



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

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April 6, 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: Alaska Commission on Aging Recommendations, HB 285 and HB 286

Dear Senator MacKinnon and Senator Hoffman:

The Alaska Commission on Aging (ACoA or the "Commission") thanks you for including intent language, "Protection of Senior Specific Services," as proposed by the Senate Finance subcommittee to safeguard funding in the operating budget for senior services including Community Based Grant Funded Services for Seniors, the Alaskans Living Independently waiver, and Personal Care Services in the Division of Senior and Disabilities Services component, the Pioneer Homes, as well as elder protection services provided by Adult Protective Services (Senior and Disabilities Services) and the Office of the Long Term Care Ombudsman (Alaska Mental Health Trust Authority). These services, that comprise the *Senior Safety Net*, promote the health and safety of Alaska's older people, provide support for their family caregivers, and allow seniors to remain living safely in their homes and communities for as long as possible at the lowest cost. In FY2017, senior grant and Medicaid-funded community based services provided support for approximately 30,850 older Alaskans.

The Commission respectfully encourages your support of the following budget recommendations as proposed in the Operating and Mental Health budgets, HB 286 and HB 285, and for appropriate funding for the Alaska Senior Benefits Payment Program pending passage of CSHB 236. We believe these programs, administered by the divisions with the Department of Health and Social Services (DHSS) and the Department of Administration (DOA), are cost effective as they protect the health and safety of all Alaskans, including our older citizens, leverage additional federal funding, and control increases in state spending over time.

Alaska Senior Benefit Program Payments to Recipients, DHSS, Division of Public Assistance: Senior Benefits is a critical safety net program for Alaskans age 65+ with limited incomes. Senior Benefits makes a *real* difference in whether or not an older person is able to live comfortably and afford food, shelter, heating fuel, prescription medications, and other necessities. Senior Benefits helps the oldest of the old, rural elders who live a subsistence lifestyle, elderly people who live alone, and the growing number of low income grandparents who are raising grandchildren with financial assistance to make ends meet. Approximately 11,322 seniors utilize this program statewide (Division of Public Assistance, December 2017). This modest assistance, critical to the health and safety of vulnerable older people, helps them to remain independent and ultimately saves money from their needing higher cost care. Alaska has the highest cost of nursing home care in the nation. According to the FY2017 estimates from the Division of Senior and Disabilities Services continuum of care chart, the average annual cost of nursing home

care per person is \$164,234. *If this program, for example, prevented just 1% of the seniors served by Senior Benefits from requiring institutional nursing home care (or 113 seniors), the annual savings would be almost \$18.6 million (\$164,234 annual cost/person in nursing home X 113 seniors), which is almost the total FY2018 annual budget for Senior Benefits.*

Recommendation: The Commission recommends including sufficient funding for Senior Benefits to allow for at least a 2% annual growth in the recipient population, based on the average caseload growth experienced over the last five years as reported by the Division of Public Assistance. We also recommend that funding be restored, to the greatest degree possible, for the highest income/lowest benefit tier from \$76/month to \$125/month.

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 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 Assistance Field Services, DHSS, Division of Public Assistance: Financial security is a serious worry for many older Alaskans living on fixed incomes. The risk of poverty increases with advanced age. Older people are more likely to spend increasing amounts of their budget on health and other basic necessities. Many depend on food stamps, public assistance, General Relief, heating assistance, and Senior Benefits. Moreover, a growing number of seniors are raising their grandchildren on a limited income. Submitting an application for public assistance may require waiting months before an application can be processed due to the extensive backlog of public assistance applications and excessive worker caseloads. When a person suffers from hunger, poor housing, or lack of heat in the dead of winter, this wait can feel like an eternity.

Recommendation: ACoA supports the Governor’s request of \$2.2 million in the operating budget over three years to hire an additional 41 positions and address the backlog of applications in Public Assistance so that low income Alaskans may receive the assistance they desperately need today.

Public Guardian Support, DOA, Office of Public Advocacy: Vulnerable older Alaskans and other disabled persons who are found by the court to be incapacitated and in need of a protective order depend on public guardians to help them maintain their benefits, manage personal finances, make medical decisions, and secure appropriate housing. While guardians are often family members, friends, or trusted others, some at-risk vulnerable adults have no one to serve in that role and require the services of a public guardian. Currently, the caseload of 100 cases per public guardian is more than double the recommended national caseload of 40 cases per guardian. Funding is needed to hire additional Public Guardians and Guardians Ad Litem to serve vulnerable Alaskans who have been found incapacitated by the court and in need of a protective order. Public guardians protect vulnerable seniors and other disabled Alaskans from financial exploitation and other forms of abuse, ensure proper medical care, access to appropriate services, and prevent crisis situations from occurring.

Recommendation: The Commission supports funding at least up to the Governor’s proposed amount of \$1 million to fund nine additional Public Guardian positions and one Guardian Ad Litem.

Medicaid Payments to Recipients, DHSS, Divisions of Senior and Disabilities Services, Public Assistance, and Behavioral Health: Vulnerable seniors and persons with disabilities rely on Medicaid-funded home and community-based as well as health care services for their health and safety. These services include Health Care Medicaid Services, Adult Preventative Dental, and Behavioral Health.

Recommendation: The Commission supports adequate funding for these services, both in the FY19 Operating Budget and the FY2018 Supplemental Budget, to ensure that seniors and other vulnerable Alaskans have access to services that promote their health and safety.

Information Technology, Telehealth Service System Improvements, DHSS, Division of Senior and Disabilities Services (SDS): The Commission supports the Governor’s budget request of \$100,000 GF/MH to expand the telehealth pilot project statewide administered by SDS in collaboration with regional health organizations and local clinics. ACoA views this project as a cost effective strategy using technology to provide timely annual reassessments for seniors and persons with disabilities who live in rural, remote communities to determine their eligibility for Medicaid waiver services. This project implements efforts to expand telehealth, as identified in SB74 passed by the legislature in 2016, to reform Alaska’s health care system by improving access to care and reducing costs. The use of telehealth will allow for increased access to services and significantly reduce travel and staff costs, without the vulnerable person having to leave their home community for the reassessment. Further, Adult Protective Services will have access to the telehealth project for their investigations involving cases in rural, remote communities.

Companion Services, DHSS, Division of Senior and Disabilities Services (SDS): The Commission supports the Legislature’s intent to establish the “companion service” category under Section 1915(c) of the Social Security Act. Companion services serve people with intellectual and developmental disabilities as well as vulnerable older adults with the goal of improving quality of life and well-being. For seniors, companion services provide physical, social, and emotional support as well as cueing and supervision for older persons with mild to moderate dementia who require coaching to complete everyday tasks. Services include light housekeeping, assistance with activities of daily living, medication reminders, transportation, and emotional companionship to help ease the burden of depression, loss of mobility, and mental decline. These services promote quality of life and enable seniors to remain more independent, preventing the need for higher cost care.

The Alaska Commission on Aging appreciates your thoughtful consideration of these operating budget items that impact services used by vulnerable Alaskans, including seniors and persons with disabilities. Thank you for your consideration and support of CSHB 236, reauthorization of the Senior Benefits program for six years. 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