

**Department of Health and Social Services**  
Summary of Budget Changes  
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	Alaska Psychiatric Institute / Alaska Psychiatric Institute	Add MHT Reserve Funding to Support Client Services - Paired with Decrement of Unrealizable I/A and SDPR	\$6,000.0 MHT Reserve (DGF)	<p>The Alaska Psychiatric Institute (API) has struggled to operate at full capacity over the last few years and routinely requests additional funding to their base budget. This \$6 million FY22 base increase would utilize a new fund source, the Mental Health Trust Reserve Fund (code 1268), to offset unrealizable receipts. Recent budget increases to API include:</p> <p>FY19 Supplemental - \$7 million UGF  FY20 Increment - \$4.7 million UGF, \$5.3 million SDPR  FY20 Supplemental - \$6 million UGF  FY21 Increment: \$2.5 million UGF, 5.1 million I/A, \$1.7 million SDPR.</p> <p>Additionally, DHSS utilized cross-appropriation transfer authority to supplement API's budget with \$8.3 million UGF in FY20.</p> <p><b>Fiscal Analyst Comment:</b> The Department requested this action as a fund change (see item 2). Legislative Finance converted the fund change to an Inc/Dec pair because they are severable decisions and utilize a new mental health fund source not yet endorsed by the Mental Health Trust Authority.</p> <p>The Board of Trustees of the Alaska Mental Health Trust Authority approves an annual budget and submits the approved budget, which includes recommended expenditures from the general fund during the next fiscal year to meet operating and capital expenses of the integrated comprehensive mental health program, to the Governor and Legislative Budget &amp; Audit Committee no later than September 15th. The recommendations may or may not be included in the Governor's budget request to the legislature.</p> <p><b>New Fund Code Description:</b> The Mental Health Trust Reserve Fund was established in the Governor's December 2020 budget submission in both the supplemental budget for FY21 and the FY22 budget. It consists of funds in the Mental Health Trust settlement income account that are in excess of the amount needed for the Trust's reserve requirements.</p> <p>AS 37.14.041(a) restricts money in the Mental Health Trust settlement income account to purposes related to the Trust's mission.</p>



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1	Alaska Psychiatric Institute / Alaska Psychiatric Institute	Add MHT Reserve Funding to Support Client Services - Paired with Decrement of Unrealizable I/A and SDPR	\$6,000.0 MHTReserve (DGF)	(continued) Section (b) of that statute further states that "If money in the mental health trust settlement income account is not needed to meet the necessary expenses of the state's integrated comprehensive mental health program, the authority shall transfer the money to the unrestricted general fund for expenditure through legislative appropriation for other public purposes."  The Department has indicated that if requested funding for FY20 and FY21 is not approved, API will not be able to meet the accreditation and regulatory requirements of the Joint Commission and Centers for Medicare & Medicaid Services (CMS) including environment of care, safety, medical supplies and equipment.
2	Alaska Psychiatric Institute / Alaska Psychiatric Institute	Reduce Unrealizable Receipts - Paired with MHT Reserve Increment to Support Client Services at API	<b>Total: (\$6,000.0)</b> (\$2,000.0) I/A Repts (Other) (\$4,000.0) Stat Desig (Other)	<b>Items 1, 2, and 3 are related.</b> This decrement represents the negative component of the Department's requested fund change (see item 1) to offset unrealizable receipts with Mental Health Trust Reserve Funds. API receives SDPR through private pay and insurance companies; I/A receipts come through Medicaid and Disproportionate Share Hospital (DSH) payments. API has been unable to fully collect these receipts while the facility has not been at full capacity.
3	Alaska Psychiatric Institute / Alaska Psychiatric Institute	Support Client Services at the Alaska Psychiatric Institute  <b>Supplemental</b>	\$6,000.0 MHTReserve (DGF)	<b>Items 1, 2, and 3 are related.</b> This supplemental funding request utilizes the Mental Health Trust Reserve Fund (code 1268) which has not yet been approved by the Mental Health Trust. Although the facility has 80 licensed beds, reduced capacity has hovered between 40-60 beds in recent years while API seeks stabilization.  <b>COVID-19 Update:</b> At the beginning of the COVID-19 pandemic, API began moving patients and staff across four of the five units to maximize social distancing and mitigate the potential spread of COVID-19. One unit was set up as a potential quarantine unit and has not been utilized for admissions. API successfully increased capacity to 61 treatment beds on 10/1/2020 and is working to expand capacity to 71 beds in April 2021. As of January 9, 2021, 55 beds were filled.