removal of the cost cap language in the statute(s) and regulations authorizing this program. The Commission believes that the Department can manage costs in each individual case so as to prevent abuse of the program. While there may be a few cases of high-cost services for specific individuals, we think it likely that average program costs will remain reasonable based on data provided by the Division of Public Health. ACoA believes that dental health care, or any other health care, should not be rationed.

3. Advocate for returning to the original wording of AS 47.07.020 (b) (6) referencing 300% of the SSI benefit rate (based on the federal poverty level) rather than a frozen dollar amount as the income limit for Medicaid nursing home and waiver services.

Discussion: As the result of statute changes made by the Legislature in 2003, eligibility for Medicaid programs and services for persons requiring nursing home level of care are now tied to a specific income amount (\$1,656 per month) as opposed to a designated percentage of the Supplemental Security Income (SSI) benefit rate. The SSI benefit rate is regularly adjusted to reflect changes in the cost of living, so the actual income limit for this program increases slightly year to year. The amount of \$1,656 is the monthly amount of 300% of SSI in 2003. The 2009 income equivalent of 300% of SSI is \$2,022 monthly – a difference of \$366 (or 22%) between 2003 and 2009.

Every year with small increases based on cost-of-living adjustments to Social Security and other benefits, the gap between a recipient's benefit amount and the income limit for qualifying for Medicaid services, which includes home- and community-based waiver services, widens and more people are disqualified for their Medicaid-based programs based on income. While there are options available to these individuals to preserve their eligibility (such as creation of a Miller Trust, for example), these options have drawbacks which may make them inappropriate for some individuals, according to Alaska Legal Services. The Commission recommends that the State revert back to the original wording of the Medicaid statute to avoid confusion and disruption of services.

4. Support budget requests for the Long-Term Care Ombudsman's (LTCO) office and Adult Protective Services (APS) to improve protection of vulnerable older Alaskans.

Discussion: The Adult Protective Services and the Long-Term Care Ombudsman's office report significant increases in the number of complicated complaints received and heavy caseloads. Both agencies have requested budget increases to enhance their capacity by hiring additional staff. The number of LTCO complaints regarding assisted living and nursing home residents, for example, rose

from 150 complaints in FY08 to 337 in FY09 resulting in a 204% increase in the number of complaints reported. Although federally mandated to visit every assisted living facility and nursing home serving seniors at least once per quarter, the LTCO has been unable to make these visits due to the increased number and complexity of reports received. Adult Protective Services handles complaints of abuse, neglect, and exploitation involving vulnerable adults (seniors and people with disabilities). Intakes have risen substantially from 1,021 in FY05 to 2,748 in FY09, a 169 percent increase in the last 4 years. APS currently has only 10 investigators for the entire state and manages caseloads three to four times the national average. In consideration of the growth of the senior population, particularly in the number of the “oldest old,” the increase in the number of assisted living and nursing homes serving seniors, and the growing number of complaints being filed with LTCO and APS, ACoA is supporting additional funding for both offices to increase their capacity to improve protection of vulnerable older Alaskans.

5. Advocate for adequate funding to build supportive housing for Trust beneficiaries.

Discussion: Homelessness can affect any one, regardless of age. Seventeen percent of Alaskans who are homeless are age 55 years and older. As the senior population grows, so will the population of older adults who are homeless. According to AHFC (2008), the waitlist for senior and disabled housing has grown by 70% in the last six years. The growing problem of senior homelessness may be due to the absence of affordable housing along with growing numbers of seniors with alcoholism, mental illness, and associated behavioral health problems. ACoA supports the Alaska Mental Health Trust Authority’s advocacy effort to build supportive housing for Alaskans who are homeless or at risk of becoming homeless.

6. Support state funding for community coordinated transit services.

Discussion: Transportation is a basic necessity that many of us take for granted every time we get behind the wheel and drive. But for many seniors, persons with developmental disabilities or physical disabilities, those of low income and other vulnerable Alaskans, driving a car is not an option. Seniors and others need accessible, reliable, safe, and affordable transportation to get to the doctor, to the senior center for lunch, to volunteer placements, job sites, and other destinations. Transportation is essential to preserve one’s quality of life and to be a productive community member. Funds would be used for operational purposes including drivers’ pay, vehicle repair, fuel, insurance and related services.