



Talking Points for Conference Committee FY2018 Proposed Operating Budget Items for Services Used by Older Alaskans

The House and Senate have each passed their versions of the state's operating and mental health budgets (HB 57, HB 59 respectively). There are differences for several items affecting services for Alaskan seniors administered by the Department of Health and Social Services (DHSS) to be considered by the six-member Conference Committee that will soon decide the final numbers. Below are the "conferenceable" items for services that affect seniors and will need advocacy. The Commission supports the lower budget reduction numbers offered by the House, highlighted in **green**. The reduction amounts proposed by the Senate's operating budget are highlighted in **red**. Please contact your legislators to express your opinion about these conferenceable budget items. Suggested talking points are described below. At this point, the Conference Committee members for the operating budget have not been appointed, however advocates may contact the chairs and vice chairs for the House and Senate Finance Committees to express their concerns.

Senator.Lyman.Hoffman@akleg.gov, 1-866-465-4453 (in Juneau, 465-4453), Co-Chair
Senator.Anna.MacKinnon@akleg.gov, 1-800-861-5688 (in Juneau, 465-3777)
Senator.Donald.Olson@akleg.gov, 1-800-597-3707 (in Juneau, 465-3707)
Representative.Paul.Seaton@akleg.gov, 1-800-665-2689 (in Juneau, 465-2689), Co-Chair
Representative.Neal.Foster@akleg.gov, 1-800-478-3789 (in Juneau, 465-3789)
Representative.Lance.Pruitt@akleg.gov, 1-888-478-3438, (in Juneau, 465-3438)

Please note that there are **no proposed reductions** for Senior Community Based Grant-Funded Services (senior meals, transportation, homemaker services, adult day, case management, Aging and Disability Resource Centers, and other services), the Alaskans Living Independently waiver, Personal Care Services, and elder protection services. These services comprise the "Senior Safety Net." **Please thank legislators for preserving funding for these critical services for seniors.** In addition, there is a \$43,200 reduction for the Alaska Senior Benefits Program that is supported by the budgets from the Governor, House and Senate and therefore not conferenceable. Although a reduction for Senior Benefits is not desirable, this amount is significantly less than the \$5 million proposed last year. Fortunately, the Conference Committee restored this funding for the Senior Benefits program.

FY2018 DHSS Operating Budget Conference Committee Items

Alaska Pioneer Homes, DHSS Division of Alaska Pioneer Homes

Governor's FY18 Amended Budget: Includes no reductions

House: Same as Governor's budget

Senate: \$6.5 million reduction unless this amount is reallocated to other DHSS components

Ask: Please support the House recommendation for the Pioneer Homes.

Medicaid Adult Preventative Dental Services, Division of Health Care Services

Governor's FY18 Amended Budget: No increase, no reduction

House: Same as Governor's budget

Senate: \$288,000 GF reduction but the actual reduction will be at least **\$576,000** when the 50% federal Medicaid reimbursement match is included.

Ask: *Please support the House recommendation for Medicaid Adult Preventative Dental Services.*

Public Health Nursing, Division of Public Health

Governor's FY18 Amended Budget: Transfers \$500,000 from Public Health Administration to Public Health Nursing

House: Same as Governor's budget

Senate: \$1.9 million reduction

Ask: *Please support the House recommendation for Public Health Nursing.*

Adult Public Assistance, Division of Public Assistance

Governor's FY18 Amended Budget: No increase, no reduction

House: Reduces "excess funding" in the amount of \$3.29 million and moves it to the Office of Children's Services front line social workers

Senate: \$3.5 million reduction

Ask: *Please support the House recommendation for Adult Public Assistance.*

Alaska Psychiatric Institute, Division of Behavioral Health

Governor's FY18 Amended Budget: No increase, no reduction

House: Same as Governor's budget

Senate: \$631,300 reduction

Ask: *Please support the House recommendation for the Alaska Psychiatric Institute*

Division of Senior and Disabilities Services Administration

Governor FY18 Amended Budget: No increase, no reduction

House: Same as Governor's budget

Senate: \$304,000 reduction for personal services

Ask: *Please support the House recommendation for Senior and Disabilities Services*

2017 Conference Committee Talking Points for Programs Serving Alaska Seniors

Alaska Pioneer Homes

Background: As of April 30, 2017, the Pioneer Homes, licensed for 498 beds, served 417 residents across the six Pioneer Homes with more than half (230 residents) having a diagnosis of Alzheimer's disease and related dementias and are receiving Level III, the highest level of care. The Governor's and House budgets included no reductions for the Pioneer Homes.

Possible Senior Impact: The Senate took two separate budget actions directed at personal services for the Pioneer Homes. First, the Senate proposed a 2.75% reduction (\$818,500) which is expected to result in the loss of 2 nurses and 6 nurse's aides. According to the Homes, this loss of staff may result in the closure of 26 Pioneer Home beds, a loss of revenues, an increase in the number of people on the active waitlist (599

unduplicated count as of 4.30.2017), and their wait time to be admitted. This loss is on top of the 38 positions and 29 beds lost over the last three years from budget cuts and would reduce the number of available beds to 443 across the six homes.

Second, the Senate recommended an additional \$5.7 million reduction to the Pioneer Homes. This reduction was later explained in the Senate's declaration called the "Sense of the Senate" (on April 13) as intended for personal services to the Department of Health and Social Services. According to Senate Finance, the reduction targeted the Pioneer Homes because (1) the Governor requires budget allocations to be targeted and (2) the Pioneer Homes have the largest amount of General Funds. As was widely reported, the \$5.7 million reduction would force the closure of the Palmer Veterans Home and the Juneau Pioneer Homes. This action resulted in an uproar from the senior community in support of the Pioneer Homes, including a rally organized by advocates in the MatSu Valley. The Governor also sent a letter to reaffirm his commitment to the Pioneer Homes stating that no Homes would be closed during his administration. The \$6.5 million reduction remains with the Pioneer Homes. According to Senate Finance, the DHSS Commissioner has legislative authority to move up to \$25 million across divisions and can transfer this reduction within DHSS as deemed appropriate.

The Pioneer Homes, a unique Alaska institution, are an important part in our State's continuum of care for older people. The Homes provide 24-hour care to older adults, many of whom suffer from dementia and other progressive, chronic conditions. Eighty percent of the Pioneer Home residents are now in their 80s, 90s, and 100s. This means that Alaska's system of home and community-based services is successfully assisting older Alaskans to live at home for as long as possible. However, it also means that elderly people become Pioneer Home residents at an older age with higher risk for having dementia and other compromised health conditions. The Pioneer Homes provide a cost savings to the State by serving seniors with less costly institutional care.

Medicaid Adult Preventative Dental Services

Background: Medicaid Adult Preventative Dental is an important Medicaid optional service for seniors and other low income Alaskans. A reduction to this program may result in fewer seniors and other low income Alaskans having access to preventative dental services, which can result in higher utilization of other services, including emergency care for pain, untreated abscesses, and other health consequences resulting from poor dental health.

Possible Senior Impact: Medicare does not cover the cost of most dental care for seniors. Dental pain and missing/decaying teeth can affect dietary choices for seniors that may impact overall health. Seniors with untreated dental needs are at risk for developing dental infections that have been associated with periodontal disease, diabetes, pneumonia, and chronic vascular disease. In FY2016, this program served more than 7,000 seniors (age 60+) with enhanced and emergent dental services, including dentures.

Public Health Nursing

Background: The Senate's proposed \$1.9 million reduction will eliminate 11 positions and close the public health centers in Kodiak and Kenai. This reduction would be on top of the 20% budget cut taken last year that resulted in the loss of 40 positions statewide and included nurses providing services in Seward, Cordova, Haines, Wrangell, Galena, Fort Yukon and Delta Junction. Public health nurses provide a variety of preventative health services such as immunizations, prenatal screening, TB screening and treatment, health education, and other services. They also work in the community to provide health education, emergency preparedness plans, community health assessments, and more. Community Health Centers cannot pick up the majority of lost services provided by public health nursing because they cannot bill for these services.

Senior Impact: Public health nursing has provided valuable preventative health care services for seniors. Prior to budget reductions, public health nurses visited senior centers on a regular basis to take blood pressure, administer flu shots, do wellness checks, perform foot care, and provide nutrition education. Many of these services are no longer provided due to the budget reductions. Over the last 3 years, public health nursing has been serving fewer seniors (age 60+): 2,954 seniors in FY2016; 3,141 in FY2015; and 3,117 in FY2014.

Adult Public Assistance

Background: Adult Public Assistance provides cash assistance for Alaskans in need including the elderly, blind, and disabled persons to help them live independently in the community. The DHSS projected a reduced caseload in FY2018, resulting in \$3.5 million of “excess” funding. The House proposes transferring \$3.3 million of this excess funding to support the front line social workers in the Office of Children Services, leaving the excess remainder of \$210,000 with Adult Public Assistance. The Senate proposes to eliminate \$3.5 million in its entirety from the DHSS budget.

Possible Senior Impact: Many older Alaskans live on a fixed income and struggle to make ends meet. According to findings from the last statewide Senior Survey conducted by the Alaska Commission on Aging, seniors identified “financial security” as the second most pressing need for seniors, behind access to health care. Senior (age 65+) utilization of Adult Public Assistance has been trending upwards over time: 5,738 in FY16; 5,657 in FY15; and 5,546 in FY14. Rather than eliminating these funds, as the Senate proposes, the Commission recommends using the money to support the front line social workers in the Office of Children’s Services to help struggling families, including grandparents raising grandchildren as proposed by the House, and to leave the excess remainder of \$210,000 with Adult Public Assistance.

Alaska Psychiatric Institute

Background: Alaska Psychiatric Institute (API) is Alaska’s one and only state hospital providing care for persons with mental illness and support for their recovery. The Senate’s reduction would eliminate premium pay for nursing staff, which will affect the health and safety of patients and staff, particularly for the care of patients with acute and complex conditions.

Possible Senior Impact: The reduction in incentive pay for specialized nursing staff could impact the quality of care for senior patients being admitted to API with mental illness and challenging behaviors by limiting the number of patients who can be admitted and the length of time for receiving care.

Division of Senior and Disabilities Services

Background: The impacts from the reduction for Senior and Disabilities (SDS) personal services are yet to be determined, pending approval by the Conference Committee. SDS administers an array of home and community based services for vulnerable Alaskans including seniors, individuals with intellectual and developmental disabilities, and disabled persons.