



ALASKA STATE HOSPITAL &
NURSING HOME ASSOCIATION

March 1, 2022

House Finance Committee
Alaska State Capitol
120 4th Street
Juneau, AK 99801
House.Finance@akleg.gov

RE: ASHNHA Supports Increase to HSS General Relief Assisted Living Program

Dear House Finance Committee Members,

The Alaska State Hospital and Nursing Home Association (ASHNHA) represents more than 65 hospitals, skilled nursing facilities, home health agencies, and other health care partners distributed across Alaska's vast expanse of over half a million square miles, from PeaceHealth Ketchikan Medical Center in Southeast Alaska to Samuel Simmonds Memorial Hospital in Utqiagvik, north of the Arctic Circle. For over 60 years, ASHNHA members have worked together to improve health care in Alaska.

ASHNHA strongly supports the amendment adopted by the House Health & Social Services Finance Subcommittee that increases funding to the General Relief Assisted Living Program (GR Assisted Living Program) for the first time in nearly 20 years. Increasing the GR rate has the potential to significantly improve patient flow or "throughput" in Alaska's health care system, which will reduce the cost of health care over time.

The GR Assisted Living Program provides assistance to Alaskans who lack resources to meet an emergent need and are not eligible for assistance from other programs like Medicaid. In this instance, the need is for care in an assisted living facility (ALF), and an issue arises on a daily basis for individuals in hospitals or nursing homes who are medically cleared for discharge and are ready for placement into a lower-cost, lower-level of care setting like an ALF.

Alaskans who are eligible for the GR Assisted Living Program are currently being processed and approved for GR funding in a reasonable time. However, approval and processing are not the barrier or issue. Rather, ALFs are frequently put into a position where they cannot and will not accept a person on GR because the GR Assisted Living Program provides \$70 per day. This rate of \$70 has been in place and unchanged since 2002, and it is inadequate to cover ALF services

This results in a patient being stuck in a hospital setting or nursing home setting for weeks and months despite being medically cleared for discharge. Since the patients are medically



cleared, the remainder of their hospital or nursing home stay is largely uncompensated because they no longer are eligible for coverage of those services.

When these individuals cannot be placed into an ALF, they are stuck for so long in the hospital or nursing that after months, they may finally qualify for the Medicaid waiver, which pays \$170.27 per day for services in ALFs with 17 or more beds. \$170.27 is significantly higher than the GR rate of \$70 per day, so as soon as the person qualifies for Medicaid waiver, the ALFs can receive the placement because an appropriate reimbursement rate is secured.

One way of mitigating this barrier to placement is updating the GR Assisted Living Program reimbursement rate, which has not been inflated or recalculated in nearly 20 years. This should help incentivize ALFs to receive these individuals from hospitals and nursing homes, thereby reducing unnecessary stays in our highest care settings and reducing uncompensated care, which will help bring the overall cost of care down over time.

ASHNHA had the privilege of testifying on this issue before the House Ways & Means Committee in January, and during our presentation, we shared statistics from one of our facilities. At the time, the facility had 18 patients awaiting placement outside of the hospital. Those patients combined for 656 patient days, 415 of which were “avoidable,” meaning they had already been medically cleared. This means of the 656 patient days, only 241 days were necessary to occur in the hospital. The GR Assisted Living Program rate was a barrier for placement on several of those patients.

While these statistics are astounding, it may help to drill down further for context. **One of the patients referenced above had been in the hospital for 117 days. That patient could have left after 7 days**, and one of the primary reasons they could not be discharged was they were waiting to qualify for the Medicaid waiver because no ALF could accept the GR rate for them. Just last week, a hospital reported that their social worker called 18 ALFs for placement of a patient who qualified for GR. Every ALF declined the placement due to the inadequate GR rate. That patient is still in the hospital.

We appreciate your consideration of this matter, and are available to address any questions or concerns. Thank you for your service to Alaska.

Sincerely,

Jared C. Kosin, JD, MBA
President & CEO