



FOR IMMEDIATE RELEASE: June 30, 2008

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Reimbursement increases for health and social services providers in the works

Updated rates more in line with costs of providing care

(Anchorage, Alaska) — Starting this summer, the Alaska Department of Health and Social Services will implement long-anticipated reimbursement rate increases for certain health and social service provider partners throughout the state.

“We have worked hard to make reimbursement for services more fair to providers who serve people in need,” Acting Health and Social Services Commissioner Bill Hogan said. “It’s gratifying that the Legislature has agreed.”

The \$32 million increase will help providers with rising costs of salaries, insurance, utilities and supplies while the department completes a more in-depth study of pricing on which to base more definitive, comprehensive recommendations next year.

When recommending rate increases, the department considered providers who have gone the longest with no increase, those who serve the greatest number of clients with acute needs, and those for whom rates have been frozen. Provider groups and services impacted range from assisted living home providers and personal care attendants, to behavioral health providers, child care providers, foster parents, hospitals, nursing homes, dental and emergency transportation services.

For most provider groups, rates go into effect following the department’s implementation of regulations. To view any of the regulations go to www.hss.state.ak.us/apps/publicnotice. Dollar amounts shown below are the increase in both state and federal funding, followed by the percentage of increase. With the exception of a 2-percent, one-year assisted living home increase, the increases below are incorporated into the base rate and expected to be continued in future years.

Senior and Disabilities Services, effective July 1, 2008 (regulations completed and filed):

- Nursing home rates: \$837,200; 6.5 percent

– more –

- Assisted Living Homes:
 - \$1,292,500; 4 percent (approved by regulation)
 - \$568,700; additional 2 percent, one-year increase (effective July 1, 2008–June 30, 2009)
- Residential Habilitation: \$3,956,200; 4 percent
- Care Coordination: \$534,700; 6 percent
- Personal Care Attendant: \$4,968,900; 6 percent

Behavioral Health, expected to be effective in early fall:

- Medicaid Facility Rates Rebased — Inpatient Psychiatric Hospital: \$288,100; about 6.5 percent above the annual inflation adjustment (no new regulations necessary)
- Outpatient behavioral health provider rates: \$6,837,800; 8 percent (regulations for public comment expected later this summer)

Public Assistance, expected to be effective Sept. 1, 2008:

- Child Care Assistance: \$2,700,000; increase varies, brings licensed child care rates in line with the 50th percentile of market rate (regulations out for public comment through July 16, 2008)

Children’s Services, effective July 1, 2008:

- Foster Care Base: \$3,165,500, formula based on federal poverty guidelines with increases varying depending on age of foster child (no new regulations necessary)

Health Care Services, expected to be effective by July 25, 2008:

- Medicaid Facility Rates — Hospitals: \$1,521,500, about 6.5 percent above the annual inflation adjustment (no new regulations necessary)
- Emergency Transportation: \$2,668,500, increase brings reimbursement up to Medicare rates (regulations were filed with the Lieutenant Governor June 25, 2008)

Dental Rates for non-Native health providers, effective July 1, 2008:

- \$2,675,600; increases bring reimbursement to approximately 80 percent of current billed charges (no new regulations necessary)

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