

**STATE OF ALASKA  
DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
DIVISION OF SENIOR AND DISABILITIES SERVICES  
  
INCLUSIVE COMMUNITY CHOICES COUNCIL**

**Meeting Minutes  
Friday, March 11, 2016**

**Voting Members:**

Art Delaune  
Banarsi Lal  
Alavini Lata  
Karli Lopez  
Sara Kveum  
Bruce van Dusen, not present  
Rusty Best, not present  
Ken Helander  
Patricia Branson  
Cindy Shults  
Mary Schaeffer

**Advisors:**

Theresa Brisky  
Allison Lee  
Kim Champney  
Tom Chard  
Dave Branding  
Marianne Mills  
Connie Beemer  
Mellisa Heflin  
Sandra Heffern  
Denise Shelton

**Facilitators:**

Duane Mayes, SDS  
Shane Spotts, HMA

**Guests:**

Randall Burns, DBH  
Amanda Lofgren AMHTA  
Ulf Petersen, SDS  
Jetta Whittaker, SDS  
Jon Sherwood, SDS  
Terry Hamm, DBH  
Patrick Reinhart, GCDSE  
Kate Burkhart, AMHB/ABADA  
Liz Donnelly, ABIN

**CALL TO ORDER – 1:00 p.m.**  
**WELCOME AND ROLL CALL**

Roll call of voting members and advisory members was taken, and guests were introduced.

**REVIEW AND APPROVAL OF MEETING MINUTES**

Duane Mayes asked for a motion to approve the minutes from the February 2016 teleconference.

**VOTE:**

Karli Lopez **MOVED** to approve the minutes from the February 2016 meeting, **SECONDED** by Pat Branson. Hearing no objection, the motion **PASSED**.

**BRIEFING ON POSSIBLE BEHAVIORAL HEALTH SECTION 1115 WAIVER**

Randall Burns provided the council members with an overview of the Section 1115 Medicaid waivers by stating that consultants were hired in June of last year to look at redesigning the behavioral health system in Alaska. After thoughtful consideration, these consultants determined that it would be beneficial for the State to utilize the 1115 waiver. This will be a demonstration waiver that the State can apply for that will give DHSS and DBH the breadth of capabilities of actually changing the system. The consultants issued a report that recommended both the 1115 waiver as well as the idea that the State and DBH should consider working with an administrative services organization to create a managed system of care for Medicaid.

Randall Burns stated that the idea behind the 1115 is to allow the State to design the behavioral health system that it thinks it needs. Once they've designed the system, then they write the waiver that CMS hopefully approves. The 1115 is a five-year demonstration project, and during that five-year period, they need to put in place a system that will be budget neutral. He stated that one of the hopes in the redesign is that DBH is able to fill the gaps in the system and divert people from the emergency services system, which is the most expensive cost of care, and show savings to the system. The project will also require DBH to follow and track the changes so they can show and demonstrate that this new system has had a benefit. He also noted that this demonstration waiver has a 100 percent reimbursement rate from the federal government.

Randall Burns stated that they are going to make every effort at the outset to identify the population they want to serve and the gaps they want to fill, but they have that five-year period of time to reach that goal. They can also do a lot of adjustments during that time period based on the data they are gathering. They can also request a three-year extension beyond the five-years.

Randall Burns explained that the goal is to try to write a proposal to CMS and get it filed before the end of this calendar year. One of the things that will be really important as they are developing this is to identify the specific populations this demonstration will cover. He stated that some of these populations are also being considered for service through the 1915(i), which will still be a viable option for some of these populations. The advantage of the 1115 is that they

can create a system for the entire population DBH serves without siloing people into services, while still taking advantage of 1915(i) for a smaller population. They are also looking forward to integrate the 1115 process with the primary care case management initiative and health initiative that were mentioned in the Medicaid reform report.

Randall Burns stated that another thing to consider as Alaska moves forward is will this demonstration be statewide? He stated that currently it is unknown, but the goal will be to do it on a statewide basis. They won't know until they put the RFP out for an administrative services organization (ASO). Mary Schaeffer commented that it might be smart to look at regionalizing ASOs for certain parts of the state.

Randall Burns stated that another exciting opportunity is that if the State has had a 1115 waiver for a year or so, they would be eligible to apply for a 1115 SUD, and it would be very exciting to expand substance use disorder services in the state.

Duane Mayes opened the floor to questions and comments from council members, advisors, and guests. Comments included:

- Appreciate that the efforts will be coordinated with the development of the primary care case management and health initiatives.
- Whatever options the State decides to move forward with, tailor it to the needs of the people of Alaska.
- Make the system easy for people to enter to receive services so they don't fall through the cracks.
- Will the 1115 system be replicated for SDS as well? *Duane Mayes commented that he doesn't believe so, while Randall Burns noted that the bill that passed has a general reference to the 1115, and if there is anything beneficial that would be applicable to SDS, that would be an option.*
- How are you gauging the capacity of the behavioral health system in Alaska to be able to do this? *Randall Burns commented that as they are redesigning the system, one of the issues they will tackle is creating the capacity they need to provide services on the lower cost end of the spectrum to keep people out of higher-cost care.*
- As the State considers the 1115 as well as 1915 (i) and (k), take care to not create silos that will cause people to fall through the cracks.

Jon Sherwood stated that there is a new federal policy for tribal organizations on what qualifies for a 100 percent federal reimbursement for care that is provided through a tribal facility, and this is also in the Medicaid reform bill. DHSS has been given very aggressive targets to implement that policy as soon as possible to actualize about \$32 million in savings in the general fund in the first year.

### **PRESENTATION ON BUDGET REDUCTIONS**

Duane Mayes and Randall Burns provided the council with an overview of the impacts to SDS and DBH from the Governor's proposed budget, the House operating budget, and the Senate operating budget. Because the legislature is still currently in session, they will continue to

conference to work out the differences between the bodies' proposed budgets. Council members and guests discussed the various components of services that could be impacted, noting that the State will have to make determinations at the close of the session in terms of specific impacts to programs.

### **UPDATE ON PROJECT STATUS**

Shane Spotts reviewed the current project status with the council members as follows:

1. Project planning – 100% complete
2. Stakeholder input – 100% complete
3. Review of regulations:

The report was submitted to the Division two weeks ago, and the Division is currently reviewing it. The report contains a section about the conversations from the four other states that were met with, and Shane felt they learned a lot from talking with those states on how to best move forward with Alaska and what to keep their eye out for as they do their analysis. Duane Mayes stated that the Department would like to carefully review this report before presenting it to the members of this council.

Shane Spotts stated that lessons learned include using a phased-in approach for moving the services into (i) and (k); carefully studying the Medicaid expansion population to determine the impact of this Medicaid user group on (i) and (k) services; and other states have seen an unexpected cost increase because of the amount of services the populations were able to access through the (i), which they had originally underestimated. Shane stated that this information has been useful to consider for Alaska, because they don't want to repeat the mistakes of others.

Duane Mayes stated that the (k) option will go live in July of 2017, and then six months later they will move forward with the (i) option specific to the Community and Developmental Disability Grant component. Six months later they will refinance General Relief and senior and community-based grants specific to senior in-home and adult day services.

4. Review of current operations:

Shane Spotts stated that HMA has submitted the first operational review, and there have been many conversations between the Division and the HMA team working on it. The team is currently in the process of incorporating all of the edits and revisions and getting it into a format that they can then share. The revised operational review will probably be completed by next week.

5. Identify eligibility/resource allocation criteria:

HMA has created a rough draft version of what the target population criteria would be, which has been sent over to the Division. Once the Division has reviewed it with HMA, modifications

and revisions can be made, and it will then be shared with this council for review and feedback.

6. Environmental scan of functional assessment tools:

A draft of the SDS assessment tools has been sent to the Division for their review. HMA is still working on incorporating behavioral health assessment tools, and they should have something to DBH in the next couple of weeks.

7. Determine service package:

A matrix of the service packages has been created, but no proposal has been put forth yet. Shane Spotts asked council members to start thinking about the different service packages for these options based on the matrix that was handed out at the last meeting. He would like to set aside some time in the next meeting agenda to get council member feedback on how they envision the service packages, and HMA will continue to work on it.

8. Establish quality assurance and improvement plan:

Shane Spotts stated that this task is just getting underway, and HMA has connected with Lynne Keilman-Cruz at SDS to get background on the current QA/QI plan that the State is using, and then HMA will make the recommendations on how to change it or improve it based on the (i) and (k).

9. Develop a provider manual/conditions of participation:

Lori Weiselberg with HMA is currently working on this, but a lot of it is contingent on program design, so she's trying to do what she can on the front end.

10. Cost impact analysis:

This is a constant work in progress, which is also driven by program design and target populations.

11. Develop implementation plan:

Shane Spotts stated that they will share with the State within the next week what the framework for the implementation plan will look like. As they complete a lot of the above tasks, those will feed into the implementation plan, and HMA will update the implementation plan as tasks get completed and decisions are made.

Shane stated that they are on track for the timelines set forth in the contract. His goal is to have everything wrapped up by the end of June so that in July they can really focus on working with the council and the Division on fine tuning everything.

## **INTRODUCTION TO PROGRAM CONTROLS**

Duane Mayes stated that he has been very vocal about the fact that it is time for everyone to work together to see what reductions they can come up with that they will have to actualize once they get through the session for FY'17. He stated that AADD has made some recommendations, as has the Save the Waiver group, Key Coalition, and others. Some of the recommendations that have been brought up are included in SB 74 and HB 227. One of the recommendations is an explanation of benefits provided to families to enable families to cooperate with the Division to ensure every cost is accounted for.

Duane Mayes stated that another program controlling measure is implementing soft caps and establishing a methodology to establish what those soft caps will be to certain services. He encouraged all council members to reach out to their respective groups to get feedback and suggestions to help the Division figure out how to go forward with the reductions that are going to be imposed on them.

Another cost controlling mechanism is Smart Home technology. Jon Sherwood cautioned that with the use of Smart Home technology, there will need to be a tradeoff of direct hands-on services that people will need to be aware of. Allison Lee stated that there are a couple of states with a dual model of Smart Home technology and direct hands-on service. She stated that she will research that information.

Duane Mayes stated that another recommendation that has been made, and SDS has been exploring, is a voucher system for medical supplies and other needed items to be purchased through the open market.

The Division also has to figure out a way to curb transportation costs. Jon Sherwood noted that if the new tribal policy is implemented, the State will start actualizing transportation savings.

Duane noted that telepractice, telehealth, and telecommunication are other recommended areas for cost savings. The Trust has provided MHTAAR funding for a full-time telehealth coordinator for SDS. SDS is also meeting internally to develop a work plan to expand the use of telehealth beyond the current use of ALI waiver and PCA reassessments. Duane asked the council members to think about additional suggestions or recommendations regarding expanding the use of telepractice. He stated that going forward, SDS wants to have a strong partnership with advocates to work together to arrive at solutions that everyone is invested in.

Council members asked the best method to offer up suggestions. Duane Mayes stated that going forward, they will try to carve out some time during these council meetings for discussion, but council members are also welcomed to put their thoughts and suggestions into an e-mail to Ulf Petersen.

## **COST CONTROLS TO SHOW SAVINGS**

Shane Spotts stated that he has been speaking with Duane Mayes, Deb Etheridge, and others at

SDS about the idea that in order to make the findings of this project work, there will have to be some changes to the overall waiver programs, specifically the I/DD waiver. He reiterated that 50 percent of the users of this waiver are using 80 percent of the dollars for the entire waiver program. Regardless of the 1915(k), there will have to be some further changes to the design of the system for it to be sustainable in the future.

Shane stated that what they would like to do is open up a conversation with this council in terms of the I/DD waiver to determine the council's thoughts and ideas about how to redesign the system. He stated that part of their contract is looking at the notion behind resource allocation methodologies. What this system would look like is that someone would have a functional assessment completed, and then there would be components of the assessment that would drive an algorithm that would then help State staff and care coordinators develop a budget for an individual based on the needs. This would then create equity in the system. He stated that currently Alaska has a system that is set up where two people can be functionally very similar, have similar needs and abilities, and yet there is no parity or equity in their budgets, and it becomes a very wasteful system where they are taking away from one person to give to another.

Shane Spotts posed two questions to the council for their consideration:

1. What are council members' perspectives on the current system and how the resources are allocated? Is it inequitable or is it accurate?
2. How can they move forward and implement some changes that can help create a new system?

Pat Branson noted that the topic is fairly broad, and she would like to take some time to consider it and forward a bulleted list by e-mail. She believes there are many reasons why the resource allocation is inequitable, and she feels there is past information they can look at to be specific about what has been done and point those out.

Denise Shelton stated that a care coordinator can make a difference between a \$60,000 plan and a \$150,00 plan based on their skill and ability to develop the plans. She feels they need something more equitable. She would also like to take additional time to consider these issues.

Kim Champney agreed that in the current system, it's hard to be equitable. The functional assessment tool has to be sophisticated or flexible enough to capture the context of people's differences, even though they may appear similar. Another factor could be the level of competency of the agencies creating the plans, as well as agencies and providers delivering service models that are efficient.

Theresa Brisky agreed with Kim Champney and Denise Shelton's comments and added that she would like some additional time to think about this as well.

Banarsi Lal stated that there must be examples of cost controls that are related to making the system more efficient in states that have successfully implemented programs of Medicaid expansion. He suggested they look at some of those examples and consider the ones that have really produced some dramatic savings.

Allison Lee asked Shane Spotts if there are any states that entertain daily rates for individuals receiving services through the I/DD waiver. She stated that the 15-minute unit services compartmentalize people's lives into a service and create an institutional fraud. She feels that if they could say, "How do we support someone's life," instead of "How do we break someone's life down into 15-minute units," it would be more true to what providers are trying to do to provide the necessary supports to people. Shane stated that there are states that have daily rates, but CMS doesn't particularly like bundled payment packages, and there are some states that have significant payback to the federal government still hanging over them because they didn't document those services adequately in the bundled payment arrangement.

Kim Champney agreed with Allison Lee and added that she believes some of those high-cost waivers could be reduced if they didn't have to break the service up into 15-minute units.

**ADJOURN**

Hearing no objections, the meeting adjourned at 3:26 p.m.