



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

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March 2, 2017

The Honorable Neal Foster, Co-Chair
The Honorable Paul Seaton, Co-Chair
House Finance Committee
Alaska State Capitol, Rooms 410 and 505
Juneau, AK 99801-1182

Subject: Thank You for Preserving Critical Funding for Senior Services, HB 57 and HB 59 Operating Budget

Dear Chair Foster and Chair Seaton:

The Alaska Commission on Aging (ACoA) appreciates the important work conducted by the House Finance Committee on the FY2018 operating budget for the Department of Health and Social Services. We thank you for preserving funding for programs that provide essential financial assistance and home- and community-based long term support services to vulnerable older Alaskans. The majority of seniors (age 60+) who now number approximately 126,000 Alaskans do not use services. But for those who do, these supports can make a critical difference in an older person's health and well-being, ability to function independently, and ease the burden of care on families and other natural caregivers which reduces the possibility for out-of-home placement and saves public funds. Seniors contribute more than \$2.6 billion into the state's economy from their retirement income, health care spending, job earnings, and other income, in addition to their countless hours of volunteer service and family caregiving. We want seniors to remain living in Alaska!

Senior safety net services include senior community based grant-funded services that provide senior meals, transportation, case management, homemaker services, family caregiver supports, and adult day for persons with Alzheimer's disease and related dementias (Division of Senior and Disabilities Services); Alaska Senior Benefits and Adult Public Assistance for income eligible older Alaskans (Division of Public Assistance); Medicaid optional services such as the Alaskans Living Independently waiver, Personal Care Assistance and Adult Preventative Dental Medicaid Services (Medicaid Services); elder protection including Adult Protective Services and the Office of Long-Term Care Ombudsman (administered by Senior and Disabilities Services and the Alaska Mental Trust Authority, respectively); and the Alaska Pioneer Homes.

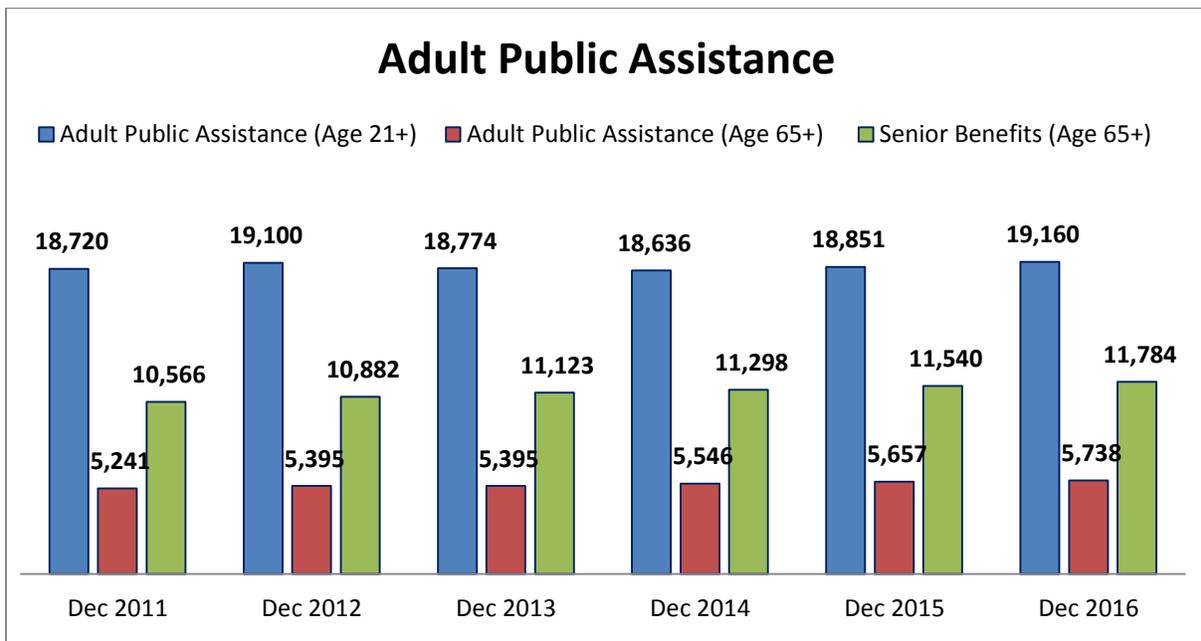
Alaska has the highest cost of nursing home care in the nation with an annual median cost of \$297,840 for non-Medicaid residents (Genworth Long-Term Care Cost Study, 2017) and \$153,009 for Medicaid recipients (Division of Senior and Disabilities Services, 2017). Alaska also has a strong continuum of relatively low cost home- and community based services. Maintaining funding for the continuum of care is important so that seniors may live meaningful and productive lives with appropriate supports that help them to live safely with dignity in their communities of choice.

Program in FY2016	Number of Seniors Served	Average Annual Cost/Person	Total Costs
Senior Community Based Grants (age 60+)	27,091	\$435	\$11,784,585
Personal Care Services (age 60+)	3,261	\$18,183	\$59,294,763
Alaskans Living Independently (ALI) Waiver	1,428	\$32,868	\$46,935,504
Nursing Home Residents (Medicaid only, age 65+)	622	\$153,009	\$95,171,598

Federal law currently requires Medicaid to provide certain services, such as nursing home care, to those who qualify. This mandatory service may be provided in a nursing home or through a home- and community-based services waiver as a Medicaid optional service. The Alaskans Living Independently (ALI) waiver provides these services for persons who meet Medicaid eligibility and level of care at a significantly lower cost. If funding for the ALI waiver was eliminated, then all seniors currently receiving these services would need to transition to the nursing home. The average annual

savings per senior receiving ALI waiver services in comparison to nursing home care is \$120,141 (\$153,009 less \$32,868) or more than \$171 million annually for the program (1,428 ALI senior recipients X \$120,141) for the program.

Many older Alaskans struggle with financial security. In the 2015 Alaska Senior Survey, seniors rated “financial security” as their second most important concern affecting Alaskan seniors, behind access to health care. Almost 41% of the seniors responding to the survey reported having *only* enough to cover their monthly living expenses but very little to pay for anything extra, such as an unexpected emergency expense. The ACoA tracks utilization of state-funded programs that provide monthly cash assistance to income-eligible senior recipients among other indicators of health and safety in the Commission’s Annual Senior Snapshot. From FY2011 through FY2016, utilization of Senior Benefits and Adult Public Assistance programs has been trending upwards (Division of Public Assistance). These programs make a significant difference in the quality of life of older adults living on a fixed income.



The Commission on Aging appreciates your support of funding for these core programs that serve Alaska seniors. They help Alaskan seniors remain living in-state, prevent the need for higher cost care, and promote independence and personal dignity. Please contact Denise Daniello, ACoA’s Executive Director, by phone (465-4879) or email (denise.daniello@alaska.gov) for further information. Thank you for your commitment and dedication serving Alaska!

Sincerely,

David A. Blacketer
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

Cc: Representative Les Gara, Vice Chair
Representative Jason Grenn
Representative David Guttenberg
Representative Scott Kawasaki
Representative Dan Ortiz
Representative Lance Pruitt
Representative Steve Thompson
Representative Tammie Wilson
Representative Cathy Tilton

Representative Mark Neuman, Alternate
Representative Louise Stutes, Alternate