

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

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

1		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
2		<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
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	Funds	Funds
the selection process.			
<b>Alaska Pioneer Homes</b>	<b>13,757,100</b>	<b>13,757,100</b>	
It is the intent of the legislature that the Department maintain regulations requiring all residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state subsidy being provided for their care from the State Payment Assistance program.			
It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall complete any forms to determine eligibility for supplemental program funding, such as Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant is not able to complete the forms him/herself, or if relatives or guardians of the applicant are not able to complete the forms, Department of Health and Social Services staff may complete the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility per AS 47.25.120.			
Alaska Pioneer Homes	64,300		
Management			
Pioneer Homes	13,692,800		
<b>Behavioral Health</b>	<b>119,048,000</b>	<b>95,551,100</b>	<b>23,496,900</b>
AK Fetal Alcohol Syndrome	59,500		
Program			
Alcohol Safety Action	1,188,300		
Program (ASAP)			
Behavioral Health Medicaid	43,862,400		
Services			
Behavioral Health Grants	25,157,300		
It is the intent of the legislature that the department continue developing policies and procedures surrounding the awarding of recurring grants to assure that applicants are regularly evaluated on their performance in achieving outcomes consistent with the expectations and missions of the Department related to their specific grant. The recipient's specific performance should be measured and incorporated into the decision whether to continue awarding grants. Performance measurement should be standardized, accurate, objective and fair, recognizing and compensating for differences among grant recipients including acuity of services provided, client base, geographic location and other factors necessary and appropriate			

	Appropriation	General	Other
	Allocations	Funds	Funds
to reconcile and compare grant recipient performances across the array of providers and services involved.			
It is the intent of the legislature that the \$181.0 increment in the FY10 budget for Behavioral Health Grants be used for the Volunteers of America ARCH residential treatment center for adolescents with substance abuse/dependency and co-occurring disorders.			
Behavioral Health	3,392,000		
Administration			
Community Action	1,047,200		
Prevention & Intervention			
Grants			
Rural Services and Suicide	2,135,700		
Prevention			
Psychiatric Emergency	7,673,000		
Services			
Services to the Seriously	12,724,200		
Mentally Ill			
Designated Evaluation and	3,031,900		
Treatment			
Services for Severely	11,947,200		
Emotionally Disturbed			
Youth			
Alaska Psychiatric	5,861,900		
Institute			
AK Mental Health & Alcohol	884,600		
& Drug Abuse Boards			
Suicide Prevention Council	82,800		
<b>Children's Services</b>		<b>13,314,700</b>	<b>12,984,700</b>
Children's Medicaid	4,185,600		<b>330,000</b>
Services			
Children's Services	69,600		
Management			

		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
		<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
	Front Line Social Workers	148,600		
	Family Preservation	150,000		
	Foster Care Augmented Rate	500,000		
	Foster Care Special Need	747,900		
	Residential Child Care	1,956,300		
	Infant Learning Program	5,556,700		
	Grants			
	<b>Health Care Services</b>	<b>456,000</b>	<b>350,000</b>	<b>106,000</b>
	Health Planning and	456,000		
	Infrastructure			
	<b>Juvenile Justice</b>	<b>1,055,100</b>	<b>865,900</b>	<b>189,200</b>
	McLaughlin Youth Center	654,700		
	Fairbanks Youth Facility	103,700		
	Bethel Youth Facility	57,100		
	Probation Services	239,600		
	<b>Public Assistance</b>	<b>13,200</b>	<b>13,200</b>	
	Public Assistance	13,200		
	Administration			
	<b>Public Health</b>	<b>1,096,800</b>	<b>971,800</b>	<b>125,000</b>
	Nursing	98,300		
	Women, Children and Family	877,700		
	Health			
	Certification and Licensing	120,800		
	<b>Senior and Disabilities</b>	<b>15,058,000</b>	<b>13,602,200</b>	<b>1,455,800</b>
	<b>Services</b>			

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

		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
		<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
1				
2				
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	<b>Departmental Support</b>	<b>1,453,800</b>	<b>1,403,800</b>	<b>50,000</b>
21	<b>Services</b>			
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	Funds	Funds
overpayment will be calculated under the Department's new regulations governing overpayment standards and extrapolation methodology.			
It is the intent of the legislature that the department develops a ten year funding source and use of funds projection for the entire department.			
It is the intent of the legislature that the department continue working on implementing a provider rate rebasing process and specific funding recommendations for both Medicaid and non-Medicaid providers to be completed and available to the legislature no later than December 15, 2009.			
Administrative Support	91,400		
Services			
Information Technology	854,600		
Services			
HSS State Facilities Rent	350,000		
	* * * * *	* * * * *	
	* * * * * <b>Department of Law</b> * * * * *		
	* * * * *	* * * * *	
<b>Criminal Division</b>		<b>12,500</b>	<b>12,500</b>
Criminal Justice	12,500		
Litigation			
<b>Civil Division</b>		<b>84,500</b>	<b>84,500</b>
Human Services and Child	84,500		
Protection			
	* * * * *	* * * * *	
	* * * * * <b>Department of Natural Resources</b> * * * * *		
	* * * * *	* * * * *	
<b>Resource Development</b>		<b>2,273,400</b>	<b>2,273,400</b>
Mental Health Trust Lands	2,273,400		
Administration			
	* * * * *	* * * * *	
	* * * * * <b>Department of Revenue</b> * * * * *		
	* * * * *	* * * * *	



1		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
2		<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
3	<b>Alaska Mental Health Trust</b>	<b>2,650,000</b>		<b>2,650,000</b>
4	<b>Authority</b>			
5	Mental Health Trust	2,650,000		
6	Operations			
7		* * * * *	* * * * *	
8		* * * * * <b>University of Alaska</b> * * * * *		
9		* * * * *	* * * * *	
10	<b>University of Alaska</b>	<b>1,917,800</b>	<b>300,800</b>	<b>1,617,000</b>
11	Statewide Services	474,000		
12	Anchorage Campus	1,418,800		
13	Fairbanks Campus	25,000		
14		* * * * *	* * * * *	
15		* * * * * <b>Alaska Court System</b> * * * * *		
16		* * * * *	* * * * *	
17	<b>Alaska Court System</b>	<b>1,812,300</b>	<b>837,000</b>	<b>975,300</b>
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)			

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

Funding Source	Amount
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**Department of Administration**

1037 General Fund / Mental Health	1,873,200
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1092 Mental Health Trust Authority Authorized	151,300
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Receipts

*** Total Agency Funding ***	\$2,024,500
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**Department of Corrections**

1037 General Fund / Mental Health	6,795,900
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1092 Mental Health Trust Authority Authorized	374,000
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Receipts

*** Total Agency Funding ***	\$7,169,900
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**Department of Education and Early Development**

1037 General Fund / Mental Health	339,800
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1092 Mental Health Trust Authority Authorized	200,000
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Receipts

*** Total Agency Funding ***	\$539,800
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**Department of Health and Social Services**

1037 General Fund / Mental Health	139,499,800
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1092 Mental Health Trust Authority Authorized	6,833,000
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Receipts

1180 Alcohol and Other Drug Abuse Treatment &	18,919,900
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Prevention Fund

*** Total Agency Funding ***	\$165,252,700
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**Department of Law**

1037 General Fund / Mental Health	84,500
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1092 Mental Health Trust Authority Authorized	12,500
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Receipts

*** Total Agency Funding ***	\$97,000
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**Department of Natural Resources**

1	1092 Mental Health Trust Authority Authorized	2,273,400
2	Receipts	
3	*** Total Agency Funding ***	\$2,273,400
4	<b>Department of Revenue</b>	
5	1094 Mental Health Trust Administration	2,650,000
6	*** Total Agency Funding ***	\$2,650,000
7	<b>University of Alaska</b>	
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	<b>Alaska Court System</b>	
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)	

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

Funding Source	Amount
<b>General Funds</b>	
1037 General Fund / Mental Health	149,731,000
***Total General Funds***	\$149,731,000
<b>Federal Funds</b>	
***Total Federal Funds***	\$0
<b>Other Non-Duplicated Funds</b>	
1092 Mental Health Trust Authority Authorized Receipts	12,436,500
1094 Mental Health Trust Administration	2,650,000
1180 Alcohol and Other Drug Abuse Treatment & Prevention Fund	18,919,900
***Total Other Non-Duplicated Funds***	\$34,006,400
<b>Duplicated Funds</b>	
***Total Duplicated Funds***	\$0

(SECTION 4 OF THIS ACT BEGINS ON PAGE 13)

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

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

(SECTION 5 OF THIS ACT BEGINS ON PAGE 14)

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

Funding Source	Amount
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**Department of Transportation/Public Facilities**

1037	General Fund / Mental Health	800,000
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1092	Mental Health Trust Authority Authorized Receipts	300,000
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*** Total Agency Funding ***	\$1,100,000
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\*\*\*\*\* Total Budget \*\*\*\*\* \$1,100,000

(SECTION 6 OF THIS ACT BEGINS ON PAGE 15)

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

Funding Source	Amount
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**General Funds**

1037 General Fund / Mental Health	800,000
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***Total General Funds***	\$800,000
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**Federal Funds**

***Total Federal Funds***	\$0
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**Other Non-Duplicated Funds**

1092 Mental Health Trust Authority Authorized	300,000
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Receipts

***Total Other Non-Duplicated Funds***	\$300,000
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**Duplicated Funds**

***Total Duplicated Funds***	\$0
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(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.