



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

April 26, 2018

The Honorable Senator Anna MacKinnon
Senate Finance Committee Co-Chair
Alaska State Capitol, Room 516
Juneau, Alaska 99811-1182

The Honorable Senator Lyman Hoffman
House Finance Committee Co-Chair
Alaska State Capitol, Room 518
Juneau, Alaska 99811-1182

Subject: Capital Budget Public Testimony, SB 142

Dear Senator MacKinnon and Senator Hoffman:

The Alaska Commission on Aging (ACoA or the "Commission") thanks you for the opportunity to provide public comment on SB 142. The Commission respectfully requests your support of the following capital budget recommendations for SB 142:

Medicaid Services, Department of Health and Social Services: Seniors, persons with disabilities, and other vulnerable Alaskans rely on Medicaid-funded home and community-based services and other health care services that promote health and safety and allow seniors and other vulnerable Alaskans to remain living safely in their homes and communities for as long as possible at a lower cost than institutional settings. These services include Health Care Medicaid Services, Adult Preventative Dental, and Behavioral Health. Although Medicaid enrollment has increased 23% (or 26,000 additional Alaskans) from FY2016 to FY2017, based on average monthly enrollment reported by the Department of Health and Social Services (DHSS), expenses are less than expenditures were in FY2015 due to significant efforts to control costs (DHSS, April 2018). Without funding to cover the remaining \$48 million, we are concerned that the DHSS may be unable to pay Medicaid claims past the first week of May. Moreover, the Commission is also concerned about the unintended consequences of the proposed reduction for the FY2019 Medicaid budget in the amount of \$244.9 million (\$57.9 UGF/GF and \$187 federal receipts). Insufficient Medicaid funding of this magnitude could create a great deal of uncertainty for Alaska's Medicaid providers and potentially delay payments in FY2019 leading possibly to a disruption of services for vulnerable people who depend on them daily.

Recommendation: ACoA supports full funding of the Medicaid budget for FY2018 and FY2019.

Senior Housing, Alaska Housing Finance Corporation (AHFC): The Commission thanks Senate Finance for moving funding for the Senior Citizen Housing Development Fund (SCHDF) from SB 140 (Capital Budget Contingent on Payroll Tax) to SB 142 (Capital Budget). Statewide, housing is a top priority for Alaska's older people. Access to safe, quality, and affordable housing is a powerful social determinant of health that, when combined with appropriate home and community-based services, allows seniors to live longer in the community and thereby control the growth of long-term care spending.

The SCHDF is a complimentary program frequently combined with other AHFC programs including Tax Credits, HOME funds, and mortgage loans to build new/renovate existing senior housing units. Since its inception in 2001, the SCHDF, when used in combination with other AHFC housing programs, has resulted in an average of almost 65 new senior housing units annually and a total of 1,033 units from FY2001 to FY2017. While SCHDF is not solely responsible for these units, it is likely that the overall count of new senior housing units would be much less had the SCHDF not been available to leverage. In addition, the SCHDF has been used historically to provide funding for the Senior Access Program through nonprofit organizations to allow seniors (age 55+) to make accessibility improvements to their homes. Currently, funding for the Senior Access Program is not available at this time.

AHFC's weatherization program is also an important program used by seniors and all Alaskans statewide, particularly those who live in older homes that are less energy efficient. Similar to the SCHDF, please transfer funding for the weatherization program from SB 140 to SB 142.

Recommendation: Retain funding for AHFC's Senior Housing Development Fund in SB 142 and transfer funds for the Weatherization Program from SB 140 to SB 142.

Hospital-based Behavioral Health Care, DHSS Division of Behavioral Health: Seniors who suffer from co-occurring conditions of dementia and serious mental illness can demonstrate behaviors that put themselves and others at risk of harm. While the Alaska Psychiatric Institute (API) serves this vulnerable population, they have reached capacity which, in turn, leads to delays in patient admittance and results in people waiting days or longer in hospital emergency rooms. This proposed funding will support treatment and the development of "safe rooms" staffed with licensed mental health professionals to appropriately treat patients in crisis at hospitals. In Juneau, Bartlett Hospital has 10 beds dedicated to serving people with opioid addiction. These beds are full most of the time.

Recommendation: ACoA supports adding \$10.5 million in Alaska Comprehensive Health Insurance Fund (ACHI) funds to secure \$10.5 million in federal Disproportionate Share Hospital (DSH) funds to support hospitals with demonstrated need in Anchorage, Wasilla, Fairbanks, Soldotna, Bethel, and Juneau to better serve Alaskans with complex behavioral health disorders, and improve safety for patients as well as health care staff.

Public and Community Transportation Funds, Department of Transportation: Safe, accessible, and affordable transportation options are essential for older Alaskans and people with disabilities so that they are able to access medical care, get to their job and volunteer placements, and to participate in community life. Transportation is one of the top needs consistently identified in the statewide senior survey and elder-senior community forums. Community transportation is a life-line for seniors and people with disabilities to ensure a healthy quality of life. Community nonprofit organizations use the state's public and community transportation funds to leverage federal funding for local transit systems. Without these funds in place, Alaska stands to lose federal dollars due to the lack of adequate funding to cover the match requirements.

Recommendation: ACoA supports the reinstatement of \$1 million for Public and Community Transportation Funds in the Department of Transportation budget to support community transit services for seniors, disabled persons, and other vulnerable Alaskans.

The Alaska Commission on Aging appreciates your thoughtful consideration of these capital budget items for programs that impact services used by seniors and other vulnerable Alaskans. For further information, please contact Denise Daniello, ACoA's Executive Director, at 465-4879 or denise.daniello@alaska.gov.

Sincerely,



David A. Blacketer
Chair, Alaska Commission on Aging

Sincerely,



Denise Daniello
ACoA Executive Director

Cc: Senator Click Bishop, Vice Chair
Senator Peter Micciche
Senator Natasha von Imhof
Senator Donald Olson
Senator Gary Stevens