



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

P.O. Box 110693
Juneau, Alaska 99811-0693
Main: 907.465.3250
Fax: 907.465.1398

September 21, 2017

The Honorable Senator Dan Sullivan
United States Senate
702 Hart Senate Office Building
Washington D.C. 20510

Regarding: Public Comment on the Proposed Graham-Cassidy-Heller-Johnson Legislation, H.R. 1628
(version LYN17708 released 9.13.2017)

Dear Senator Sullivan:

On behalf of the Alaska Commission on Aging (“ACoA” and “the Commission”), we are writing to you in regards to the health care reform policies proposed by the Graham-Cassidy legislation. The ACoA is a Governor-appointed board within the Department of Health and Social Services that is responsible for planning services for seniors, educating Alaskans about senior issues, and making recommendations directly to elected officials regarding policy and budget items that affect older Alaskans. Alaska’s senior population is growing faster than any other state in the nation. We have also surpassed other states with having the highest projected number of persons over the age of 85 (135% by 2030 according to an analysis conducted by the Kaiser Family Foundation 2017) as well as holding the highest projected increase in percentage change of 54.9% for the number of seniors, age 65 and older with Alzheimer’s disease, comparing 2017 and 2025 (Alzheimer’s Disease Facts and Figures, 2017). Alaska seniors number 126,000 people age 60 and older who represent 17% of the state’s total population (Alaska Department of Labor Research and Analysis). As people age, their resources and health decline increasing their need for quality and affordable health care and long-term care services.

Decisions affecting health care reform are critically important for older Alaskans. In fact, access to health care was identified as the #1 concern by Alaskans age 55 years and older who participated in the Alaska Senior Survey conducted in 2015 of which almost 2,300 seniors responded. Nearly 94% of the senior survey respondents identified access to health care as “very important” because seniors know that access to quality and affordable health care is critical for successful aging. Being able to afford both premiums and out-of-pocket costs are essential to senior health and well-being.

We write to express our concerns with the proposed Graham-Cassidy legislation and its possible impacts to Alaska’s Medicaid program for the 189,996 Alaskans who currently receive Medicaid services, including more than 25,000 senior enrollees age 55 years and older (based on estimates provided by the Alaska Department of Health and Social Services, September 2017). The Commission has submitted previous letters of concern to you regarding health care reform proposed by the Better Care Reconciliation Act and the American Health Care Act. The Graham-Cassidy proposal includes many of

the same provisions of the former bills of which we have continuing concerns in addition to a significant reduction of federal funding for Alaska that is expected to diminish health care and long-term care support services for seniors and other vulnerable Alaskans. Based on our understanding, the Graham-Cassidy bill will:

- Allow states to waive the current requirement that prohibits insurance companies from charging more than three times the cost on premiums based solely on age. This age tax provision allows insurers to charge premiums up to five times higher for older adults, between the ages of 50 to 64 years, than those charged to younger persons. Many older people living on modest incomes are not able to afford higher cost health care and may forego having annual exams and other routine preventative health care that save money over the long-term and protect senior health. These individuals may delay care for as long as possible, sometimes ending up in the emergency room for conditions that could have been treated at significantly less cost in the primary care setting. They may also enter Medicare less healthy and require higher cost services.
- Transform Medicaid into block grant funding based on a per-capita cap financing structure that will result in a significant federal funding cut to Alaska estimated to be \$255 million each year between 2020 and 2026 and \$844 million annually after that when the federal guarantee for continued block grant funding goes away (Center on Budget and Policy Priorities 2017). Loss of federal funding on this scale will endanger coverage for seniors and people with disabilities who depend on Medicaid-funded home- and community-based long-term support services that provide assistance with activities of daily living such as meal preparation, dressing, bathing, and other tasks. The block grant approach does not fully take into account rising costs of health care, growing aging demographics, new breakthroughs in medical treatments, public health emergencies, additional costs related to compliance with setting rules, and other unforeseen events. Significant cuts to Medicaid will result in loss of benefits and services for our most vulnerable citizens thereby increasing the need for higher cost care and possible institutional placement.
- Remove current prohibitions on insurers that prevent them from charging higher premiums based on a person's health status and pre-existing conditions by allowing states to waive this requirement. As a result, older Alaskans could see soaring premiums based on age and certain pre-existing conditions, as well as lifetime caps on coverage and less access to health care services that they need.
- Eliminate Medicaid expansion that has now extended coverage to more than 36,000 Alaskans, including an estimated 6,300 Alaskans age 50 to 64. Since Alaska's Medicaid expansion in 2015, more than \$590 million of new federal money has come to our state. This economic boost has had a direct economic benefit on communities, which is very important during these difficult fiscal times.

Other Graham-Cassidy provisions that would have unintended consequences for seniors and other vulnerable Alaskans include elimination of the requirement for Essential Health Benefits that include emergency services, hospitalization, mental health and substance use disorder services, and other vital services; the 6% enhanced FMAP for the 1915(k) Community First Choice option for home and community-based services; and the Prevention Health Fund that supports chronic disease self-management programs, falls prevention, Alzheimer's education and research, and vaccines that has provided more than \$31.4 million to Alaska since 2010.

The Alaska Commission on Aging fully supports an open, bipartisan approach to craft solutions for health care reform that includes a Congressional Budget Analysis to fully understand the costs and benefits of this proposed legislation as well as public hearings conducted through the regular legislative process with opportunities for public input from State and other appropriate health partners. Health care reform is complicated and affects the lives of every citizen in the U.S. As a nation, we need a responsive and adequately-funded health care system that promotes and supports the health, welfare, and abilities of people to live full, productive lives in the community.

Thank you for your important work to improve health care for Alaska and for your support of older Alaskans and the programs serving them. As always, please feel free to contact our office for further information by email (denise.daniello@alaska.gov) or phone (907-465-4879).

Sincerely,



David Blacketer
Chair, Alaska Commission on Aging

Sincerely,



Denise Daniello
ACoA Executive Director
denise.daniello@alaska.gov
907-465-4879

Cc: Val Davidson, Commissioner
Alaska Department of Health and Social Services

Jon Sherwood, Deputy Commissioner
Department of Health and Social Services

Duane Mayes, Director
DHSS Division of Senior and Disabilities Services