



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

ALASKA COMMISSION ON AGING

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The Honorable Lyman Hoffman, Co-Chair
Conference Committee
Alaska State Capitol, Room 518
Juneau, Alaska 99811-1182

May 12, 2017

Subject: ACoA Support for Services Used by Older Alaskans, Conference Committee Budget Items (HB 57)

Dear Chair Hoffman:

The Alaska Commission on Aging (ACoA and the "Commission") would like to take this opportunity to **thank you** and other members of the Legislature for preserving funding for services that comprise the *Senior Safety Net*. As Alaska's population continues to age, a growing number of older people are at risk for developing serious and chronic health conditions as well as being possible targets for elder abuse and exploitation. Services such as the Senior Community Based Grant Funded Services, Alaskans Living Independently (ALI) Waiver, Personal Care Services, and elder protection promote the health and safety of Alaska's older people and provide support for their family caregivers. Seniors often prefer to remain living safely in their homes for as long as possible. This results in improved health, quality of life, and is the lowest cost model. The average annual cost for one senior to stay in a nursing home is \$297,840 using private resources or \$153,009 for a Medicaid patient in comparison to the average annual per senior costs of \$435 for Senior Grant-Funded Services, \$18,183 for Personal Care Services, and \$32,868 for ALI waiver services.

The Commission appreciates the difficult work that the House and Senate Finance Committee members have invested in the FY2018 operating budget. We respectfully encourage your support of the following operating budget items for services important to older Alaskans that will be considered by the Conference Committee. We believe these programs, administered by divisions within the Department of Health and Social Services, are cost effective as they protect the health and safety of Alaska's older people, reduce the utilization of more expensive institutional care, and control increases in state spending over time.

Alaska Division of Pioneer Homes: As of April 30, 2017, the Pioneer Homes, licensed for 498 beds, served 417 residents across the six Pioneer Homes with more than half (230 residents) having a diagnosis of Alzheimer's disease and related dementias. In two separate actions, there were significant reductions directed at personal services of the Pioneer Homes. The first, a 2.75% reduction in the amount of \$818,500, is projected by the Pioneer Homes to reduce direct care staff (2 nurses and 6 nurse's aides) and result in the closure of 26 additional beds, a loss of revenues for the Homes, an increase in the number of older people on the waitlist (599 unduplicated count as of 4.30.2017), and their wait time to be admitted. This loss is on top of the 38 positions and 20 beds eliminated over the last three years from budget cuts, potentially reducing the number of available beds to 443 across the six homes (for a total removal of 55 beds). The second budget reduction of \$5.7 million, if approved by the Conference Committee, would result in the closure of the Palmer Veterans Home and the Juneau Pioneer Homes displacing approximately 114 elderly people living in those Homes. We appreciate the Senate's declaration titled the "Sense of the Senate" which explained that this reduction was not intended for the Pioneer Homes. We also value the

Governor's expressed commitment to the Pioneer Homes stating that no Homes would be closed during his administration. The Pioneer Homes are an important part in Alaska's continuum of care for older people. At least 80% of the Pioneer Home residents are age 80 and older meaning that Alaska's system of home- and community-based service is successfully assisting older people to live at home for as long as possible. However, it also means that seniors are being admitted at an older age with higher risk for having dementia and other compromised health conditions. Further reductions to the Homes will result in fewer beds being available, declining revenues, growth of the waitlist, and the sad fact that some elderly people will not live long enough to receive the care they desire from the Pioneer Homes.

Please support the House recommendation to fund the Pioneer Homes.

Medicaid Adult Preventative Dental Services, Division of Health Care Services: This program is an important Medicaid optional service for seniors and other low income Alaskans. Medicare does not cover the cost of most dental care for seniors. Dental pain and missing/decaying teeth can affect dietary choices for seniors that may impact overall health. Seniors with untreated dental needs are at risk for developing dental infections that have been associated with periodontal disease, diabetes, pneumonia, and cardiovascular disease including stroke. In FY2017, this program served more than 7,000 seniors (age 60+) with emergent and enhanced dental services, including dentures (Health Care Services, April 2017). The Senate's proposed reduction of \$288.0 GF will eliminate federal match resulting in a total reduction of \$576.0 for this program.

Please support the House recommendation to fund Medicaid Adult Preventative Dental Services.

Public Health Nursing, Division of Public Health: Public health nursing provides valuable preventative health care services for seniors. Prior to budget reductions, public health nurses visited senior centers on a regular basis to take blood pressure, administer flu shots, do wellness checks, perform foot care, and provide nutrition education. Many of these services are no longer provided due to budget reductions. Eliminating public health nurses and closing public health centers limits access to preventative health care services in many rural and remote communities statewide. Over the last three years, public health nursing has been serving fewer seniors (age 60+): 2,954 seniors in FY16; 3,141 in FY15; and 3,117 in FY14 (Division of Public Health April 2017).

Please support the House recommendation for Public Health Nursing.

Adult Public Assistance, Division of Public Assistance: Many older Alaskans live on a fixed income and struggle to make ends meet. According to findings from the last statewide Senior Survey, conducted by the Alaska Commission on Aging, seniors identified "financial security" as the second most pressing need for seniors, behind access to health care. Senior utilization (age 65+) of Adult Public Assistance has been trending upwards over time: 5,738 in FY16; 5,657 in FY15; and 5,546 in FY14. Rather than eliminating these funds, the Commission recommends using the money to support the front line social workers in the Office of Children's Services to assist struggling families, including grandparents raising grandchildren, and to leave the "excess" remainder of \$210,000 with Adult Public Assistance as proposed by the House.

Please support the House recommendation for Adult Public Assistance.

Alaska Psychiatric Institute (API), Division of Behavioral Health Service: The Commission is concerned that the reduction in incentive pay for specialized nursing staff could impact the quality of care for senior patients being admitted to API with mental illness and challenging behaviors by limiting the number of patients who can be admitted and their length of time for receiving care.

Please support the House recommendation for the Alaska Psychiatric Institute.

Administrative Support, Division of Senior and Disabilities Services (SDS): SDS administers an array of home and community based services for vulnerable Alaskans including seniors, individuals with intellectual and developmental disabilities, and disabled persons. The Commission is concerned that a reduction in personal services could negatively impact the timely delivery of services for seniors and other vulnerable Alaskans.

Please support the House recommendation for the Division of Senior and Disabilities Services.

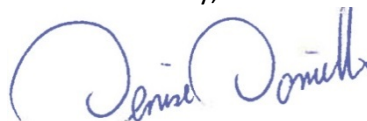
The Alaska Commission on Aging appreciates your thoughtful consideration of these conference budget items that impact services used by older Alaskans. For further information, please contact Denise Daniello, ACoA's Executive Director, at 465-4879 or denise.daniello@alaska.gov. Thank you.

Sincerely,



David A. Blacketer
Chair, Alaska Commission on Aging

Sincerely,



Denise L. Daniello
ACoA Executive Director

The mission of the Alaska Commission on Aging is to ensure the dignity and independence of all older Alaskans, and to assist them to lead useful and meaningful lives through planning, advocacy, education, and interagency cooperation.