

BACKGROUND

Medicaid, Home and Community-Based Service Waivers Eradicating the Waitlist for Alaskans with Intellectual and Developmental Disabilities Proposed Federal Legislation

- Medicaid is the major source of funding for long-term services provided in home and community-based settings to Alaskans with **Intellectual and Developmental Disabilities (IDD)**.
- Medicaid is a joint federal-state entitlement program primarily providing medical care to low-income Americans. States **must provide a number of mandatory services, one of which is institutional care for individuals with IDD**.
- However, individuals with IDD **do not want to live in institutions**. They want the same opportunities that every American wants. They want to live in their own home and make decisions about their daily lives. They want to go to school, attend church, work and **contribute fully to their local communities**.
- The federal government allows states to waive the requirement that services be provided in costly institutions. The Medicaid program provides states with many options to increase the availability of home and community-based services (HCBS) while controlling costs. States have considerable flexibility to design their programs within broad federal requirements.
- Alaska uses the waiver option to offer home and community-based services to the following groups: children and adults with IDD, adults with physical and developmental disabilities, children with complex medical conditions, and seniors and adults with physical disabilities.
- The federal government allows states to maintain waiting lists for Medicaid-funded home and community-based services when demand exceeds resources. ***In Alaska, only individuals with IDD wait for services – even though this is the population with some of the most significant, long-term needs.***
- The backbone of the Medicaid HCBS program is its direct service workforce, which is in the midst of a long-standing crisis due to decades of under-investment exacerbated by the pandemic. High turnover rates and exodus from the field have left individuals with IDD without consistent access to critical support and at higher risk for hospitalization and institutionalization.
- IDD service providers are primarily reliant on Medicaid funds as their only funding source making them unable to raise wages to keep pace with rising inflation and compete against industries that have traditionally paid entry-level wages, such as retail and fast food.
- 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 by December 20, 2022 in collaboration with stakeholders for permanently eradicating 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 also requires collecting the data necessary for implementation. ***Implementing the proposed infrastructure and overseeing the larger system will also require additional State and federal dollars.***
- The ***Better Care Better Jobs Act*** introduced by Senator Casey of Pennsylvania is intended to address the ongoing crisis impacting the HCBS system for individuals with IDD. The legislation will enhance Medicaid funding for HCBS, allowing states to be eligible for a 10 percentage point increase in the federal Medicaid match for delivering HCBS. It will strengthen and expand the direct support workforce by regularly updating HCBS payment rates and passing rate increases through to direct service staff through increased wages.