



## SENIOR AND DISABILITY SERVICES MEDICAID FUNDING

### Introduction:

- Home and Community-Based Waiver Services (HCBS) Programs are Medicaid programs authorized by Title XIX of the Social Security Act that **waive** the requirement that services be provided in costly institutions for a variety of targeted populations, including individuals with intellectual/developmental disabilities (IDD). Under Federal law, costly institutional services **must** be provided if requested by the individual and/or family. Although less costly HCBS are classified as “optional” Medicaid services, in Alaska and nationally, HCBS have grown steadily throughout the past decades as a more valued, cost-effective alternative to institutions.

### Administration and Funding:

- In Alaska, HCBS programs are administered by Senior and Disabilities Services (SDS), located within the Department of Health and Social Services. However, SDS funding for HCBS programs is located within Medicaid Services. The services SDS provides are vastly different from the other components of the Medicaid Services budget.
- Adult Preventative Dental, Behavioral Health Services and Health Care Services are, for the most part, treatment-based services. The expectation is that individuals receive services that treat their condition and they recover. SDS, however, provides long-term services and supports (LTSS), which are used by individuals of all ages with functional limitations and chronic illnesses who need assistance to perform routine daily activities such as bathing, preparing meals, holding down a job and living in the community. These individuals’ conditions are considered to be chronic, many times persisting life-long.
- For example, individuals with developmental disabilities (DD) are affected by a diverse set of conditions (e.g. Down syndrome, intellectual disability, Autism and cerebral palsy) that are recognized at birth or during childhood and alter the usual course of development. **By the very nature of their disabilities, individuals with IDD require individualized, comprehensive and life-long services in order to live successfully in the community.**

# 2019 LEGISLATIVE PRIORITIES



## Demonstration of Effective Stewardship:

- A recent review of Medicaid Services Trends from FY 16 (Actual) to FY19 (Budget) clearly shows that since SB74 implementation in 2016 targeted at Medicaid reform, SDS has controlled costs the best. By reducing the number of individuals drawn from the waitlist annually, implementing service caps, increasing utilization control and refinancing State grant funds to maximize Federal participation, SDS's budget only grew by 4.5% compared to 29.6% across all Medicaid Services (Adult Preventative Dental, Behavioral Health Services, Health Care Services and SDS). However, during that same time period, the number of people with IDD waiting for services increased by 447.
  - **Note:** Medicaid allows States to maintain waiting lists for home and community-based waiver services (HCBS) when demand exceeds resources. *In Alaska, only individuals with IDD are impacted by a waitlist; this is the population with some of the most significant needs.*

## Conclusion:

- Alaskans served by SDS require specific and bigger protections for funding that is needed life-long in order to live in their community. An SDS Medicaid appropriation separate from the general health care services budget will maintain stability for HCBS programs. Further across the board budget reductions will result in more people going into crisis situations, which will escalate the cost of treatment-based services and shift costs to higher levels of long-term supports and services within the HCBS system.



## Recommendation:

**That in the State of Alaska FY20 Operating Budget, Senior and Disabilities Medicaid Services funding be a separate appropriation {move Component Senior and Disabilities (2662) from RDU: Medicaid Services (595) to RDU: Senior and Disabilities Services (487)}**