***To facilitate a united provider voice for best practices, advocacy, partnerships and networking.***

January 12, 2022

Commissioner Crum,

The Alaska Association on Developmental Disabilities is requesting immediate re-establishment of rates for all home and community-based and personal care services retroactive to July 1, 2021. We are requesting the SFY2018 rates be adjusted by the “access” factor of 5% and inflated forward for each subsequent year based on the inflationary adjustments already in place.

Rates for home and community-based and personal care services, governed by regulation 7 AAC 145.520 - Home and community-based waiver services payment rates, were implemented in 2011. Rates should have been re-established at least every four years (2014, 2018, 2022 and so on) using provider cost data collected for rebasing purposes.

In 2014 rates were not re-established. In 2018, rates were also not re-established based on governing regulations 7 AAC 145.525 - Re-establishing and adjusting payment rates in the department's Chart of Personal Care Services, Community First Choice Services and Waiver Services Rates. The 2018 re-establishment of rates did not occur due to implementation of cost containment measures by the Department of Health and Social Services. Yet, the targeted group of mandated providers submitted cost survey information to the Office of Rate Review which could have been used to re-establish rates in subsequent fiscal years. It should be noted that health facility rate rebasing continued as scheduled during the cost containment fiscal years (as governed by 7 AAC 150.160 – Methodology and criteria for approval or modification of a payment rate).

The cost survey data submitted for the re-establishment of rates in SFY18 are now outdated and no longer useful in determining adjustments. Our request to offer critical immediate rate relief for providers and to follow the intent of the regulations is to apply the 5% “access” factor to SFY18 rates and then apply existing inflation adjustments forward. This also offers a simple straight forward calculation for the Office of Rate Review. Utilizing the access factor ensures the 5% cap on rate increases that the Office of Rate Review would have applied to the cost survey data upholds the intended stop-loss factor.

AADD has had several recent discussions with the department about the dire financial situation many of our members are facing due to the impact of a decade without regulatory re-establishment of rates. Rates of reimbursement have failed to keep pace with many state and federal mandates, regulatory changes, and other systemic changes that have occurred since home and community-based and personal care service rates were established through analysis of provider cost surveys in 2011. While this request for immediate rate relief will provide overdue assistance to providers, we have concerns regarding the rate setting methodology being rendered ineffective over the past 10 years. In the near future, we plan to discuss these concerns in more detail with the department as they relate to system sustainability and access to services.

We look forward to your swift response to our request. We are happy to discuss in more detail at your earliest convenience.

Sincerely,

Amanda Faulkner

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President, AADD

cc. Deputy Commissioner Al Wall

Director, Senior and Disabilities Services John Lee

Executive Director, Office of Rate Review Marcey Bish

CEO, Mental Health Trust Steve Williams

Chair, Senate HSS Committee Senator David Wilson

Co-Chair, House HSS Committee Representative Liz Snyder

Co-Chair, House HSS Committee Representative Tiffany Zulkosky