

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version: HB 86
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB086-DHSS-API-3-22-2019
Title: MENTAL HEALTH HOSPITAL: CONTRACTS/BIDS
Sponsor: FIELDS
Requester: (H) HSS

Department: Department of Health and Social Services
Appropriation: Alaska Psychiatric Institute
Allocation: Alaska Psychiatric Institute
OMB Component Number: 311

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
OPERATING EXPENDITURES	FY 2020	FY 2020					
Personal Services							
Travel							
Services	(33,655.5)	33,655.5	(33,655.5)	(33,655.5)	(33,655.5)	(33,655.5)	(33,655.5)
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	(33,655.5)	33,655.5	(33,655.5)	(33,655.5)	(33,655.5)	(33,655.5)	(33,655.5)

Fund Source (Operating Only)

1004 Gen Fund (UGF)	(714.5)	714.5	(714.5)	(714.5)	(714.5)	(714.5)	(714.5)
1007 I/A Rcpts (Other)	(18,878.5)	18,878.5	(18,878.5)	(18,878.5)	(18,878.5)	(18,878.5)	(18,878.5)
1037 GF/MH (UGF)	(6,598.9)	6,598.9	(6,598.9)	(6,598.9)	(6,598.9)	(6,598.9)	(6,598.9)
1108 Stat Desig (Other)	(7,463.6)	7,463.6	(7,463.6)	(7,463.6)	(7,463.6)	(7,463.6)	(7,463.6)
Total	(33,655.5)	33,655.5	(33,655.5)	(33,655.5)	(33,655.5)	(33,655.5)	(33,655.5)

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2019) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2020) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version based on Governor's February 13, 2019 FY2020 amended budget request.

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Division: <u>Alaska Psychiatric Institute</u>	Date: <u>03/22/2019 06:30 PM</u>
Approved By: <u>Sana Efirid, Administrative Services Director</u>	Date: <u>03/22/19</u>
Agency: <u>Office of Management and Budget</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION

BILL NO. HB086

Analysis

HB 86 requires the state to run an inpatient psychiatric hospital, and prohibits the state from delegating or contracting for ownership, operation, management, or maintenance for the hospital. It would make this new law retroactive to March 1, 2019. The impact would be that the state would close API and not reopen after addressing the myriad of issues outlined in the remainder of the note.

This legislation would prevent privatization of the Alaska Psychiatric Institute (API) by preventing the state from contracting for services. However, the language is so expansive that it would encompass all types of contractual services, including security, transportation, janitorial, or contracted doctors and nurses.

Should this bill be enacted; API would no longer be able to serve patients because API could not contract for professional services. API would not have sufficient Psychiatrists to evaluate and treat patients due to recruitment and retention issues; currently, we have Locum Tenens in place for this.

API would not have sufficient Physicians to evaluate and treat patients due to recruitment and retention issues; currently, we have Locum Tenens in place for this.

API would not have sufficient Advance Nurse Practitioners to evaluate and treat patients due to recruitment and retention issues; currently, we have Locum Tenens in place for this.

API does not have staff to complete the Medical Coder Review for Billing; this is currently contracted out with Alaska Health Care Billing Service.

API would not be able to safely operate until the state established a state-run security plan for API; currently, the state contracts with WEKA LLC to provide security at API.

API would not be able to provide linen services for the patients clothing, bedding, and towels; API currently contracts with Snow White Inc. to provide these cleaning services. The equipment onsite is not sufficient to accommodate full capacity; industrial machines would need to be acquired as well as an industrial scale, which is a requirement of the Centers for Medicare & Medicaid Services (CMS) Cost Report to document the total pounds of linens used.

API would not be able to provide food service to patients, although the facility contains a kitchen and equipment, it does not have the federally mandated staff to provide these services including a certified dietician; food service is currently provided through a contract with Nana Management Services.

API would not be able to assume the Federally Required Cost Reporting; this is a service which has been contracted out for many years with Public Consulting Group Inc.

Currently, the state contracts for transportation of patients to API. Under this bill, the state could not have patients brought in to API unless it established a state-run transportation system staffed by state employees. Even if the court system were to arrange and pay for transport of Title 12 (forensic) psychiatric patients between Department of Corrections and API, it would be even more unlikely to transport civil commitment patients.