

# STATE OF ALASKA

## DEPT. OF HEALTH & SOCIAL SERVICES

*Alaska Commission on Aging*

**SARAH PALIN, GOVERNOR**

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February 1, 2009

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

**Subject: Support for SB 32**

Dear Senator Ellis:

The Alaska Commission on Aging (ACoA) 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. We believe that regular reviews are critical to maintaining the systems of care that serve Alaska's most vulnerable populations, such as the elderly. Unlike hospitals and nursing homes, there exists no mechanism in place that requires regular rate review or periodic adjustments for home- and community-based providers which like hospitals and nursing homes, also serve Medicaid-eligible persons. Adequate funding for HCBS is essential for maintaining the foundation of care for vulnerable Alaskans close to home. Regular rate reviews promote sound fiscal planning by the State and providers, and are critical for providing quality services and responsible state budget management over time.

Prior to last year's rebasing for FY09, rates for some HCBS providers had been frozen for 10 years without a review or increase, despite cost increases and mounting demand for services. Older Alaskans depend on HCBS which help them to continue living in their home communities for as long as possible, close to family, friends, and cultural tradition. HCBS used by seniors include home-delivered meals, transportation, chore services, care coordination, assisted living homes and others that are cost-effective in delaying the need for more expensive institutional, emergency, and nursing home care. Elders in their 80s, including many living with Alzheimer's disease and related dementia, comprise the largest number of persons served by the Older Alaskans waiver.

Investment in the foundation of HCBS is prudent to assure that services meet the needs of all vulnerable Alaskans, including older Alaskans, to maintain quality of life and to hold down the costs of higher levels of health care. According to 2006 estimates provided by Senior and Disabilities Services, 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 including services for behavioral health, Alaskans with developmental disabilities; children enrolled in early intervention/infant learning programs; personal care attendant services; assisted living homes care; and senior home and community based services. Please feel free to contact Denise Daniello, ACoA's executive director (465-4879), should you have any questions regarding our position. Thank you for your support of this important legislation.

Sincerely,



Sharon Howerton-Clark  
Chair, Alaska Commission on Aging

Sincerely,



Denise Daniello  
ACoA Executive Director

CC: Senator Bettye Davis, Chair  
Senator Joe Paskvan, Vice-Chair

CC: Senator Joe Thomas  
Senator Fred Dyson