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The following information represents a record of Alaska Native Health Board (ANHB) comments (verbatim where included) and department responses regarding the proposed state plan amendment (SPA) rebasing Medicaid payment rates for home and community-based services in the Medicaid state plan.

Tribal Comment #1 –

The Alaska Native Health Board (ANHB) writes to provide comment on the proposed rate rebasing Medicaid State Plan Amendment for long-term care services and supports. To begin, we highly appreciate the hard work and detailed work the Department has put into creating the proposed rebasing. We also appreciate the increases included in the proposed new rates—the lack of rebasing over the last two cycles has created a situation in which inflationary adjustments have not kept rates up to the level needed for reasonable access to quality care. Overall, these adjusted rates are a much-needed step in the right direction. Unfortunately, we are concerned that the proposed rate increases do not go far enough.

Department Response –

The department appreciates ANHB's recognition of the work put into this proposed rebasing, as well as the acknowledgment of the importance of the increases rates. The department recognizes the concern that the proposed rate increases are not sufficient. The department will take this concern into consideration as it works to address reimbursement issues in the future.

Tribal Comment #2 –

Over the last few years, the Alaska Tribal Health System (ATHS) has seen significant turnover in both the Direct Service Profession and Care Coordination fields. For the ATHS to recover the workforce needed to provide access to care for the patient population, providers need to be able to make competitive compensation offers. The current rates are simply too low for that, and the proposed increases are not enough to make up the gap. It is imperative that cost-based methodologies for setting rates be based on real-world costs. Therefore, the Department should not be making modeling assumptions based on 40-hour work weeks or caseloads that do not reflect the realities experienced by providers in the current workforce. Rates should also be calculated on the entire cost of providing care in the current economic climate, including full consideration of administrative, travel, fringe, and wage costs. Further, considering the two missed rebasing cycles, the 5% stop-loss requirement should not be invoked to block rates from being raised to a level that will support access to care.

Department Response –

The department set the proposed care coordination rates using available data on caseload size and hourly wages for equivalent positions – presuming a 40-hour work week – in order to set the monthly care coordination fee at a level equal to similar professions receiving wages for full-time work.

In considering the impacts of the proposed rates on providers, the department decided to retain the stop-loss provision, as it applies equally in the rate-setting methodology to providers with costs over the proposed rates and providers with costs under the proposed rates. The stop-loss provision gives providers protection against dramatic rate swings.

The department recognizes the need for thoughtful evaluation of current rate-setting practices and is committed to implementing meaningful rate reform. It will take time to research and deliberate new rate-setting processes. Additional internal and external resources are needed to successfully accomplish this work. Continued partnership is instrumental as the department moves forward in the post-public health emergency environment.

Tribal Comment #3 –

In addition, the proposed rates are not sufficient to provide compensation commensurate with the level of care needed by the communities we serve, which are aging rapidly and experiencing higher levels of acuity. Individuals who receive Home and Community Based Services (HCBS) through the AHS often have serious health issues that require frequent hospitalizations and necessitate Personal Care Services, Adult day or rehabilitation services (performed by Direct Service Professionals), and specialized transportation. There are not enough skilled nursing facilities available to meet the needs of these individuals. Care Coordinators therefore spend more time working these cases than is assumed in the rate-setting methodology. The Department should work with providers to develop an easy-to-access acuity rate that allows Care Coordinators to be reimbursed commensurate with the level of care needed in these situations.

Department Response –

The department acknowledges the need for skilled nursing facilities, as well as sufficient availability of personal care services, adult day or rehabilitation services, and specialized transportation. The department is invested in continued collaboration as Alaska works toward meaningful payment reform.

Tribal Comment #4 –

Finally, we urge the Department to engage in a dialogue with ANHB and other Tribal stakeholders regarding the possibility of developing Alternative Payment Methodologies for the services covered by the proposed changes.

Department Response –

The department values its partnership with Alaska Tribal Health Organizations, which is instrumental in implementing rate reform and exploring new rate setting options.