

CS FOR HOUSE BILL NO. 83(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act making appropriations for the operating and capital expenses of the state's**
2 **integrated comprehensive mental health program; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2009 and ending June 30, 2010, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated reduction set out in this section may be allocated among the appropriations made in this section to that department, agency, or branch.

	Appropriation	General	Other
	Allocations	Items	Funds
	Funds	Funds	Funds
	* * * * *	* * * * *	
	* * * * *	Department of Administration	* * * * *
	* * * * *	* * * * *	
Legal and Advocacy Services	2,024,500	1,873,200	151,300
Office of Public Advocacy	1,723,100		
Public Defender Agency	301,400		
	* * * * *	* * * * *	
	* * * * *	Department of Corrections	* * * * *
	* * * * *	* * * * *	
Inmate Health Care	7,169,900	6,795,900	374,000
Inmate Health Care	7,169,900		
	* * * * *	* * * * *	
	* * * * *	Department of Education and Early Development	* * * * *
	* * * * *	* * * * *	
Teaching and Learning Support	539,800	339,800	200,000
Student and School Achievement	539,800		
	* * * * *	* * * * *	
	* * * * *	Department of Health and Social Services	* * * * *
	* * * * *	* * * * *	

No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the

	Appropriation	General	Other
	Allocations	Items	Funds Funds

3 Social Security Act and for optional services offered by the state under the state plan for
 4 medical assistance that has been approved by the United States Department of Health and
 5 Human Services.

6 It is the intent of the legislature that the Department continues to aggressively pursue
 7 Medicaid cost containment initiatives. Efforts should continue where the Department
 8 believes additional cost containment is possible including further efforts to contain travel
 9 expenses. The Department must continue efforts imposing regulations controlling and
 10 materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be
 11 continued utilizing existing resources to impose regulations screening applicants for
 12 Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state
 13 services. The department must address the entire matrix of optional Medicaid services,
 14 reimbursement rates and eligibility requirements that are the basis of the Medicaid growth
 15 algorithm. This work is to utilize the results of the Medicaid Assessment and Planning
 16 analysis. The legislature requests that by January 2010 the Department be prepared to present
 17 projections of future Medicaid funding requirements under our existing statute and regulations
 18 and be prepared to present and evaluate the consequences of viable policy alternatives that
 19 could be implemented to lower growth rates and reducing projections of future costs.

20 It is the intent of the legislature that the Department of Health and Social Services eliminate
 21 the requirement for narrative and financial quarterly reports for all grant recipients whose
 22 grants are \$50,000 or less. This is an unnecessary burden and is not a requirement of the
 23 federal grants.

24 It is the intent of the legislature that the Department of Health and Social Services make a
 25 single 'upfront' payment for any grant award that is \$50,000 or less and includes a signature of
 26 the grantee certifying compliance with the terms of the grant with their approved application.
 27 Signature of the grantee would also certify that if a final report certifying completion of the
 28 grant requirements is not filed, future grants will not be considered for that grantee until all
 29 requirements of prior grants are completed satisfactorily. In the event a grantee is deemed
 30 ineligible for a future grant consideration due to improper filing of final reports, the grantee
 31 will be informed about the department's procedures for future consideration of grant
 32 eligibility. The department will establish procedures to consider retroactivity for specific grant
 33 consideration or express that the retroactivity cannot be considered for certain grants during

		Appropriation	General	Other
	Allocations	Items	Funds	Funds

3 the selection process.

4	Alaska Pioneer Homes	13,757,100	13,757,100	
---	-----------------------------	-------------------	-------------------	--

5 It is the intent of the legislature that the Department maintain regulations requiring all
6 residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state
7 subsidy being provided for their care from the State Payment Assistance program.

8 It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall
9 complete any forms to determine eligibility for supplemental program funding, such as
10 Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant
11 is not able to complete the forms him/herself, or if relatives or guardians of the applicant are
12 not able to complete the forms, Department of Health and Social Services staff may complete
13 the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility
14 per AS 47.25.120.

15	Alaska Pioneer Homes	64,300		
16	Management			

17	Pioneer Homes	13,692,800		
----	---------------	------------	--	--

18	Behavioral Health	119,048,000	95,551,100	23,496,900
----	--------------------------	--------------------	-------------------	-------------------

19	AK Fetal Alcohol Syndrome	59,500		
20	Program			

21	Alcohol Safety Action	1,188,300		
22	Program (ASAP)			

23	Behavioral Health Medicaid	43,862,400		
24	Services			

25	Behavioral Health Grants	25,157,300		
----	--------------------------	------------	--	--

26 It is the intent of the legislature that the department continue developing policies and
27 procedures surrounding the awarding of recurring grants to assure that applicants are regularly
28 evaluated on their performance in achieving outcomes consistent with the expectations and
29 missions of the Department related to their specific grant. The recipient's specific
30 performance should be measured and incorporated into the decision whether to continue
31 awarding grants. Performance measurement should be standardized, accurate, objective and
32 fair, recognizing and compensating for differences among grant recipients including acuity of
33 services provided, client base, geographic location and other factors necessary and appropriate

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	to reconcile and compare grant recipient performances across the array of providers and		
4	services involved.		
5	It is the intent of the legislature that the \$181.0 increment in the FY10 budget for Behavioral		
6	Health Grants be used for the Volunteers of America ARCH residential treatment center for		
7	adolescents with substance abuse/dependency and co-occurring disorders.		
8	Behavioral Health	3,392,000	
9	Administration		
10	Community Action	1,047,200	
11	Prevention & Intervention		
12	Grants		
13	Rural Services and Suicide	2,135,700	
14	Prevention		
15	Psychiatric Emergency	7,673,000	
16	Services		
17	Services to the Seriously	12,724,200	
18	Mentally Ill		
19	Designated Evaluation and	3,031,900	
20	Treatment		
21	Services for Severely	11,947,200	
22	Emotionally Disturbed		
23	Youth		
24	Alaska Psychiatric	5,861,900	
25	Institute		
26	AK Mental Health & Alcohol	884,600	
27	& Drug Abuse Boards		
28	Suicide Prevention Council	82,800	
29	Children's Services	13,314,700	12,984,700
30	Children's Medicaid	4,185,600	
31	Services		
32	Children's Services	69,600	
33	Management		

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
3	Front Line Social Workers	148,600		
4	Family Preservation	150,000		
5	Foster Care Augmented Rate	500,000		
6	Foster Care Special Need	747,900		
7	Residential Child Care	1,956,300		
8	Infant Learning Program	5,556,700		
9	Grants			
10	Health Care Services		350,000	106,000
11	Health Planning and	456,000		
12	Infrastructure			
13	Juvenile Justice		865,900	189,200
14	McLaughlin Youth Center	654,700		
15	Fairbanks Youth Facility	103,700		
16	Bethel Youth Facility	57,100		
17	Probation Services	239,600		
18	Public Assistance		13,200	
19	Public Assistance	13,200		
20	Administration			
21	Public Health		971,800	125,000
22	Nursing	98,300		
23	Women, Children and Family	877,700		
24	Health			
25	Certification and Licensing	120,800		
26	Senior and Disabilities		13,602,200	1,455,800
27	Services			

28 It is the intent of the legislature that regulations related to the General Relief / Temporary
29 Assisted Living program be reviewed and revised as needed to minimize the length of time
30 that the state provides housing alternatives and assure the services are provided only to
31 intended beneficiaries who are actually experiencing harm, abuse or neglect. The department
32 should educate care coordinators and direct service providers about who should be referred
33 and when they are correctly referred to the program in order that referring agents correctly

	Appropriation	General	Other
	Allocations	Items	Funds
			Funds
3	match consumer needs with the program services intended by the department.		
4	General Relief/Temporary	740,300	
5	Assisted Living		
6	Senior and Disabilities	2,737,900	
7	Services Administration		
8	Senior Community Based	3,069,400	
9	Grants		
10	It is the intent of the legislature that funding in the FY 2010 budget for Senior Community		
11	Based Grants be used to invest in successful home and community based supports provided		
12	by grantees who have demonstrated successful outcomes documented in accordance with the		
13	department's performance based evaluation procedures.		
14	Community Developmental	7,924,800	
15	Disabilities Grants		
16	Commission on Aging	117,000	
17	Governor's Council on	468,600	
18	Disabilities and Special		
19	Education		
20	Departmental Support	1,453,800	1,403,800
21	Services		50,000
22	Commissioner's Office	157,800	

23 It is the intent of the legislature that the Department of Health and Social Services complete
24 the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid
25 providers:

26 1. Develop regulations addressing the use of extrapolation methodology following an audit of
27 Medicaid providers that clearly defines the difference between actual overpayment of funds to
28 a provider and ministerial omission or clerical billing error that does not result in
29 overpayment to the provider. The extrapolation methodology will also define percentage of
30 'safe harbor' overpayment rates for which extrapolation methodology will be applied.

31 2. Develop training standards and definitions regarding ministerial and billing errors versus
32 overpayments. Include the use of those standards and definitions in the State's audit contracts.

33 All audits initiated after the effective date of this intent and resulting in findings of

	Appropriation	General	Other
	Allocations	Items	Funds
1			
2			
3	overpayment will be calculated under the Department's new regulations governing		
4	overpayment standards and extrapolation methodology.		
5	It is the intent of the legislature that the department develops a ten year funding source and		
6	use of funds projection for the entire department.		
7	It is the intent of the legislature that the department continue working on implementing a		
8	provider rate rebasing process and specific funding recommendations for both Medicaid and		
9	non-Medicaid providers to be completed and available to the legislature no later than		
10	December 15, 2009.		
11	Administrative Support	91,400	
12	Services		
13	Information Technology	854,600	
14	Services		
15	HSS State Facilities Rent	350,000	
16	* * * * *	* * * * *	
17	* * * * * Department of Law * * * * *		
18	* * * * *	* * * * *	
19	Criminal Division	12,500	12,500
20	Criminal Justice	12,500	
21	Litigation		
22	Civil Division	84,500	84,500
23	Human Services and Child	84,500	
24	Protection		
25	* * * * *	* * * * *	
26	* * * * * Department of Natural Resources * * * * *		
27	* * * * *	* * * * *	
28	Resource Development	2,273,400	2,273,400
29	Mental Health Trust Lands	2,273,400	
30	Administration		
31	* * * * *	* * * * *	
32	* * * * * Department of Revenue * * * * *		
33	* * * * *	* * * * *	

		Appropriation	General	Other
		Allocations	Items	Funds
				Funds
1				
2				
3	Alaska Mental Health Trust		2,650,000	2,650,000
4	Authority			
5	Mental Health Trust	2,650,000		
6	Operations			
7		* * * * *	* * * * *	
8		* * * * * University of Alaska * * * * *		
9		* * * * *	* * * * *	
10	University of Alaska		1,917,800	300,800
11	Statewide Services	474,000		
12	Anchorage Campus	1,418,800		
13	Fairbanks Campus	25,000		
14		* * * * *	* * * * *	
15		* * * * * Alaska Court System * * * * *		
16		* * * * *	* * * * *	
17	Alaska Court System		1,812,300	837,000
18	Budget requests from agencies of the Judicial Branch are transmitted as requested.			
19	Trial Courts	227,000		
20	Therapeutic Courts	1,585,300		
21	It is the intent of the legislature that, as much as is possible, FY 2011 funding for Therapeutic			
22	Courts currently appropriated in other agencies be aggregated in the Therapeutic Courts			
23	allocation within the Alaska Court System.			
24	(SECTION 2 OF THIS ACT BEGINS ON PAGE 10)			

1 * **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of
2 this Act.

3	Funding Source	Amount
4	Department of Administration	
5	1037 General Fund / Mental Health	1,873,200
6	1092 Mental Health Trust Authority Authorized	151,300
7	Receipts	
8	*** Total Agency Funding ***	\$2,024,500
9	Department of Corrections	
10	1037 General Fund / Mental Health	6,795,900
11	1092 Mental Health Trust Authority Authorized	374,000
12	Receipts	
13	*** Total Agency Funding ***	\$7,169,900
14	Department of Education and Early Development	
15	1037 General Fund / Mental Health	339,800
16	1092 Mental Health Trust Authority Authorized	200,000
17	Receipts	
18	*** Total Agency Funding ***	\$539,800
19	Department of Health and Social Services	
20	1037 General Fund / Mental Health	139,499,800
21	1092 Mental Health Trust Authority Authorized	6,833,000
22	Receipts	
23	1180 Alcohol and Other Drug Abuse Treatment &	18,919,900
24	Prevention Fund	
25	*** Total Agency Funding ***	\$165,252,700
26	Department of Law	
27	1037 General Fund / Mental Health	84,500
28	1092 Mental Health Trust Authority Authorized	12,500
29	Receipts	
30	*** Total Agency Funding ***	\$97,000
31	Department of Natural Resources	

1	1092 Mental Health Trust Authority Authorized	2,273,400
2	Receipts	
3	*** Total Agency Funding ***	\$2,273,400
4	Department of Revenue	
5	1094 Mental Health Trust Administration	2,650,000
6	*** Total Agency Funding ***	\$2,650,000
7	University of Alaska	
8	1037 General Fund / Mental Health	300,800
9	1092 Mental Health Trust Authority Authorized	1,617,000
10	Receipts	
11	*** Total Agency Funding ***	\$1,917,800
12	Alaska Court System	
13	1037 General Fund / Mental Health	837,000
14	1092 Mental Health Trust Authority Authorized	975,300
15	Receipts	
16	*** Total Agency Funding ***	\$1,812,300
17	***** Total Budget *****	\$183,737,400

18 (SECTION 3 OF THIS ACT BEGINS ON PAGE 12)

1 * **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of
2 this Act.

3	Funding Source	Amount
4	General Funds	
5	1037 General Fund / Mental Health	149,731,000
6	***Total General Funds***	\$149,731,000
7	Federal Funds	
8	***Total Federal Funds***	\$0
9	Other Non-Duplicated Funds	
10	1092 Mental Health Trust Authority Authorized	12,436,500
11	Receipts	
12	1094 Mental Health Trust Administration	2,650,000
13	1180 Alcohol and Other Drug Abuse Treatment &	18,919,900
14	Prevention Fund	
15	***Total Other Non-Duplicated Funds***	\$34,006,400
16	Duplicated Funds	
17	***Total Duplicated Funds***	\$0

18 (SECTION 4 OF THIS ACT BEGINS ON PAGE 13)

1 * **Sec. 4.** The following appropriation items are for capital projects and grants from the
 2 general fund or other funds as set out in section 5 of this Act by funding source to the
 3 agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise
 4 noted.

	Appropriation	General	Other
	Allocations	Items	Funds
	* * * * *	* * * * *	
	* * * * * Department of Transportation/Public Facilities * * * * *		
	* * * * *	* * * * *	
10	Coordinated Transportation	1,100,000	800,000
11	and Vehicles (HD 1-40)		300,000

12 (SECTION 5 OF THIS ACT BEGINS ON PAGE 14)

1 * **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of
2 this Act.

3 Funding Source Amount

4 **Department of Transportation/Public Facilities**

5 1037 General Fund / Mental Health 800,000

6 1092 Mental Health Trust Authority Authorized Receipts 300,000

7 *** Total Agency Funding *** \$1,100,000

8 * * * * * Total Budget * * * * * \$1,100,000

9 (SECTION 6 OF THIS ACT BEGINS ON PAGE 15)

1 * **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of
2 this Act.

3	Funding Source	Amount
4	General Funds	
5	1037 General Fund / Mental Health	800,000
6	***Total General Funds***	\$800,000
7	Federal Funds	
8	***Total Federal Funds***	\$0
9	Other Non-Duplicated Funds	
10	1092 Mental Health Trust Authority Authorized	300,000
11	Receipts	
12	***Total Other Non-Duplicated Funds***	\$300,000
13	Duplicated Funds	
14	***Total Duplicated Funds***	\$0

15 (SECTION 7 OF THIS ACT BEGINS ON PAGE 16)

1 * **Sec. 7. PURPOSE.** In accordance with AS 37.14.003 and 37.14.005, the appropriations
2 made by this Act are for the state's integrated comprehensive mental health program.

3 * **Sec. 8. NONGENERAL FUND RECEIPTS.** (a) Alaska Mental Health Trust Authority
4 authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the
5 amounts appropriated by this Act are appropriated conditioned upon compliance with the
6 program review provisions of AS 37.07.080(h).

7 (b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or
8 administration receipts (AS 37.14.036) fall short of the estimates appropriated in this Act, the
9 affected appropriation is reduced by the amount of the shortfall in receipts.

10 * **Sec. 9. SALARY AND BENEFIT ADJUSTMENTS.** (a) The appropriations made in sec.
11 1 of this Act include amounts for salary and benefit adjustments for public officials, officers,
12 and employees of the executive branch, Alaska Court System employees, employees of the
13 legislature, and legislators and to implement the terms for the fiscal year ending June 30,
14 2010, of the following ongoing collective bargaining agreements:

15 (1) Alaska Public Employees Association, for the confidential unit;

16 (2) Alaska State Employees Association, for the general government unit;

17 (3) Alaska Public Employees Association, for the supervisory unit;

18 (4) Alaska Vocational Technical Center Teachers' Association - National
19 Education Association, for employees of the Alaska Vocational Technical Center;

20 (5) Public Safety Employees Association, for regularly commissioned public
21 safety officers.

22 (b) The operating budget appropriations made to the University of Alaska in this Act
23 include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2010,
24 for university employees who are not members of a collective bargaining unit and for
25 implementing the monetary terms of the collective bargaining agreements including the terms
26 of the agreement providing for the health benefit plan for university employees represented by
27 the following entities:

28 (1) Alaska Higher Education Crafts and Trades Employees;

29 (2) University of Alaska Federation of Teachers;

30 (3) United Academics;

31 (4) United Academics-Adjuncts.

1 (c) If a collective bargaining agreement listed in (b) of this section is not ratified by
2 the membership of the respective collective bargaining unit, the appropriations made by this
3 Act that are applicable to that collective bargaining unit's agreement are reduced
4 proportionately by the amount for that collective bargaining agreement, and the corresponding
5 funding source amounts are reduced accordingly.

6 (d) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as
7 described in (a) and (b) of this section are for the benefit of the state's integrated
8 comprehensive mental health program only and do not necessarily affect every group of
9 noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

10 * **Sec. 10.** This Act takes effect July 1, 2009.