

26-GH2825\T
Bailey
3/23/10

SENATE CS FOR CS FOR HOUSE BILL NO. 302(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE 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)

1 * **Section 1.** The following appropriation items are for operating expenditures from the
 2 general fund or other funds as set out in section 2 of this Act to the agencies named for the
 3 purposes expressed for the fiscal year beginning July 1, 2010 and ending June 30, 2011,
 4 unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated
 5 reduction set out in this section may be allocated among the appropriations made in this
 6 section to that department, agency, or branch.

	Appropriation	General	Other
	Allocations	Items	Funds
	*****	*****	
	***** Department of Administration *****		
	*****	*****	
Legal and Advocacy Services	2,041,600	1,890,300	151,300
Office of Public Advocacy	1,739,200		
Public Defender Agency	302,400		
	*****	*****	
	***** Department of Corrections *****		
	*****	*****	
Inmate Health Care	5,562,400	5,188,400	374,000
Behavioral Health Care	5,562,400		
Offender Habilitation	1,611,500	1,611,500	
It is the intent of the legislature that the Department of Corrections will provide detailed			
information to the legislature on a quarterly basis regarding the success of the Offender			
Habilitation programs with a strong focus on performance and outcomes.			
Substance Abuse Treatment	1,611,500		
Program			
	*****	*****	
	***** Department of Education and Early Development *****		
	*****	*****	
Teaching and Learning Support	551,800	339,800	212,000
Student and School	551,800		
Achievement			

	Appropriation	General	Other
	Allocations	Funds	Funds
	*****	*****	
	***** Office of the Governor *****		
	*****	*****	
6	Executive Operations	100,000	100,000
7	Executive Office	100,000	
8	*****	*****	
9	***** Department of Health and Social Services *****		
10	*****	*****	

11 It is the intent of the legislature that the Department continues to aggressively pursue
12 Medicaid cost containment initiatives. Efforts should continue where the Department
13 believes additional cost containment is possible including further efforts to contain travel
14 expenses. The Department must continue efforts imposing regulations controlling and
15 materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be
16 continued utilizing existing resources to impose regulations screening applicants for
17 Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state
18 services. The department must address the entire matrix of optional Medicaid services,
19 reimbursement rates and eligibility requirements that are the basis of the Medicaid growth
20 algorithm. This work is to utilize the results of the Medicaid Assessment and Planning
21 analysis. The legislature requests that by January 2011 the Department be prepared to present
22 projections of future Medicaid funding requirements under our existing statute and regulations
23 and be prepared to present and evaluate the consequences of viable policy alternatives that
24 could be implemented to lower growth rates and reducing projections of future costs.

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

29 It is the intent of the legislature that the Department of Health and Social Services make a
30 single 'upfront' payment for any grant award that is \$50,000 or less and includes a signature of
31 the grantee certifying compliance with the terms of the grant with their approved application.
32 Signature of the grantee would also certify that if a final report certifying completion of the
33 grant requirements is not filed, future grants will not be considered for that grantee until all

1	Appropriation	General	Other
2	Allocations	Items	Funds Funds

3 requirements of prior grants are completed satisfactorily. In the event a grantee is deemed
4 ineligible for a future grant consideration due to improper filing of final reports, the grantee
5 will be informed about the department's procedures for future consideration of grant
6 eligibility. The department will establish procedures to consider retroactivity for specific grant
7 consideration or express that the retroactivity cannot be considered for certain grants during
8 the selection process.

9 It is the intent of the legislature that the Department of Health and Social Services continue
10 the Medicaid Reform work to improve efficiency and slow the need for General Funds in the
11 Medicaid program. Specifically, but not exclusively, the Department is to:

- 12 1) Complete the evaluation of possible changes to program design, determine waiver changes
13 necessary to secure federal funding and report back to the First Session of the 27th Alaska
14 Legislature on suggested changes, expected outcomes related to Medicaid sustainability, and
15 resources needed to accomplish the work.
- 16 2) Develop and implement public provider reimbursement methodologies and payment rates
17 that will further the goals of Medicaid Reform.
- 18 3) Continue and enhance the State and Tribal Medicaid work and partnership to enhance our
19 ability to provide Medicaid services through Tribal Health Organizations.

20 It is the intent of the legislature that the Department of Health and Social Services continue
21 and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid
22 program.

23 It is the intent of the legislature that the Department of Health and Social Services continue
24 and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid
25 program.

26 **Alaska Pioneer Homes** **13,763,300** **13,763,300**

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

30 It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall
31 complete any forms to determine eligibility for supplemental program funding, such as
32 Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant
33 is not able to complete the forms him/herself, or if relatives or guardians of the applicant are

	Appropriation	General	Other
	Allocations	Items	Funds
			Funds
1			
2			
3	not able to complete the forms, Department of Health and Social Services staff may complete		
4	the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility		
5	per AS 47.25.120.		
6	Alaska Pioneer Homes	64,300	
7	Management		
8	Pioneer Homes	13,699,000	
9	Behavioral Health	81,486,300	77,284,000
10	AK Fetal Alcohol Syndrome	459,500	
11	Program		
12	It is the intent of the legislature that AK Fetal Alcohol Syndrome Programs located in Juneau,		
13	Kenai, Sitka, and Bethel be expanded.		
14	Alcohol Safety Action	1,188,300	
15	Program (ASAP)		
16	Behavioral Health Grants	27,500,600	
17	It is the intent of the legislature that \$375,000 of this appropriation be used to fund Soteria-		
18	Alaska, Inc., which is a home-like, healing environment for Alaskan adults who are newly		
19	diagnosed with mental illness.		
20	It is the intent of the legislature that the department continue developing policies and		
21	procedures surrounding the awarding of recurring grants to assure that applicants are regularly		
22	evaluated on their performance in achieving outcomes consistent with the expectations and		
23	missions of the Department related to their specific grant. The recipient's specific		
24	performance should be measured and incorporated into the decision whether to continue		
25	awarding grants. Performance measurement should be standardized, accurate, objective and		
26	fair, recognizing and compensating for differences among grant recipients including acuity of		
27	services provided, client base, geographic location and other factors necessary and appropriate		
28	to reconcile and compare grant recipient performances across the array of providers and		
29	services involved.		
30	Behavioral Health	4,239,100	
31	Administration		
32	Community Action	1,547,200	
33	Prevention & Intervention		

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Grants		
4	Rural Services and Suicide	2,415,700	
5	Prevention		
6	Psychiatric Emergency	6,687,600	
7	Services		
8	Services to the Seriously	13,524,200	
9	Mentally Ill		
10	Designated Evaluation and	3,867,300	
11	Treatment		
12	Services for Severely	12,897,200	
13	Emotionally Disturbed		
14	Youth		
15	Alaska Psychiatric	6,154,200	
16	Institute		
17	Alaska Mental Health Board	922,600	
18	and Advisory Board on		
19	Alcohol and Drug Abuse		
20	Suicide Prevention Council	82,800	
21	Children's Services	10,935,900	10,405,900
22	Children's Services	69,600	
23	Management		
24	It is the intent of the legislature that the Office of Children's Services shall effectively use		
25	these funds to address the stated foster youth stability and success goals stated below:		
26	\$85,000: Supplement Employment Training Vouchers for youth covered by the Independent		
27	Living Program.		
28	\$55,000: Fund an additional 10 University of Alaska Presidential Tuition Waivers beyond the		
29	annual 10 waivers funded by the University.		
30	\$35,000: Television ads to recruit foster parents in shortage areas, including ads on highly		
31	watched television programs (\$30,000); annual mailing to foster parents on the OCS		
32	FosterWear discount clothing plan (\$5,000).		
33	Front Line Social Workers	148,600	

	Appropriation	General	Other	
	Allocations	Items	Funds	Funds
3	Family Preservation	500,000		
4	Foster Care Augmented Rate	500,000		
5	It is the intent of the legislature that the Office of Children's Services shall effectively use			
6	these funds to address the stated foster youth stability and success goals stated below:			
7	\$100,000: Housing assistance for youth facing the prospect of homelessness after receiving			
8	the existing short-term rental help currently offered by the Independent Living Program.			
9	Foster Care Special Need	747,900		
10	It is the intent of the legislature that the Office of Children's Services shall effectively use			
11	these funds to address the stated foster youth stability and success goals stated below:			
12	\$80,000: These funds shall be used to permit foster youth who move between placements to			
13	stay, when in the youth's best interest, in their original school for the remainder of the school			
14	term. These funds shall not be used for those "homeless" youth already being provided			
15	school stability services under the Federal McKinney-Vento Act.			
16	Residential Child Care	3,238,100		
17	Infant Learning Program	5,731,700		
18	Grants			
19	Health Care Services	817,000	350,000	467,000
20	Health Planning and	817,000		
21	Infrastructure			
22	Juvenile Justice	1,055,100	865,900	189,200
23	McLaughlin Youth Center	654,700		
24	Fairbanks Youth Facility	103,700		
25	Bethel Youth Facility	57,100		
26	Probation Services	239,600		
27	It is the intent of the legislature that \$115,000 of this appropriation and one PFT position for			
28	Probation Services be used to review the Aggression Replacement Training program, and			
29	provide program oversight and quality assurance.			
30	Public Assistance	13,200	13,200	
31	Public Assistance	13,200		
32	Administration			
33	Public Health	1,047,900	972,900	75,000

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	Nursing	98,300	
4	Women, Children and Family	828,800	
5	Health		
6	Certification and Licensing	120,800	
7	Senior and Disabilities	15,372,400	14,104,200
8	Services		1,268,200
9	General Relief/Temporary	740,300	
10	Assisted Living		
11	It is the intent of the legislature that regulations related to the General Relief / Temporary		
12	Assisted Living program be reviewed and revised as needed to minimize the length of time		
13	that the state provides housing alternatives and assure the services are provided only to		
14	intended beneficiaries who are actually experiencing harm, abuse or neglect. The department		
15	should educate care coordinators and direct service providers about who should be referred		
16	and when they are correctly referred to the program in order that referring agents correctly		
17	match consumer needs with the program services intended by the department.		
18	Senior and Disabilities	3,042,400	
19	Services Administration		
20	Senior Community Based	2,809,100	
21	Grants		
22	It is the intent of the legislature that funding in the FY 2011 budget for Senior Community		
23	Based Grants be used to invest in successful home and community based supports provided		
24	by grantees who have demonstrated successful outcomes documented in accordance with the		
25	department's performance based evaluation procedures.		
26	Community Developmental	7,924,800	
27	Disabilities Grants		
28	Commission on Aging	117,400	
29	Governor's Council on	738,400	
30	Disabilities and Special		
31	Education		
32	Departmental Support	1,463,800	1,403,800
33	Services		60,000

	Appropriation	General	Other
	Allocations	Items	Funds
			Funds
1 Behavioral Health Medicaid	52,050,300		
2 Services			
3 It is the intent of the legislature that \$553,500 of this appropriation be used to fund an increase			
4 in level V residential treatment reimbursement rates for part of the fiscal year when the			
5 department has completed its cost/rate review, and/or as a means of avoiding closure of level			
6 V facilities who haven't had a rate increase in nearly 5 years. The department should			
7 complete its rate/cost review and report back to the legislature by January 31, 2011 on the			
8 need for level V rate increases.			
9 Children's Medicaid	2,903,800		
10 Services			
11	*****	*****	
12	***** Department of Law *****		
13	*****	*****	
14 Civil Division		86,000	86,000
15 Human Services	86,000		
16	*****	*****	
17	***** Department of Natural Resources *****		
18	*****	*****	
19 Resource Development		2,360,000	2,360,000
20 Mental Health Trust Lands	2,360,000		
21 Administration			
22	*****	*****	
23	***** Department of Revenue *****		
24	*****	*****	
25 Alaska Mental Health Trust		2,849,800	91,500
26 Authority			2,758,300
27 Mental Health Trust	2,758,300		
28 Operations			
29 Long Term Care Ombudsman	91,500		
30 Office			

	Appropriation	General	Other
	Allocations	Funds	Funds
	*****	*****	
	***** University of Alaska *****		
	*****	*****	
6	It is the intent of the legislature that future requests by the University of Alaska for		
7	Unrestricted General Funds move toward a long-term goal of 125 percent of actual University		
8	Receipts for the most recently closed fiscal year.		
9	Budget Reductions/Additions	18,100	18,100
10	Budget Reductions/Additions	18,100	
11	- Systemwide		
12	Statewide Programs and	805,600	392,900
13	Services		412,700
14	Statewide Services	805,600	
15	University of Alaska	1,387,800	194,800
16	Anchorage		
17	Anchorage Campus	1,387,800	
18	University of Alaska	87,500	87,500
19	Fairbanks		
20	Fairbanks Campus	87,500	
21	*****	*****	
22	***** Alaska Court System *****		
23	*****	*****	
24	Alaska Court System	1,800,900	845,600
25	Trial Courts	227,000	
26	Therapeutic Courts	1,573,900	
27	(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)		

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	1,890,300
6	1092 Mental Health Trust Authority Authorized	151,300
7	Receipts	
8	*** Total Agency Funding ***	\$2,041,600
9	Department of Corrections	
10	1037 General Fund / Mental Health	6,799,900
11	1092 Mental Health Trust Authority Authorized	374,000
12	Receipts	
13	*** Total Agency Funding ***	\$7,173,900
14	Department of Education and Early Development	
15	1037 General Fund / Mental Health	339,800
16	1092 Mental Health Trust Authority Authorized	212,000
17	Receipts	
18	*** Total Agency Funding ***	\$551,800
19	Office of the Governor	
20	1092 Mental Health Trust Authority Authorized	100,000
21	Receipts	
22	*** Total Agency Funding ***	\$100,000
23	Department of Health and Social Services	
24	1037 General Fund / Mental Health	153,917,400
25	1092 Mental Health Trust Authority Authorized	6,791,700
26	Receipts	
27	1180 Alcohol and Other Drug Abuse Treatment &	20,199,900
28	Prevention Fund	
29	*** Total Agency Funding ***	\$180,909,000
30	Department of Law	
31	1037 General Fund / Mental Health	86,000

1	*** Total Agency Funding ***	\$86,000
2	Department of Natural Resources	
3	1092 Mental Health Trust Authority Authorized	2,360,000
4	Receipts	
5	*** Total Agency Funding ***	\$2,360,000
6	Department of Revenue	
7	1037 General Fund / Mental Health	91,500
8	1094 Mental Health Trust Administration	2,758,300
9	*** Total Agency Funding ***	\$2,849,800
10	University of Alaska	
11	1037 General Fund / Mental Health	605,800
12	1092 Mental Health Trust Authority Authorized	1,693,200
13	Receipts	
14	*** Total Agency Funding ***	\$2,299,000
15	Alaska Court System	
16	1037 General Fund / Mental Health	845,600
17	1092 Mental Health Trust Authority Authorized	955,300
18	Receipts	
19	*** Total Agency Funding ***	\$1,800,900
20	* * * * * Total Budget * * * * *	\$200,172,000
21	(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)	

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	Unrestricted General Funds	
5	1037 General Fund / Mental Health	164,576,300
6	***Total Unrestricted General Funds***	\$164,576,300
7	Designated General Funds	
8	1180 Alcohol and Other Drug Abuse Treatment &	20,199,900
9	Prevention Fund	
10	***Total Designated General Funds***	\$20,199,900
11	Other Non-Duplicated Funds	
12	1092 Mental Health Trust Authority Authorized	12,637,500
13	Receipts	
14	1094 Mental Health Trust Administration	2,758,300
15	***Total Other Non-Duplicated Funds***	\$15,395,800
16	Federal Funds	
17	***Total Federal Funds***	\$0
18	Duplicated Funds	
19	***Total Duplicated Funds***	\$0

20 (SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

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

	Appropriation	General	Other
	Allocations	Items	Funds
	*****	*****	
	***** Department of Health and Social Services *****		
	*****	*****	
9	MH Deferred Maintenance	500,000	500,000
10	and Accessibility		
11	Improvements (HD 1-40)		

12 (SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

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 Health and Social Services	
5	1037 General Fund / Mental Health	500,000
6	*** Total Agency Funding ***	\$500,000
7	* * * * * Total Budget * * * * *	\$500,000

8 (SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

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	Unrestricted General Funds	
5	1037 General Fund / Mental Health	500,000
6	***Total Unrestricted General Funds***	\$500,000
7	Designated General Funds	
8	***Total Designated General Funds***	\$0
9	Other Non-Duplicated Funds	
10	***Total Other Non-Duplicated Funds***	\$0
11	Federal Funds	
12	***Total Federal Funds***	\$0
13	Duplicated Funds	
14	***Total Duplicated Funds***	\$0

15 (SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

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 2011, of the following collective bargaining agreements:

15 (1) Marine Engineers' Beneficial Association, representing licensed engineers
16 employed by the Alaska marine highway system;

17 (2) Inlandboatmen's Union of the Pacific, representing the unlicensed marine
18 unit;

19 (3) International Organization of Masters, Mates, and Pilots, for the masters,
20 mates, and pilots unit;

21 (4) Public Safety Employees Association, representing regularly
22 commissioned public safety officers;

23 (5) Alaska Vocational Technical Center Teachers' Association - National
24 Education Association, representing employees of the Alaska Vocational Technical Center.

25 (b) The operating budget appropriations made to the University of Alaska in sec. 1 of
26 this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30,
27 2011, for university employees who are not members of a collective bargaining unit and for
28 implementing the monetary terms of the collective bargaining agreements including the terms
29 of the agreement providing for the health benefit plan for university employees represented by
30 the following entities:

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

- 1 (2) University of Alaska Federation of Teachers;
2 (3) United Academics;
3 (4) United Academics-Adjuncts.

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

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

13 * **Sec. 10.** This Act takes effect July 1, 2010.