

2023 KEY CAMPAIGN PRIORITY

Help us Save Our System

- For over 30 years the Key Coalition has advocated for an end to the IDD Waitlist. In 2022 the Alaska Legislature included intent language in House Bill 281, section 1, for the Division of Senior and Disabilities Services (SDS) to develop a five-year plan to permanently eradicate the waitlist for IDD Medicaid waiver services.
- The plan includes developing new infrastructure to allow SDS to manage costs, including data-driven mechanisms for 1) assigning service budgets for individual waiver participants (a new resource allocation approach) and 2) refining eligibility criteria (if necessary). A five-year work plan for building this infrastructure, which also requires collecting the data necessary for implementation, is outlined. Implementing the proposed infrastructure and overseeing the larger system will require additional state and federal dollars.

However, the current system of services is collapsing because of a number of interrelated issues that must be immediately addressed if the waitlist is to truly be eradicated: 1) workforce shortages; 2) funding; and 3) service flexibility.

- **Workforce Shortages:** A recent survey, The State of America's Direct Support Workforce 2022, found that due to the workforce crisis:
 - 83% of provider agencies are turning away new referrals
 - 63% of provider agencies are discontinuing programs and services. **Note:** one midsize provider in Anchorage closed this fall.
 - 55% of providers are considering new or additional discontinuation of programs. **Note:** in Alaska, services like respite and supported employment are no longer widely available.
 - 92% of providers grapple with the impact of the pandemic on recruitment.
- **Funding:** A single state cost-based rate setting methodology went into effect March 1, 2011, based on 2007 data. The original regulations required rate re-basing every 4 years, BUT the first re-basing occurred in October 2022 and the proposed rates fall far short of covering costs. This is due to the lack of regular re-basing and a flaw in the methodology itself. Providers are operating in the red. Some providers are discussing the reality of whether they can to continue to operate. When Alaskans cannot access community services, the State is paying for their care in more expensive settings – hospitals, nursing homes, Alaska Psychiatric Institute, and out-of-state treatment centers. *Providers are advocating with the Department of Health on the need for rate reform that includes prioritizing a living wage and certification/career pathways for Direct Support Professionals.*
- **Service Flexibility:** Currently, there is little flexibility in Alaska's HCBS system, which makes it difficult for people to be creative about how they receive their services or who provides them. However, Alaska could choose to authorize Participant-Directed Services, which is available in other states and is a cost-effective way to manage a finite budget while respecting each individual's individual preferences.
 - A recent study in Michigan reported a median reduction of 8% in the cost of serving 70 individuals with IDD in a self-directed demonstration project.

Recommendation: Fund a \$647.8 increment for the Department of Health, Senior and Disabilities Services to operationalize the infrastructure needed for the necessary system change in order to provide services more effectively.

Recommendation: Fund an increment to for the Department of Health, Division of Senior and Disabilities Services to collaborate with stakeholders to develop and evaluate a Participant-Directed Services pilot project.