



October 29, 2014

Re: Medicaid Innovation Recommendations to Governor Parnell on November 15, 2014

The Governor's Council on Disabilities and Special Education (GCDSE) fills a variety of federal and state roles, including serving as the State Council on Developmental Disabilities (SCDD) under the Developmental Disabilities Assistance and Bill of Rights Act. As the state DD Council, GCDSE works with Senior and Disabilities Services and other state agencies to ensure that people with intellectual and developmental disabilities and their families receive the services and supports that they need, as well as participate in the planning and design of those services. One of the duties of the state DD Council is providing comments on proposed recommendations that may have an impact of individuals with intellectual and/or developmental disabilities and their families.

The GCDSE wishes to express both our commendations and concerns regarding the Medicaid Advisory Group's recommended innovations to the Governor next month. First, we are pleased that the group will not be recommending capping waiver recipients to nursing home levels of care. If this cap were initiated, more people with significant disabilities may need to be sent out of state for institutional care. Not only is institutionalization against the mission of GCDSE and disability provider agencies in Alaska, but significant costs have already been incurred by the state in an effort to bring home individuals who had been institutionalized (e.g. Bring the Kids Home initiative). Additionally, CMS has released a final rule requiring HCBS settings to be integrated into broader communities and involving conflict-free, person-centered planning; significant steps toward eliminating institutionalization.

We are also excited to see renewed interest in adopting the 1915(k) Community First Choice Option to replace many of our current 1915(c) waiver services. By recommending the 1915(k) amendment to the state plan in addition to the PCA services plan, the state will receive an additional 6% federal match. Although implementation could take two years, this change could save the state \$15 million in general funds and result in an additional \$13 million from the federal match<sup>1</sup>. As suggested in your last meeting on September 17, the Governor's Council on Disabilities and Special Education is ready to serve as the required Development and Implementation Council for the transition plan.

The GCDSE supports a review of how Medicaid HCBS waiver and personal care services assessments are conducted, with the possibility of contracting this service out to conflict-free third parties. Currently, all assessments and reassessments are being performed by state

assessors, who have fallen significantly behind, particularly in PCA assessments. Additionally, the state assesses individuals for waiver eligibility *after* they have been drawn off the waitlist. This process results in people waiting on the waitlist for years, and when they are finally drawn for services, their assessments may reveal that they are not actually eligible for services after all (i.e. that they do not meet institutional level of care). For many Alaskan families on the waitlist, this scenario is devastating. If contracting out assessments will reduce costs and allow more assessments to be completed, with quality control and oversight by the state assessors, the GCDSE urges the state to also consider changing their waitlist processes to conduct these waiver-eligibility assessments *before* people are placed on a lengthy waitlist.

The Council is concerned about the recommendation for an across-the-board rate freeze for one year, given that current reimbursement rates are being reviewed and analyzed for appropriateness across many different HCBS services. We believe that this process should be carried forward and a cost-based rate structure be adopted which reimburses providers at a fair rate for services. We also believe more can be done by the State to encourage and reward organizations for efficiencies obtained, while maintaining quality home and community-based services to clients and families.

We are also concerned about the suggestion to impose utilization limits for physical therapy, occupational therapy, and speech therapy. These are beneficial therapies that have been proven effective for most people with disabilities, especially for our children. Research has clearly demonstrated that appropriate early intervention therapies provide sizable benefits later on in academic achievement, behavior, health, delinquency, crime reduction, and labor market successes. Capping these effective services at 6 hours of visits and requiring additional authorization for subsequent visits would increase administrative and participant burden resulting in therapy delays and increased administrative costs, since many waiver recipients require more than 6 hours of therapy. This recommendation also affects the education of children with disabilities, from birth to graduation. The state's Infant Learning Program and many of its public schools rely on Medicaid funding for the appropriate provision of necessary therapies. The Infant Learning Program is required by Federal Law to access Medicaid whenever applicable for early intervention services and families. Public schools can also access Medicaid for related services that must be provided in a school setting. The burden of paperwork is already overwhelming for families and administrators in these programs. Many interventions necessary to remediate cognitive, physical, and developmental disabilities in the youngest Alaskans will likely be discontinued if families and programs must have these necessary services continually reauthorized. At the very least, it will cause delays in therapy that can have a lifelong impact on children who require early and uninterrupted services for the best outcomes.

The GCDSE recommends the advisory group also consider recommending changes to the state regulations that currently prohibit the use of telepractice for HCBS waivers. Due to the remote nature of much of our state and high health care costs, telepractice would benefit all Alaskans as well as reduce state Medicaid costs significantly. One of the state waiver programs is currently piloting a project to conduct eligibility re-assessments remotely and we request to see these efforts expanded greatly. Since CMS does not prohibit telepractice of HCBS services and

most professional licensing organizations encourage telepractice, we strongly urge the state to amend Medicaid regulations to allow HCBS waiver services to be practiced remotely, when possible. Not only will this result in more frequent and more cost-effective services provided to our underserved rural residents, but telepractice will result in significant savings even in our urban locations.

Lastly, per our letter to Commissioner Streur on September 24, we encourage the state to adopt regulations that allow for the re-use and recycling of durable medical equipment purchased via Medicaid. Currently, the regulations do not allow for this, and in some cases, particularly with expensive power wheelchairs, hospital beds, and other assistive technology, there exist real opportunities for re-use and potential savings to the state of Alaska.

The Governor's Council on Disabilities and Special Education is in support of the overall intent of many of the proposed Medicaid innovations and we appreciate the opportunity to offer our comments.

Sincerely,



Ric Nelson  
Council Chair  
Medicaid Ad Hoc Committee Chair



Art Delaune  
Developmental Disabilities Committee Chair

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<sup>1</sup> According to the Medicaid innovations document provided on the MRAG website at:  
<http://dhss.alaska.gov/Commissioner/Pages/mrag/Sept-17-meeting.aspx>