



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: ALASKA

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INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

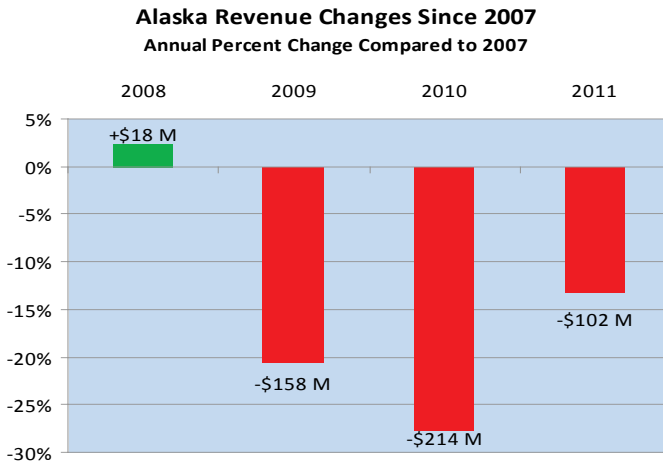
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

ALASKA

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- Anticipate no impact through SFY 2011; challenge will be after the extension ends.
- May have to reduce or modify benefit package in SFY 2012.
- May likely have to cut all provider rates—not just long-term services and supports (LTSS) providers—in SFY 2012.

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Too soon to tell.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
15,737	15,750	16,000	2%

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
None	None

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care	NA	NA	DK
Adult Day Care	0	0	+
Adult Protective Services*	+	+	+
Assisted Living	+	+	+
Behavioral Supports	NA	NA	DK
Case Management	0	0	+
Chore	0	0	+
Community Transition	+	+	+
Congregate Meals	0	0	+
Day Habilitation	NA	NA	+
Disease Prevention/Health Promotion	+	+	DK
Elder Abuse Prevention	0	0	DK
Environmental Modifications	0	0	+
Equipment and Supplies	0	0	+
Family Caregiver Support	0	0	+
Food Stamps/Supplemental Nutrition Assistance Program			+
Foreclosure Counseling	NA	NA	DK
Homemaker	0	0	+
Home-Delivered Meals	0	0	+
Housing Assistance	NA	NA	+
Information and Referral	+	+	+
Legal Assistance Development	0	0	DK
LIHEAP			+
Long-Term Care Ombudsman	0	0	+
Nutritional Supplements	NA	NA	DK
Occupational Therapy	NA	NA	DK
Personal Care/Assistance	0	0	+
Physical Therapy	0	0	DK
Recreational Therapy	0	0	DK
Residential Habilitation	0	0	+
Respite	0	0	+
Senior Community Service Employment Program	0	0	DK
Senior Centers	0	0	+
Speech Therapy	NA	NA	DK
State Adult Guardianship Program	NA	NA	DK
State Pharmaceutical Assistance	0	0	DK
Supported Employment	0	0	-
Supported Living	0	0	+
Transportation	0	0	+
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

* Since SFY 2009, the State Unit on Aging has received increased calls for Adult Protective Services (APS), e.g., financial exploitation, physical abuse, neglect, emotional abuse, and sexual abuse.

- Anecdotally, APS is also receiving increased calls for the population with developmental disabilities.

ALASKA

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$3,899,826	\$3,046,776	\$3,046,776	-22%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009– 2010
Adults with Physical Disabilities	856	947	1,040	11%
Older Alaskans	1,305	1,344	1,400	3%
Nursing Facility Services		Avg. Daily Census 2010		Expected Change 2011
NF Average Daily Census*		583		Increase

- State officials note that nursing facility census is increasing due to challenges in improving quality in assisted living and home and community-based services (HCBS).
- Nursing facility census data are for SFY 2009.

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$68,051,707	\$75,006,884		10%
Medicaid LTSS State Plan	\$74,623,342	\$92,533,014		24%
Nursing Facility	\$80,520,211	\$82,885,227		3%

- State officials note the economic downturn has not had the impact in Alaska that it has had in other states. The state retains adequate reserves to cover its operating budget.

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home	0	0
Home Health	0	0
Personal Care Services*	0	+
HCBS Waiver Services	0	+
+ Provider rate increase - Provider rate decrease 0 No change in provider rate		NA Not applicable

- The state recently issued regulations for personal care and waiver services that will base provider rates on cost, which will result in an increase in rates.



OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program			X	
Community First Choice Option		X		
Money Follows the Person Demonstration				
1. Apply for new program				
2. Apply for extension of existing program	X			
Medical/Health Home Initiative				
1. Agency applying for planning grant		X		
2. State plan amendment to establish medical/health home services		X		
3. Apply to establish community health teams		X		

STATE PRIORITIES: 18–24 MONTHS

- Ensuring quality in assisted living facilities.
- Developing a Program of All Inclusive Care for the Elderly (PACE) program—a capitated program that integrates Medicare and Medicaid financing—in Anchorage.

STATE ISSUES

- Addressing the needs and developing wrap-around services for individuals in the community with maladaptive or severe behavior issues.

STATE PROMISING PRACTICES

- Alaska's most important initiative is developing wrap-around services for individuals in the community with maladaptive or severe behavior issues.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Alaska's fiscal year begins July 1 and ends June 30.