

Home and Community Based Services are Cost Saving

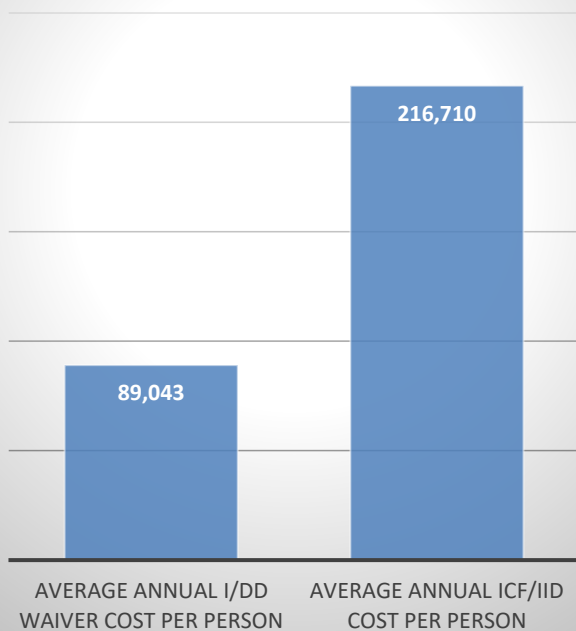
The Council is mindful of budget growth and Alaska's current fiscal constraints. Home and Community Based Services (HCBS) are the most cost-efficient way to deliver critically required services to Alaskans with Intellectual and Developmental Disabilities (I/DD).



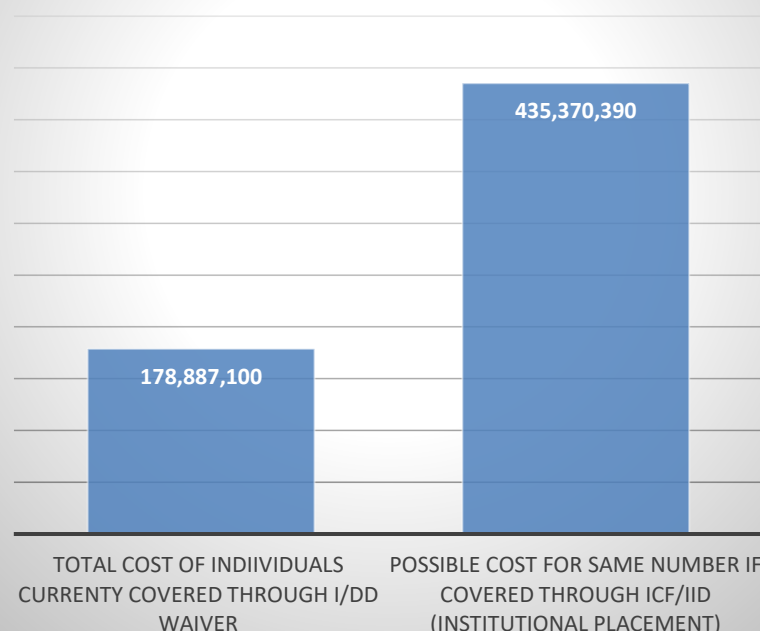
HCBS allow Alaskans with disabilities to avoid institutional care, remaining in their home community pursuing as much independence as possible, at the lowest cost to the State.

- Currently, 2,009 individuals receive HCBS I/DD waiver services at an average cost of \$89,043 per waiver, at a total cost of just under \$179 million.

Average Per Person Cost of I/DD HCBS vs. Institutional Placement*



Total Current HCBS I/DD Waiver Cost vs. Projected Cost of Same Number Covered Via Institutional Placement*



*Data Source for Graphs: State of Alaska Automated Budget System, Final Auth20 report, Harmony and COGNOS

*Institutional Placement = Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID)

- If these 2,009 individuals were in an institution (ICF/IID), at an average cost of \$216,710 per person annually, the total cost for serving these individuals could be around \$435 million. Institutional costs to the state are mandatory for those meeting an institutional level of care. All HCBS I/DD waiver recipients meet institutional level of care.

Many costs are avoided through HCBS: costs to local municipalities/villages for local emergency services (policing, crisis intervention, emergency medical care), to other agencies/units (Corrections, Education, Early Development, Protective Services), the court system, school districts, and community organizations.

Additional Cost Saving Efficiency Options:

The Council also knows that Alaskans deserve innovative thinking and the exploration of more efficient ways to deliver services. Alaska is facing a significant deficit. The Council has helpful cost savings ideas that will help preserve the vital services system which is necessary for Alaskans with developmental disabilities to live meaningful lives in their home community. Following are recommendations developed by stakeholders to enhance the service system and achieve cost savings without reducing funding for needed services.

Expand telework option for State of Alaska workforce and internet access for Alaskans with disabilities

- The Council views telework as an opportunity to keep our “high risk” populations as safe as possible, while at the same time better enabling state employment for people with disabilities, as well as saving money.
- The Council stands ready to assist with exploration of this possible cost savings strategy and provides a telework statement with research denoting cost savings obtained by other government workforces.ⁱ
- Greater access to internet is critical for this and other tele options to be viable for individuals with disabilities, especially during the pandemic.

Use telehealth, tele-assessments, and other new technology within the system to better serve Alaskans receiving Home and Community Based Services (HCBS)

Analyze waiver flexibilities allowed for HCBS through federal Appendix K (approved flexibilities due to pandemic emergency) to isolate possible cost savings to pursue as a long-term strategy

Continue to pursue policy/procedural barrier removal for Alaskans with disabilities to become employed

- The Council is working with the Departments of Labor and Workforce Development and Health and Social Services on an Alaska Work Matters Taskforce to improve employment outcomes.

Eliminate unnecessary costs and bureaucracy by allowing flexible purchasing for home medical supplies

- Currently, individuals with disabilities and their families are restricted from buying home medical supply items and often must purchase from more expensive approved suppliers instead of having the flexibility to purchase supplies from low-cost outlets.
- Creating a debit card for home medical supplies could enhance flexibility for Alaskans and save money.

Reduce unnecessary government control over services, increase savings and self-determination through new options for people with I/DD to direct their services more closely

- Services currently approved have a total associated cost. Self-directed waiver services use the existing service total cost as a ceiling for spending.ⁱⁱ With support from a financial advisor, people can select the services they want to purchase to facilitate a meaningful life of their choosing, as long as they stay below the cost ceiling. Other states have found this to be budget neutral or cost saving.

Current Process for HCBS:
Separate buckets of funding for each service



vs.



New Self-Directed HCBS Option:
The same funding allotted total through the current process is placed within one bucket directed by the individual receiving services with financial management support

Initiate Adult Companion Services: For many adults with disabilities, having meaningful lives requires nonmedical supervision/socialization that can be provided in any community setting to avoid isolation/regression.

- Per stakeholder feedback, this service is vitally needed; it is also less expensive than currently offered habilitative services.

The Council stands ready to support initiation of these stakeholder efficiency ideas which will help Alaska to fully realize the Developmental Disability Shared Vision of person-directed meaningful lives for Alaskans with developmental disabilities.

Since the budget is fixed this year, the Council recommends any savings achieved by these HCBS efficiencies be dedicated to fulfilling policy objectives with regard to providing appropriate services to people with developmental disabilities who are eligible (i.e. to support improvement of existing services, add needed services, or to take people off of the waitlist) instead of being used elsewhere in the state budget.

ⁱ Council Telework Statement: <http://dhss.alaska.gov/gcdse/Documents/committees/legislative/pdf/TeleworkStatement--Sept2020.pdf>

ⁱⁱ "Self-direction/budget authority definition: <https://www.medicaid.gov/medicaid/long-term-services-supports/self-directed-services/index.html>