



**Advisory Board on Alcoholism  
and Drug Abuse**



**Governor's Council on Disabilities  
and Special Education**

**Alaska Mental Health Board**

## **Establish a Regular and Periodic Schedule of Rate Reviews for Home and Community-based Services**

The Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse and the Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority and the Alaska Brain Injury Network, have identified the establishment of a regular and periodic schedule of rate reviews for home and community based services as one of their top four legislative priorities for 2010.

Regular and periodic rate reviews, for both Medicaid and grant-funded services, are imperative to maintaining the systems of care that serve Alaska's most vulnerable populations.

Before the rate rebasing in FY09, most home and community-based services providers had been over a decade without a rate review or increase. This resulted in an erosion of the system, as frozen rates resulted in a diminishing pool of resources – reducing the quality and availability of services.

SB 32, sponsored by Senator Johnny Ellis (D-Anchorage), passed the Senate last session and is currently in the House Health and Social Services committee. The bill establishes the framework for periodic rate reviews and adjustments so that Alaska's system of care can continue to meet the needs of Trust beneficiaries.

- In FY07, home and community based services were provided to nearly 57,000 people who would have otherwise been served by costly institutional or nursing home care.
- In order for the Department of Health and Social Services (DHSS) and the State of Alaska to create and maintain a 10-year fiscal plan that adequately budgets for the costs of home and community-based services, a schedule of rate reviews is necessary.
- Our system of care for Alaskans with special needs is based on a network of non-profit providers. Without adequate funding, our providers cannot continue to provide quality services. Without our providers, we have no system of care.

### **Overview**

Home and community-based services include a wide range of Medicaid and grant-funded services for Trust beneficiaries and other vulnerable Alaskans. Mental health care, infant

learning, personal care attendant services, assisted living services, senior care, substance abuse counseling, and services for Alaskans with developmental disabilities are all examples of services provided at home or in our communities. These services maintain individuals' quality of life and reduce the need for more costly institutional, emergency and nursing home care.

For more than 10 years, providers have struggled to meet the demand for services while maintaining an acceptable quality of service because there has been no structure for reviewing the rates paid for those services. Not only does the lack of periodic reviews prevent adequate fiscal planning by providers, it prevents adequate fiscal planning by the State. By establishing a regular schedule (e.g. every 2 or 4 years), providers and DHSS can plan and allocate resources so that rate reviews create a minimal administrative burden. This in turn will permit the Legislature to engage in more effective management of our state's budget and the responsibility to care for our most vulnerable neighbors.

Our network of non-profit providers touch the lives of thousands of Alaskan families. In FY 07, over 30,000 Alaskans received behavioral health services from non-profit providers. Provider associations report that almost 20,000 Alaskan seniors received home and community based services; 3,807 Alaskans received personal care attendant services; 2,636 Alaskans with developmental disabilities received services; 1,500 Alaskans received care through assisted living homes; and an estimated 1,400 children were enrolled in early intervention/infant learning programs.. This is nearly 60,000 Alaskans who receive care at home and in their communities, so that they do not require nursing home or other institutional care.

This is why we advocate for a schedule of home and community based rate reviews, inclusive of Medicaid and grant-funded services, to be established by statute.

### **Supporters:**

Alaska Mental Health Trust Authority  
Governor's Council on Disabilities and Special Education  
Alaska Mental Health Board  
Advisory Board on Alcoholism and Drug Abuse  
Alaska Commission on Aging  
Alaska Association on Developmental Disabilities, serving 2,636 Alaskans  
AgeNet, serving 18,953 Alaskans  
Personal Care Attendant Provider's Association, serving 3,807 Alaskans  
Assisted Living Association – Alaska, serving 1,500 Alaskans  
Alaska Behavioral Health Association, serving 26,285 Alaskans

**Recommendation: Pass SB 32 establishing a regular and periodic schedule of rate reviews for home and community based services.**