

# House Finance Committee

Department of Health and Social Services

February 3, 2020



To promote and protect the health and well-being of Alaskans.

Presented by: Adam Crum, Commissioner

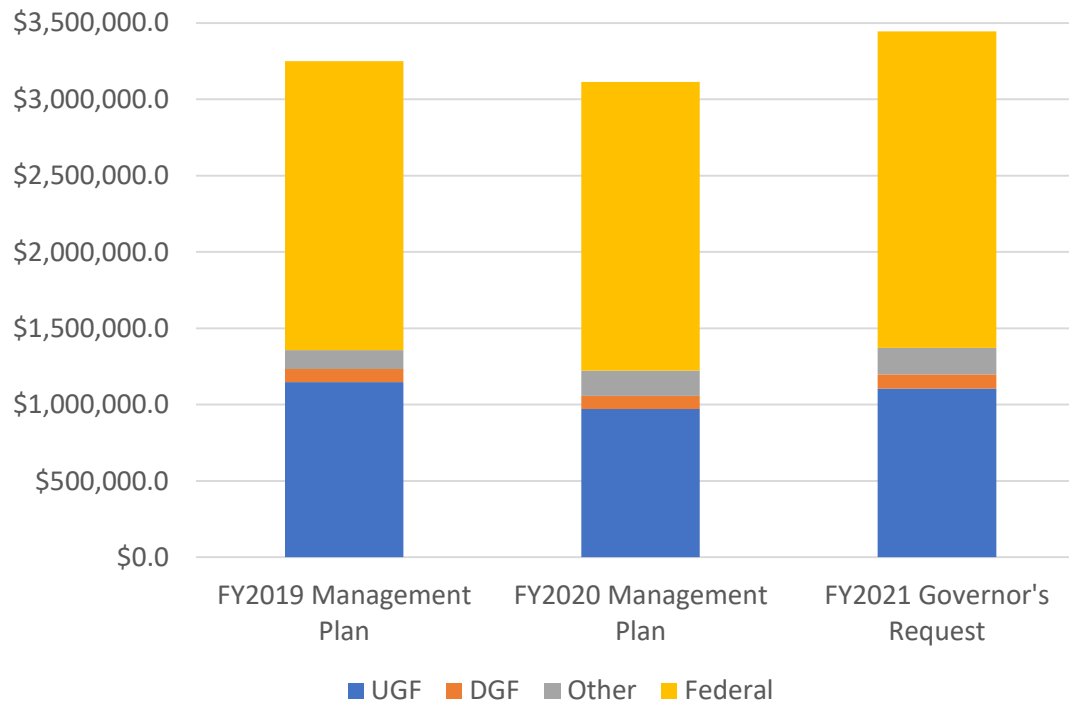
Sana Efird, Assistant Commissioner

Renee Gayhart, Health Care Services Director

# Department of Health and Social Services

## FY2021 Operating Budget Comparison (in thousands)

	FY2019 Management Plan	FY2020 Management Plan	FY2021 Governor's Request	Difference FY19 and FY21	% Difference Between FY19 and FY21
UGF	\$1,146,733.1	\$971,106.4	\$1,104,853.4	\$(41,879.7)	-3.7%
DGF	\$87,213.1	\$86,729.9	\$93,536.8	\$6,323.7	7.3%
Other	\$123,855.6	\$165,451.7	\$174,547.8	\$50,692.2	40.9%
Federal	\$1,892,149.7	\$1,891,118.7	\$2,072,259.0	\$180,109.3	9.5%
<b>Total</b>	<b>\$3,249,951.5</b>	<b>\$3,114,406.7</b>	<b>\$3,445,197.0</b>	<b>\$195,245.5</b>	<b>6.0%</b>



# Health and Social Services

## FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 971,106.4	\$ 1,104,853.4	\$ 133,747.0	13.8%
DGF	\$ 86,729.9	\$ 93,536.8	\$ 6,806.9	0.0%
Other	\$ 165,451.7	\$ 174,547.8	\$ 9,096.1	5.5%
Federal	\$ 1,891,118.7	\$ 2,072,259.0	\$ 181,140.3	9.6%
<b>Total</b>	<b>\$ 3,114,406.7</b>	<b>\$ 3,445,197.0</b>	<b>\$ 330,790.3</b>	<b>10.6%</b>



# FY2021 DHSS Proposed Operating Budget Changes

Component	Title/Description	Trans Type	\$ (Thousands)	Funding
Alaska Pioneer Homes Payment Assistance	Add Authority for Alaska Pioneer Homes Payment Assistance	Inc	5,000.0	UGF
Pioneer Homes	Reduce Authority to Align with Anticipated Revenue and Expenditures	Dec	(2,592.2) (6,300.0) (1,107.8)	GF/Prgm I/A Rcpts Stat Desig
Alaska Psychiatric Institute	Add Authority to Achieve Full Capacity at the Alaska Psychiatric Institute	Cntngt	1,094.2 5,149.0 1,435.0 1,688.2	UGF I/A Rcpts GF/MH Stat Desig
Behavioral Health Treatment and Recovery Grants	Fund Source Change (\$11,400.0)	FndChg	(11,400.0) 11,400.0	GF/MH MET Fund
Front Line Social Workers	Add Authority for Staff Retention	Inc	1,500.0	Fed Rcpts
Family Preservation	Add Authority for Title IV-E Reimbursement for Legal Representation for Parents	Inc	1,200.0	Fed Rcpts
Adult Public Assistance	Restore Adult Public Assistance Payment MOE Methodology	Inc	7,471.2	G/F Match
Women, Children and Family Health	Transfer Parents as Teachers Program from the Department of Education and Early Development for Better Alignment	Atrin	474.7	Gen Fund
Early Intervention/Infant Learning Programs	Add Authority for Children and Families Preschool Development Grant (Grant was not awarded to division and authority will be adjusted.)	Inc	7,000.0	Fed Rcpts
Senior and Disabilities Services Administration	Add Authority for Electronic Visit Verification System Maintenance and Operation	Inc	412.5 137.5	Fed Rcpts G/F Match
Commissioner's Office	Add Four Positions to the Commissioner's Office for Reorganization	Inc	253.2 379.7	Fed Rcpts Gen Fund
Medicaid Services	Add Authority for Medicaid Services	Inc	143,400.0 120,000.0	Fed Rcpts G/F Match
Adult Preventative Dental Medicaid Services	Restore Adult Preventative Dental Program	Inc	18,730.9 8,273.6	Fed Rcpts G/F Match

Department of Health and Social Services  
FY2021 Fund Source Breakdown by Fund Category (in thousands)

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula	\$ 817,475.2	\$ 7,002.3	\$ 824,477.5	\$ 48,393.2	\$ 1,832,451.6	\$ 2,705,322.3	31
Non-Formula	\$ 287,378.2	\$86,534.5	\$ 373,912.7	\$ 126,154.6	\$ 239,807.4	\$ 739,874.7	3,378
*Duplicate				\$ (131,523.0)		\$ (131,523.0)	
<b>Non-Duplicate Total</b>	<b>\$ 1,104,853.4</b>	<b>\$93,536.8</b>	<b>\$ 1,198,390.2</b>	<b>\$ 43,024.8</b>	<b>\$2,072,259.0</b>	<b>\$ 3,313,674.0</b>	

UGF	1003 General Fund Match	\$746,076.2
	1004 General Fund	\$224,004.2
	1037 General Fund Mental Health	\$134,773.0
DGF	1005 General Fund Program Receipts	\$42,266.7
	1168 Tobacco Fund	\$9,092.7
	1180 Alcohol Fund	\$20,624.5
	1246 Recidivism Reduction Fund	\$7,429.4
	1247 Medicaid Recoveries	\$219.8
	1254 Marijuana Education Treatment	\$13,903.7
	1007 Inter-Agency Receipts (Duplicate)	\$110,733.1
Other	1050 PFD Fund (Duplicate)	\$17,724.7
	1061 Capital Improvement Project Receipts (Duplicate)	\$2,920.4
	1092 Mental Health Trust Authority	\$2,636.4
	1108 Statutory Designated Program Receipts	\$40,388.4
	1171 Restorative Justice (Duplicate)	\$144.8
Fed	1013 Alcoholism and Drug Abuse Revolving Loan Fund	\$2.0
	1002 Federal Receipts	\$2,072,257.0



# Health and Social Services

## Alaska Pioneer Homes

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 27,340.3	\$ 32,351.9	\$ 5,011.6	18.3%
DGF	\$ 30,139.2	\$ 27,907.8	\$ (2,231.4)	-7.4%
Other	\$ 43,832.3	\$ 36,647.8	\$ (7,184.5)	-16.4%
Federal	\$ 1,577.8	\$ 1,594.2	\$ 16.4	1.0%
Total	\$ 102,889.6	\$ 98,501.7	\$ (4,387.9)	-4.3%

- Add Authority for Alaska Pioneer Homes Payment Assistance \$5,000.0 UGF.
- Reduce Authority to Align with Anticipated Revenue and Expenditures. (\$2,592.2) DGF, (\$7,407.8) Other.



# Health and Social Services

## Alaska Psychiatric Institute

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 12,326.4	\$ 14,927.6	\$ 2,601.2	21.1%
DGF	\$ -	\$ -	\$ -	0.0%
Other	\$ 33,966.5	\$ 40,449.0	\$ 6,482.5	19.1%
Federal	\$ -	\$ -	\$ -	0.0%
<b>Total</b>	<b>\$ 46,292.9</b>	<b>\$ 55,376.6</b>	<b>\$ 9,083.7</b>	<b>19.6%</b>

- Add Authority to Achieve Full Capacity at the Alaska Psychiatric Institute. \$2,529.2 UGF, \$6,837.2 Other.



# Health and Social Services

## Division of Behavioral Health

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 39,179.1	\$ 27,412.2	\$ (11,766.9)	-30.0%
DGF	\$ 29,111.0	\$ 38,281.4	\$ 9,170.4	0.0%
Other	\$ 5,293.4	\$ 5,219.0	\$ (74.4)	-1.4%
Federal	\$ 20,405.9	\$ 20,434.9	\$ 29.0	0.0%
<b>Total</b>	<b>\$ 93,989.4</b>	<b>\$ 91,347.5</b>	<b>\$ (2,641.9)</b>	<b>-2.8%</b>

- In FY2021 a Fund Change from UGF (\$11,400.0) to MET Fund (DGF) \$11,400.0.





# Health and Social Services

## Office of Children's Services

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 91,824.6	\$ 92,275.3	\$ 450.7	0.5%
DGF	\$ 5,673.3	\$ 5,600.0	\$ (73.3)	-1.3%
Other	\$ 8,123.7	\$ 8,128.0	\$ 4.3	0.1%
Federal	\$ 63,631.6	\$ 66,602.3	\$ 2,970.7	4.7%
<b>Total</b>	<b>\$ 169,253.2</b>	<b>\$ 172,605.6</b>	<b>\$ 3,352.4</b>	<b>2.0%</b>

- Staff Retention and Wellness Initiatives \$1,500.0 Federal.
- Title IV-E Reimbursement for Legal Representation for Parents \$1,200.0 Federal.



# Health and Social Services

## Health Care Services

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 8,406.0	\$ 7,871.3	\$ (534.7)	-6.4%
DGF	\$ 2,093.2	\$ 1,959.1	\$ (134.1)	-6.4%
Other	\$ 925.5	\$ 642.3	\$ (283.2)	-30.6%
Federal	\$ 10,424.7	\$ 9,676.3	\$ (748.4)	-7.2%
<b>Total</b>	<b>\$ 21,849.4</b>	<b>\$ 20,149.0</b>	<b>\$ (1,700.4)</b>	<b>-7.8%</b>

- Transfer Office of Rate Review to Commissioner's Office



# Health and Social Services

## Division of Juvenile Justice

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 55,818.5	\$ 56,405.8	\$ 587.3	1.1%
Other	\$ 1,396.7	\$ 1,318.1	\$ (78.6)	-5.6%
Federal	\$ 1,529.9	\$ 1,531.8	\$ 1.9	0.1%
Total	\$ 58,745.1	\$ 59,255.7	\$ 510.6	0.9%



# Health and Social Services

## Division of Public Assistance

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 122,442.7	\$ 130,207.0	\$ 7,764.3	6.3%
DGF	\$ 818.0	\$ 818.0	\$ -	0.0%
Other	\$ 30,668.2	\$ 30,679.4	\$ 11.2	0.0%
Federal	\$ 134,959.0	\$ 135,323.3	\$ 364.3	0.3%
<b>Total</b>	<b>\$ 288,887.9</b>	<b>\$ 297,027.7</b>	<b>\$ 8,139.8</b>	<b>2.8%</b>

- Restore Adult Public Assistance Maintenance of Effort Methodology \$7,471.2 UGF.
- Transfer Parents as Teachers Program from the Department of Education and Early Development for Better Alignment \$474.7 UGF.



# Health and Social Services

## Division of Public Health

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 42,231.0	\$ 42,623.9	\$ 392.9	0.9%
DGF	\$ 17,992.9	\$ 18,025.8	\$ 32.9	0.2%
Other	\$ 8,960.2	\$ 10,324.6	\$ 1,364.4	15.2%
Federal	\$ 47,565.8	\$ 47,775.4	\$ 209.6	0.4%
<b>Total</b>	<b>\$ 116,749.9</b>	<b>\$ 118,749.7</b>	<b>\$ 1,999.8</b>	<b>1.7%</b>

- SB93 Increase SDPR for SHARP III



# Health and Social Services

## Senior and Disabilities Services

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 36,877.8	\$ 37,109.1	\$ 231.3	0.6%
DGF	\$ -	\$ -	\$ -	0.0%
Other	\$ 3,096.4	\$ 3,080.1	\$ (16.3)	-0.5%
Federal	\$ 21,860.5	\$ 29,380.1	\$ 7,519.6	34.4%
<b>Total</b>	<b>\$ 61,834.7</b>	<b>\$ 69,569.3</b>	<b>\$ 7,734.6</b>	<b>12.5%</b>

- Children and Families Preschool Development Grant (Grant was not awarded to division and authority will be adjusted.) \$7,000.0 Federal.
- Electronic Visit Verification System Maintenance and Operation \$412.5 Federal and \$137.5 UGF.



# Health and Social Services

## Departmental Support Services

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 16,080.6	\$ 17,116.3	\$ 1,035.7	6.4%
DGF	\$ -	\$ 42.4	\$ 42.4	0.0%
Other	\$ 16,077.5	\$ 17,345.4	\$ 1,267.9	7.9%
Federal	\$ 11,337.1	\$ 11,754.5	\$ 417.4	3.7%
<b>Total</b>	<b>\$ 43,495.2</b>	<b>\$ 46,258.6</b>	<b>\$ 2,763.4</b>	<b>6.4%</b>

- Add Four Positions to the Commissioner's Office for Reorganization  
\$253.2 Federal and \$379.7 UGF.
- Transfer Office of Rate Review from Health Care Services



# Health and Social Services

## Medicaid Services

### FY2020 and FY2021 Operating Budget Comparison (in thousands)

	FY2020 Management Plan	FY2021 Governor's Request	Difference FY2020 and FY2021	% Difference Between FY2020 and FY2021
UGF	\$ 516,330.7	\$ 644,304.3	\$ 127,973.6	24.8%
DGF	\$ 902.3	\$ 902.3	\$ -	0.0%
Other	\$ 13,111.3	\$ 20,714.1	\$ 7,602.8	58.0%
Federal	\$ 1,577,826.4	\$ 1,748,186.2	\$ 170,359.8	10.8%
<b>Total</b>	<b>\$ 2,108,170.7</b>	<b>\$ 2,414,106.9</b>	<b>\$ 305,936.2</b>	<b>14.5%</b>

- Add Authority for Medicaid Services \$143,400.0 Federal and \$120,000.0 UGF.
- Restore Adult Preventative Dental Program \$18,730.9 Federal and \$8,273.6 UGF.





Item	Original FY2020 UGF Savings Estimate	Comments	Adjusted FY2020 UGF Savings
Phase 1 Rate and Payment Adjustments			
5% Provider Rate Reduction	\$ 21,123.9	Due to the Alaska State Hospital and Nursing Home Association (ASHNHA) lawsuit, savings originally anticipated will be offset by the settlement agreement to pay back providers from July 1, 2019 - September 30, 2019 for a reduced savings of approximately \$9.0 million. Also, original reductions proposed for Home and Community Based Waiver/Personal Care providers were not implemented for a reduced savings of approximately \$5.0 million.	\$ 7,123.9
Withhold Inflation	\$ 11,093.0	Due to the Alaska State Hospital and Nursing Home Association (ASHNHA) lawsuit, savings originally anticipated will be offset by the settlement agreement to pay back providers from July 1, 2019 - September 30, 2019 for a reduced savings of approximately \$2.5 million.	\$ 8,593.0
Hospital DRGs	\$ 4,500.0	Unable to implement this year. Looking to implement in FY2021. DHSS has contracted with Myers & Stauffer to determine how to effectively implement this methodology in Alaska. The contract deliverables are to be completed no later than July 1, 2020. The State of Alaska anticipates implementing this payment methodology by January 1, 2021.	\$ -
Long-term Care Rate Reduction	\$ 2,000.0	Applied a 3% rate reduction on long-term care. The Upper Payment Limit (UPL) is a federal limit placed on fee-for-service reimbursement of Medicaid. This limit is the maximum a given state Medicaid program may pay a type of provider for Medicaid services. Alaska's long-term care providers were above the UPL and therefore, DHSS was required to reduce their payments to meet this federal guideline.	\$ 2,000.0
Cost-Based End Stage Renal Disease	\$ 1,000.0	This was implemented successfully on March 24, 2019. On target.	\$ 1,000.0
Pharmacy Adjustments	\$ 2,100.0	This represents a variety of efforts at cost savings and utilization efficiencies. One of these included provisions in SB44 that allow the state more flexibility and additional negotiating power with pharmaceutical companies. DHSS is on target to achieve the estimated savings.	\$ 2,100.0
Phase 1 Cost Containment on Service Utilization			
Limit PT/OT/Speech Therapy	\$ 1,000.0	Regulations are being updated and are required to implement the proposed authorization requirements. Effective date now projected to be July 1, 2020.	\$ -
Expand Care Management Program (CMP)	\$ 2,010.0	Not able to expand program as quickly as projected. May see only half of original savings predicted. <ul style="list-style-type: none"><li>• 320 recipients currently enrolled in the Care Management Program (CMP) as of 12/30/19.</li><li>• Regulations are out for public comment through February 25th, 2020.</li></ul>	\$ 1,000.0
Implement Nurse Hotline	\$ 500.0	Not Moving Forward in FY2020 - originally tied to Managed Care Organization (MCO).	\$ -

Phase 1 Administrative and Program Changes			
Timely Filing Allowance Reduction	\$ 10,000.0	Requires statute change but, as this is a cost deferral, a change will not achieve actual savings.	\$ -
Cost of Care Collection	\$ 500.0	On target to implement but with reduced savings. Updating regulations to remove waiver termination language and include “recipients representative” as defined in 7AAC 160.990(b)(70).	\$ 250.0
Medicare Part B Premiums Recovery	\$ 1,188.0	Implemented - on target.	\$ 1,188.0
Tribal Reclaiming	\$ 20,100.0	On target to realize savings.	\$ 20,100.0
Tribal Reclaiming Medicare Part A/B Premiums	\$ 1,955.0	Further research into this measure demonstrated that, since this is not an Indian Health Services (IHS) program, and is not matched with federal funds based on race, this will not result in the savings originally anticipated.	\$ -
Transportation Efficiencies	\$ 3,000.0	Contracting with the tribes to manage transportation has already achieved considerable transportation savings in the Medicaid budget. Therefore, DHSS does not anticipate additional savings this fiscal year.	\$ -
Electronic Visit Verification	\$ 440.6	Capital project underway; will be implemented FY2021 or FY2022.	\$ -
Transition Services to 1915(k)	\$ 123.0	Proposed amendment to regulations, waiver application and the State Plan Amendment are awaiting internal approval prior to being released for public comment.	\$ -
Adult Preventative Dental	\$ 8,273.6	After discussions with Centers for Medicare and Medicaid Services (CMS) and gaining an understanding of the challenges and drawbacks of eliminating this service, DHSS decided not to proceed. This was considered an optional service when first introduced in Alaska but is now considered an "essential health benefit" of the Affordable Care Act.	\$ -
<b>Sub Total</b>	<b>\$ 90,907.1</b>		<b>\$ 43,354.9</b>
<b>1115 Services Cost Shift to Medicaid</b>			
Transition Behavioral Health Grants to 1115 Waiver Services	\$ 12,000.0	Reduction occurred in Treatment and Recovery Grants Budget not in Medicaid Services.	\$ 12,000.0
<b>Total</b>	<b>\$ 102,907.1</b>		<b>\$ 55,354.9</b>

## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Rate and Payment Adjustments</b>		
5% Provider Rate Reduction	\$ 21,123.9	\$ 7,123.9

5% Provider Rate Reduction for  
Medicaid services



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Rate and Payment Adjustments</b>		
Withhold Inflation	\$ 11,093.0	\$ 8,593.0

## Withholding Medicaid Rate Inflation Adjustments



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Rate and Payment Adjustments</b>		
Hospital DRGs	\$ 4,500.0	\$ -

## Hospital Diagnostic Related Groups (DRGs)



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Rate and Payment Adjustments</b>		
Long-term Care Rate Reduction	\$ 2,000.0	\$ 2,000.0

### Long-term Care Rate Reduction



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Rate and Payment Adjustments</b>		
Cost-Based End Stage Renal Disease	\$ 1,000.0	\$ 1,000.0

## Cost-Based End Stage Renal Disease



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Rate and Payment Adjustments</b>		
Pharmacy Adjustments	\$ 2,100.0	\$ 2,100.0

## Pharmacy Adjustments





## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Cost Containment on Service Utilization</b>		
Limit PT/OT/Speech Therapy	\$ 1,000.0	\$ -

### Limit PT/OT/Speech Therapy



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Cost Containment on Service Utilization</b>		
Expand Care Management Program (CMP)	\$ 2,010.0	\$ 1,000.0

## Expand Care Management Program (CMP)



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Cost Containment on Service Utilization</b>		
Implement Nurse Hotline	\$ 500.0	\$ -

## Implement Nurse Hotline



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Administrative and Program Changes</b>		
Timely Filing Allowance Reduction	\$ 10,000.0	\$ -

## Timely Filing Allowance Reduction



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Administrative and Program Changes</b>		
Cost of Care Collection	\$ 500.0	\$ 250.0

## Streamline Cost of Care Collections



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Administrative and Program Changes</b>		
Medicare Part B Premiums Recovery	\$ 1,188.0	\$ 1,188.0

## Medicare Part B Premiums Recovery



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Administrative and Program Changes</b>		
Tribal Reclaiming	\$ 20,100.0	\$ 20,100.0

## Tribal Reclaiming



## Tribal Reclaiming Original Target From SB74 (2016)

State Fiscal Year	SB74 Original Target Savings
SFY17	\$32M
SFY18	\$42M
SFY19	\$64M
SFY20	\$84M
SFY21	\$104M





## Tribal Reclaiming

### Additional Staffing Authorized by the Legislature

State Fiscal Year	SB74 Original Target Savings	SB74 Revised Target Savings	Staffing Changes
SFY17	\$32M	\$32M	
SFY18	\$42M	\$42M	
SFY19	\$64M	\$84M	Added 1 FTE to Tribal Reclaiming Unit to oversee and supervise the tribal reclaiming analysts Added 3 FTEs to perform data and claims review/analysis



## Tribal Reclaiming Cost Containment Phase I – Additional \$20M

State Fiscal Year	SB74 Original Target Savings	SB74 Revised Target Savings	Staffing Changes
SFY20	\$84M	\$104M	none
SFY21	\$104M	\$104M	
SFY22	\$104M	\$104M	



# Medicaid Services

## Savings

State Fiscal Year	State GF Savings (Transportation)	State GF Savings (Other Services)	Totals State GF Savings
SFY17	\$ 10,589,538.00	\$ 24,192,302.00	\$ 34,781,840.00
SFY18	\$ 15,901,959.00	\$ 29,285,001.33	\$ 45,186,960.33
SFY19	\$ 26,922,884.00	\$ 45,724,251.00	\$ 72,647,135.00
SFY20	\$ 21,008,398.00	\$ 36,460,444.00	\$ 57,468,842.00
<b>TOTAL</b>	<b>\$ 74,422,779.00</b>	<b>\$ 135,661,998.33</b>	<b>\$ 210,084,777.33</b>



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Administrative and Program Changes</b>		
Transportation Efficiencies	\$ 3,000.0	\$ -

## Transportation Efficiencies



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Administrative and Program Changes</b>		
Electronic Visit Verification	\$ 440.6	\$ -

## Electronic Visit Verification



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Administrative and Program Changes</b>		
Transition Services to 1915(k)	\$ 123.0	\$ -

## Transition Services to 1915(k)



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>Phase 1 Administrative and Program Changes</b>		
Adult Preventative Dental	\$ 8,273.6	\$ -

## Adult Preventative Dental



## FY2020 Cost Containment Measures

Item	Original FY2020 UGF Savings Estimate	Adjusted FY2020 UGF Savings
<b>1115 Services Cost Shift to Medicaid</b>		
Transition Behavioral Health Grants to 1115 Waiver Services	\$ 12,000.0	\$ 12,000.0

## Transition Behavioral Health Grants





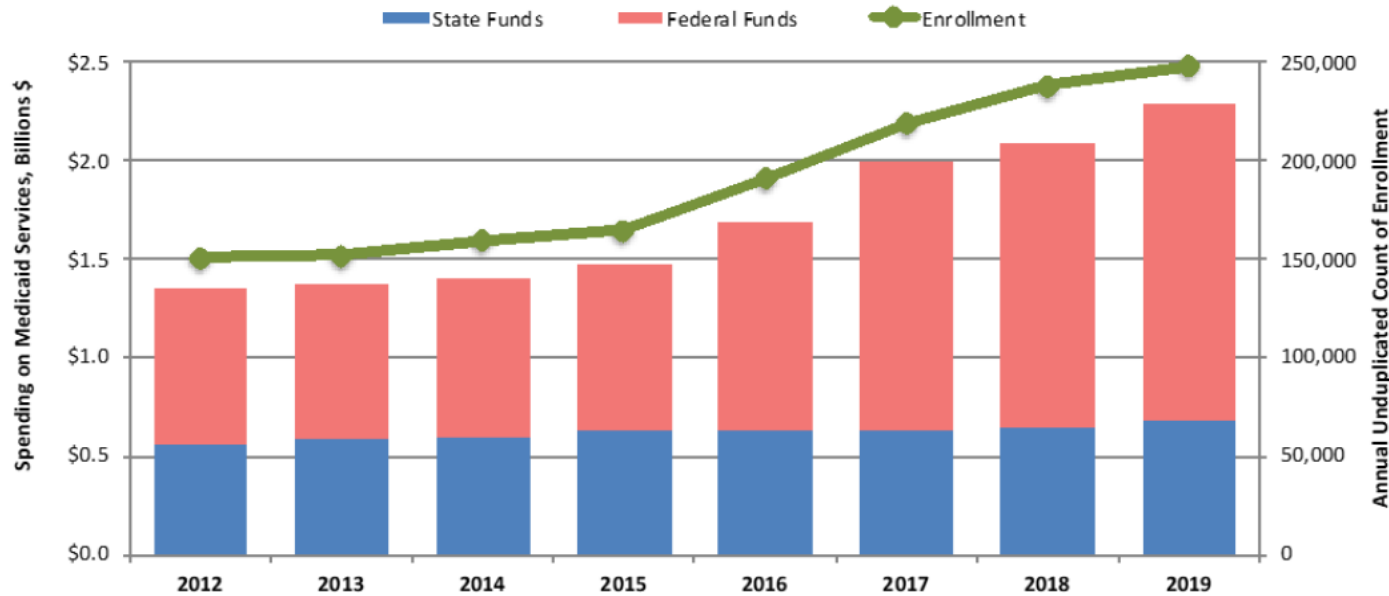
## 1115 Behavioral Health Waiver

- Substance Misuse Disorder Treatment Component
  - Approved in November 2018
  - Became effective January 1, 2019
- Behavioral Health Component
  - Approved September 2019
  - Will be implemented by June 30, 2020
- Administrative Services Organization
  - Contracted with Optum Health in November 2019
  - Goes live on February 1, 2020



# Health and Social Services

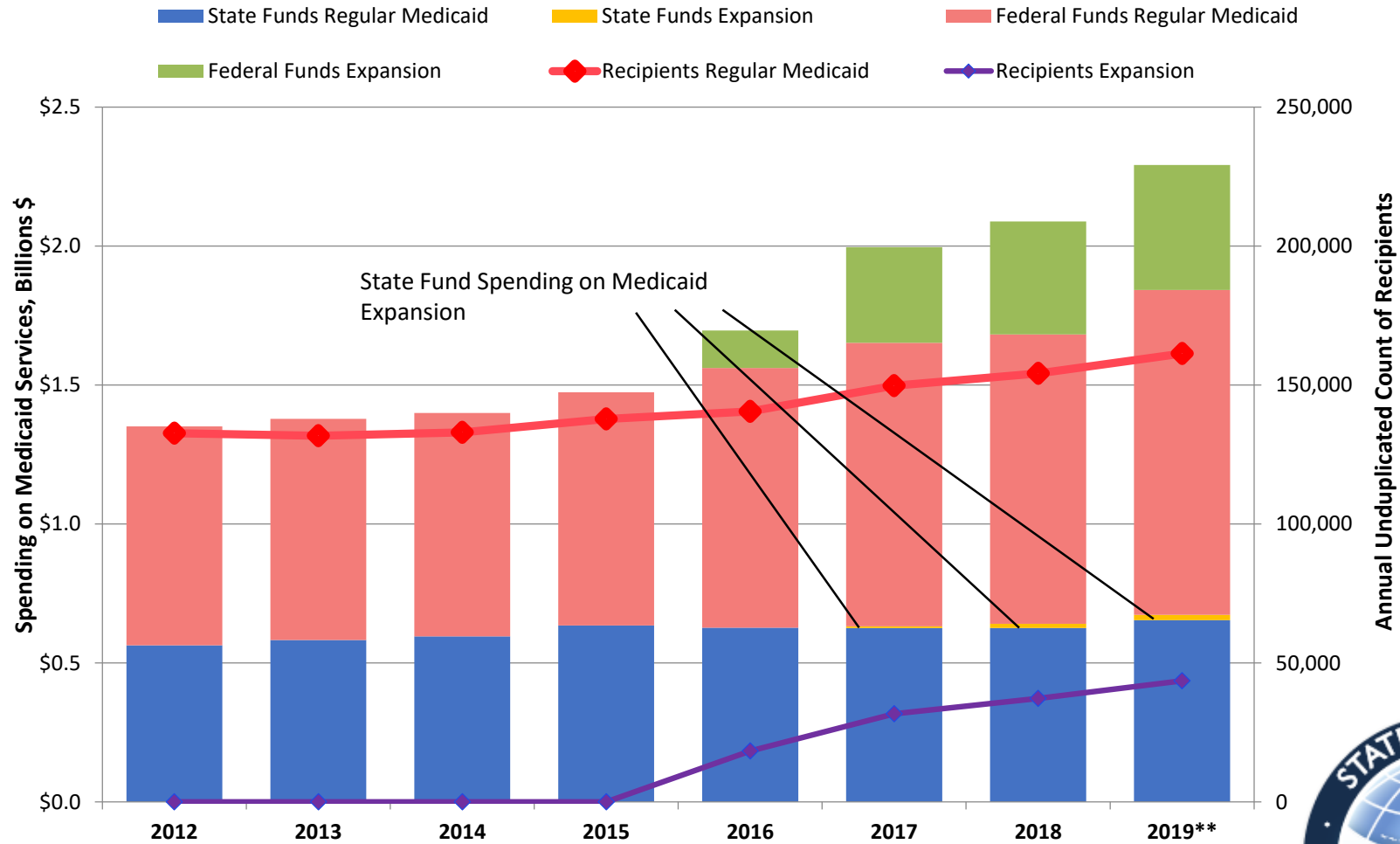
Medicaid Enrollment & Spending in Alaska  
2012 – 2019 Date of Service Actuals



<sup>1</sup> Evergreen Economics. (November, 2019). Long Term Forecast of Medicaid Enrollment & Spending in Alaska ("MESA"): FY 2020 – FY 2040.



# Health and Social Services



# Health and Social Services

## DHSS Three-year Vision

### DHSS Mission

To promote and protect the health and well-being of Alaskans.

- Systems Alignment and Change
- Focus on IT Systems
- Emergency Readiness and Response
- Behavioral Health Continuum of Care



Questions?

