



## **PRESERVE THE DEVELOPMENTAL DISABILITIES SYSTEM**

- *Alaskans take a flexible approach to administering programs for people with disabilities that allows each person to participate actively, with assistance based on the person's strengths and abilities, in managing the person's support services so that the person can achieve a meaningful life in the person's home, job and community.* (Alaska Statute 47.80.130 (a)(7))
- The above statement, which is part of the Shared Vision for Alaska's Developmental Disabilities (DD) System, was signed into law in 2018. Programs associated with the vision are stretched precariously thin.
- Since implementing SB74 (Medicaid Reform) in 2016, there has been a significant erosion of services for individuals with intellectual and developmental disabilities, including 1) the number of individuals drawn from the waitlist reduced from 200 to 50 annually; 2) the implementation of service caps; 3) cuts in the number of approved service hours; and 4) refinancing of State grant funds to maximize federal funding.
- Medicaid allows individuals with DD to live in their own home or with a small group instead in of much more expensive institutions. It allows them to participate in and contribute to their community, work, go to school and attend church. Reduced reimbursement rates and increasing costs will exacerbate and worsen an incredibly fragile system.
- Reductions *will* result in increased cost to the State of Alaska because people will be forced into Medicaid-mandated services in out-of-state institutions or nursing homes where the cost of care is at least doubled. Alaska no longer has an institution for individuals with intellectual and developmental disabilities. Federal law says costly institutional services must be provided if requested by the individual and/or family. According to Legislative Research Report 16.44, February 2016, if individuals are served in home and community-based settings, "those expenses are still less than half the cost of . . . intermediate care facilities (institutions) for those with IDD. The report also concludes the state would be required to "directly participate in the construction and administration of long-term care facilities with capital and operating costs potentially reaching hundreds of millions of dollars."
- In this time of Covid-19, home and community-based services are saving the lives of Alaskans who would otherwise live in larger congregate settings, keeping them out of the hospital. While the current pandemic clearly demonstrates the essential nature of services for people with DD, these services can only be provided if there is a workforce to provide them.
- Currently, direct support professionals provide services to individuals with DD in high-risk settings for inadequate compensation, often without healthcare coverage for themselves. Only 36% of Alaskan employers provide health insurance compared to 70% nationally.
- Almost 99% of the funding for these services come from state and federal Medicaid dollars, which DD providers cannot negotiate. Unlike some other federal programs, the rates are fixed and inadequate.

**RECOMMENDATION:** Do not reduce funding or rates for DD services; any such reduction will increase costs to the State of Alaska and negatively impact the ability of individuals with DD to live successfully in their homes and communities.