



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of  
Health and Social Services

GOVERNOR'S COUNCIL ON DISABILITIES  
& SPECIAL EDUCATION  
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December 5, 2014

The Honorable Bill Walker  
Governor, State of Alaska  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Walker:

The members and staff of the Governor's Council on Disabilities and Special Education (GCDSE) would like to congratulate you and Lt. Governor Mallott on the recent election. We would like to introduce ourselves, our mission, and purpose as a Governor-appointed board. We are also very excited with the selection of the DHSS Commissioner, Valerie Davidson, and are eager to work closely with her to ensure that the state provides a high quality of life to Alaskans with disabilities. We would like to offer our support and assistance in all efforts to improve and streamline services for Alaskans with disabilities and their families, particularly through Medicaid.

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, the GCDSE works with Senior and Disabilities Services and other state agencies to ensure that people with intellectual and developmental disabilities (I/DD) and their families receive the services and supports that they need, as well as participate in the planning and design of those services. Our council membership is composed of individuals with I/DD and family members of individuals with I/DD (60%), as well as agency representatives (40%). One of the duties of the state DD Council is providing comments on proposed recommendations that may have an impact on individuals with intellectual and/or developmental disabilities and their families.

Recently, the GCDSE sent a letter of support and suggestions related to several areas for improvement and cost-savings to the state Medicaid system. We have included some of the key concepts below:

***Capping HCBS Waiver Services.*** We recommend not capping Home and Community-Based Services (HCBS) waiver recipients to nursing home levels of care. If such a 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.

***Waiver and PCA Assessments.*** The GCDSE supports reviewing 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 in PCA assessments. Additionally, the state assesses individuals for waiver eligibility *after* they have been drawn off the Registry (formerly known as the waitlist). This process results in people waiting on the Registry 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 Registry, 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 processes to conduct these waiver-eligibility assessments before people are placed on a lengthy Registry.

***Rate Freeze.*** The Council feels that an across-the-board rate freeze would be detrimental and inopportune, especially given that current reimbursement rates are being reviewed and analyzed for appropriateness across many different HCB 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.

***Therapy Utilization Limits.*** We feel strongly that imposing utilization limits for physical therapy, occupational therapy, and speech therapy would hurt individuals and families with disabilities. Research has clearly demonstrated that appropriate early intervention therapies provide sizable benefits later on in academic achievement, behavior, health, delinquency and crime reduction, and labor market successes. In addition, the state's Infant Learning Program and many of its public schools rely on Medicaid funding for the appropriate provision of necessary therapies. The burden of paperwork is already overwhelming for families and administrators in these programs and capping effective services such as these and/or requiring additional authorization for services after the cap has been reached, would only further increase the administrative and participant burden resulting in therapy delays and increased

administrative costs. Ultimately, delays in therapy can have a lifelong impact on children who require early and uninterrupted services for the best outcomes.

**Medicaid 1915(k) and (i) State Plans.** We support adopting the 1915(k) Community First Choice Option to replace many of our current 1915(c) waiver services. By adopting 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>. The Governor's Council on Disabilities and Special Education is ready to serve as the required Development and Implementation Council for such a transition plan. Additionally, we would recommend that the state take a careful look at the 1915(i) state plan option for HCBS. Through this 1915(i) state plan option, the state could also offer some HCB services for individuals who do not yet require institutional level of care. Having a 1915(i) state plan would allow Alaska to tailor services more specifically to the needs of our population and thus better serve all Alaskans with disabilities, not just those who meet an institutional level of care.

**Use of Telepractice.** The GCDSE recommends 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 HCB 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 cost-effective services provided to our underserved rural residents, but telepractice will result in significant savings even in our urban locations.

**Re-Using & Recycling Durable Medical Equipment.** We also encourage the state to adopt regulations that allow for the re-use and recycling of durable medical equipment and prosthetics 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.

**Employing People with Disabilities.** The GCDSE is proud that Alaska is an "Employment First state" and supports the Employment First Act (CSHB 211)<sup>2</sup> that was signed into law on May 29, 2014. We support the implementation of this law throughout the Departments of Health and Social Services, Labor and Workforce Development, and Education and Early Development to ensure that the first and preferred outcome in the provision of publically-funded services to

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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>

<sup>2</sup> Employment First Act, <http://www.akleg.gov/PDF/28/Bills/HB0211Z.PDF>

Alaskans with disabilities is competitive, integrated employment. Employment is a vital component to adult life and every Alaskan deserves the opportunity to be meaningfully employed within their community, regardless of disability. Employment for individuals with disabilities not only increases the amount of contributing tax-payers, but also improves the health and well-being, self-sufficiency, and overall quality of life for the individual. Employing people with disabilities presents an opportunity to lower Medicaid costs and has the potential to replace state-funded services that would otherwise be needed.

In closing, we would like to extend an invitation to you and Commissioner Davidson to meet with our Council members while we are in Juneau from January 20-22. This will be our next Council meeting (we hold 3 per year) where members can discuss our Council's policy agenda and get the opportunity to meet with legislators. This would be a great opportunity for us to get acquainted.

Sincerely,

Handwritten signature of Ric Nelson in black ink.

Ric Nelson  
Chair

Handwritten signature of Patrick Reinhart in black ink.

Patrick Reinhart  
Executive Director