



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

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February 29, 2016

The Honorable Mark Neuman, Co-Chair
The Honorable Steve Thompson, Co-Chair
House Finance Committee
Alaska State Capitol, Rooms 505 & 515
Juneau, Alaska 99811-1182

Subject: Support for Senior Benefits, Senior Community Based Grants, and Medicaid Adult Dental (HB 256 and HB 257, Department of Health and Social Services Operating Budget)

Dear Chair Neuman and Chair Thompson:

The Alaska Commission on Aging (ACoA) extends our sincere thanks and appreciation for the important work conducted by the House Finance Health and Social Services Subcommittee on the operating budget for the Department of Health and Social Services. We do understand and recognize the difficult decisions that you have been called upon to make. We want to take this opportunity to share with you how important programs such as Senior Benefits, Senior Community Based Grants, and Medicaid Adult Dental are for Alaska seniors in reducing the need for more expensive health and long-term care services. While targeted for funding reductions, these safety net services help seniors to maintain their health, independence, dignity, and ability to live at home and contribute to the well-being of their families and communities. We are concerned that reduced funding for these programs will have unintended consequences that may lead to increased utilization of more expensive health and long-term care services thus straining the state's budget and, most importantly, compromising the health and welfare of Alaska's older people.

The **Alaska Senior Benefits Program**, administered by the Division of Public Assistance, provides a critical safety net for Alaskans age 65 and older who live on small fixed incomes. This program offers monthly cash benefits to more than 11,700 seniors statewide to help pay for life necessities including food, housing, heat, and prescribed medications. The average age is 76. The majority of recipients are women, many of whom may be widowed. The proposed budget reduction of **\$5,137,000** eliminates the third highest income category (175% federal poverty level) that provides the lowest amount of cash assistance and will impact 5,438 seniors. The loss of \$125 monthly for a person on a fixed income will make a huge difference in their purchase of nutritious food like fresh fruits and vegetables at the grocery store, being able to afford medications in the prescribed amounts, and keeping the thermostat at a comfortable level during the winter. Many low-income seniors lack cash reserves to pay for emergencies and the increased cost of living. Senior Benefits has proven to be an invaluable help for many older Alaskans who are most vulnerable to economic stresses.

The **Senior Community Based Grants Component**, within the Division of Senior and Disabilities Services, is targeted for a funding cut in the amount of **\$450,000**. These funds provide services for seniors age 60 and older that include home-delivered meals, congregate meals, adult day services, respite for family caregivers, homemaker/chore services, transportation, services for people with traumatic brain injury, and the Aging and Disability Resource Centers. Senior Community Based Grant services serve the largest number of older people at the least cost so that seniors may remain in their homes and communities, where they most desire to be, and provide support for their family caregivers so that they can retain their health and ability to hold a job. Senior

Community Based Grant services target seniors with the greatest economic and social need. They also serve seniors with dementia and other vulnerable older people who do not meet the level of care for the Medicaid Alaskans Living Independently Waiver program. In SFY2015, 25,893 seniors (unduplicated count) received senior grant-funded services at an average annual cost of \$574 per person. These services, if provided at the right time, prevent the need for higher cost health and long-term care such as assisted living (\$68,430 annual cost per person) and nursing home care (\$281,415 annual cost per person) (Genworth Financial Cost of Care Survey 2015). In the long run, senior grant funded services save money for the State.

Adult Preventative Dental Medicaid Services, within Medicaid Services, is targeted for a General Fund reduction in the amount of **\$3,161,700** and a consequential loss of \$2,882,700 of federal receipts. Medicaid Adult Dental is a Medicaid State Option service that was implemented in April 2007. This program assists many low-income seniors who live with a variety of painful, destructive dental problems who otherwise could not afford to pay for routine dental health care, such as dentures. Medicare does not cover the cost of most dental care for senior beneficiaries, including dentures. Dental pain and missing/decaying teeth often affect the dietary choices for seniors that may impact overall health. Studies have consistently shown the link between oral health and chronic disease. Older adults are at high risk for dental decay that has been associated with periodontal disease, diabetes, pneumonia, and cardiovascular disease including increased risk for stroke and vascular dementia. Those without dental coverage or a routine place for dental care and under distress may be forced to access care through hospital emergency departments at a significantly higher cost.

Other budget reductions proposed for programs serving seniors include the

- **Alaska Pioneer Homes (\$741,000)** that will result in the elimination of 11 staff positions and reduce the number of residents who can be served, adding to the waitlist. The Pioneer Homes provide high quality residential care for 535 older Alaskans with an average age of 86 years. Fifty-eight percent of the residents are diagnosed with Alzheimer's disease and related dementias; and
- **Alaska's Heating Assistance Program (\$9,174,300)** that provides energy assistance for households up to 221% federal poverty level was eliminated in the Governor's budget. In FY2016, 815 households that received home heating assistance through this program had at least one elderly member age 60 and older. Funding for the federal Low Income Home Energy Assistance Program (LIHEAP), that provides heating assistance for households up to 151% federal poverty level, is not expected to be affected by these budget actions.

In total, there is an approximate **\$18,664,000** proposed reduction for five programs serving seniors and other vulnerable Alaskans in the FY16 operating budget for the Department of Health and Social Services. These programs support Alaskan seniors desire to continue living in-state and promote their health, safety, and personal dignity. Seniors are our parents, grandparents caring for grandchildren while their parents are making a living, and pioneers who developed the State many years ago. The Alaska Commission on Aging appreciates your thoughtful re-examination of the consequences of these particular reductions and the impact on Alaska seniors. Please feel free to contact Denise Daniello, ACoA's Executive Director by phone (465-4879) or email (denise.daniello@alaska.gov) for further information. Thank you for your leadership and commitment serving Alaskans!

Sincerely,


Mary E. Shields

Chair, Alaska Commission on Aging

Sincerely,


Denise Daniello

ACoA Executive Director

Cc: Representative Dan Sadler, Vice Chair
Representative Cathy Muñoz
Representative Lance Pruitt
Representative Les Gara

Representative Tammie Wilson
Representative Scott Kawasaki
Representative David Guttenberg
Representative Mike Hawker (alternate)