

## **Introduction to the Division of Public Assistance**

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### ***Mission***

To promote self-sufficiency and provide for basic living expenses to Alaskans in need.

### ***Overview***

The Division of Public Assistance (DPA) provides essential services to meet many of the basic and urgent needs of Alaska's most vulnerable families and individuals. DPA provides temporary economic support to needy families; financial assistance to elderly, blind, and disabled individuals; food support and nutrition education; medical benefits, home heating assistance, childcare assistance; and work supports that encourage Alaskans to pursue economic independence and self-sufficiency.

### ***Core Services***

Division staff provides accurate and timely program benefits and make services available through a variety of programs that are intended to help Alaskans remain safe and healthy, prevent dependency, and support Alaskans as they work toward family stability and economic independence. Public Assistance programs offer:

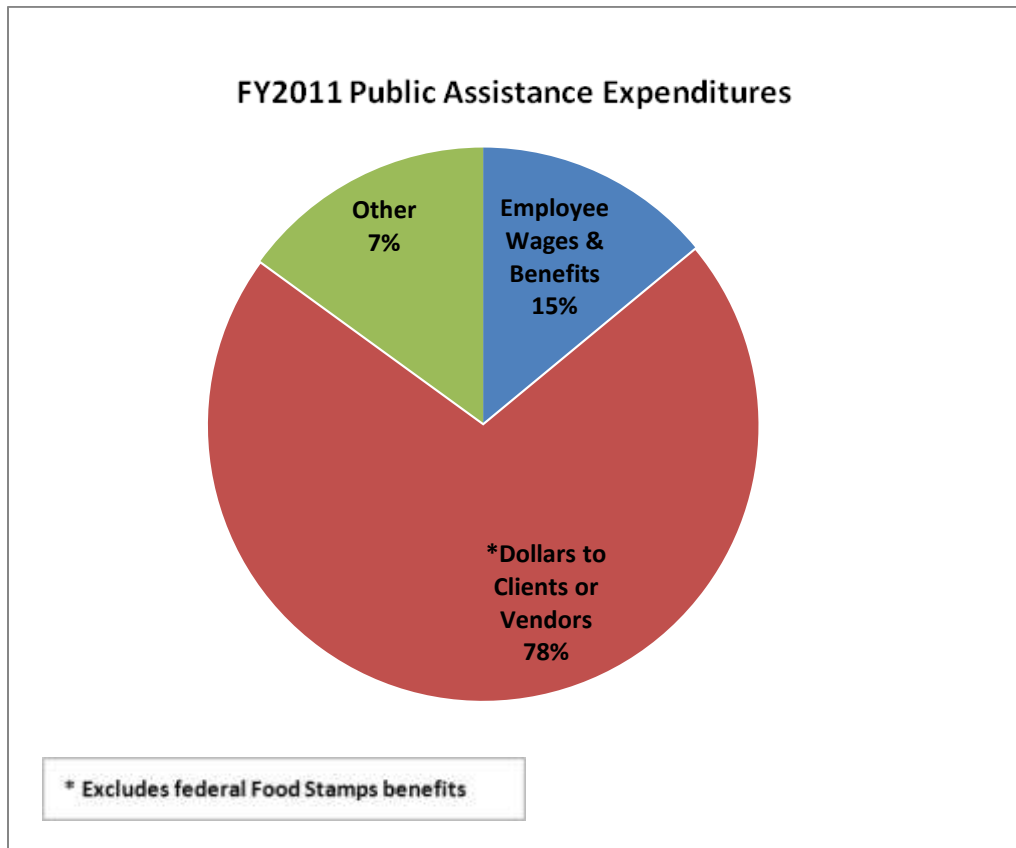
- Temporary financial assistance to help low-income Alaskan families with children meet basic needs, and to encourage family self-sufficiency and stability by planning for self-support through employment.
- Employment assistance to help individuals find and keep jobs and advance to better employment.
- Financial and medical assistance to elderly, blind, or disabled Alaskans incapable of self-sufficiency to help them meet basic needs and remain as independent as possible in the community.
- Food support and nutrition education to improve health outcomes, to increase food security, and reduce obesity.
- Help in paying for home heating costs.
- Childcare subsidies to families who need childcare in order to work or participate in approved work or training activities.
- Childcare licensing services to promote the safety and quality of childcare in Alaska;
- Access to health care by determining eligibility for Medicaid, Denali KidCare, and Chronic and Acute Medical Assistance.
- Administrative accountability and prevention of fraud and program abuse.

To qualify for public assistance, individuals must meet income guidelines in addition to other eligibility requirements which vary by program.

Every day, thousands of Alaskans rely on DPA to meet their most basic needs and to support their efforts to achieve economic independence. DPA services are a significant element of the Department's larger effort to keep children safe and families strong. DPA's success as a partner in that effort depends upon over 500 employees located across the state, as well as many community

partners, all of whom are dedicated to supporting and improving the lives of children, adults and families in Alaska.

DPA provides direct services in 18 customer service offices statewide. In addition, Women, Infants and Children (WIC), Childcare Assistance, and employment case management services are provided through grants and pay-for-performance contracts with community agencies. In FY2011, the division provided cash, food, and medical benefits and services to nearly 125,000 Alaskan households and 187,700 individuals.



Most DPA funds go directly to clients or to local vendors serving clients. Four of five DPA dollars go directly to clients (e.g. benefit payments or short-term cash assistance for shelter, utilities, food, or clothing, and work supports such as childcare assistance) or to community-based businesses, vendors and partners who are serving needy individuals and families. Vendor services funded by DPA include contracts and grants with community organizations to provide eligibility services for WIC and Childcare subsidies, Childcare licensing and resource and referral services, nutrition education and outreach, employment and training services, and case management to deliver welfare-to-work services. Also included is the support for Alaska Native regional non-profit organizations that operate Native Temporary Assistance for Needy Families programs and tribal organizations that operate regional Alaska Affordable Heating Programs.

The remaining one-fifth of the DPA budget is divided between staff costs – direct service and administrative (15%) and all other costs (7%).

## **Services Provided**

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### ***Alaska Temporary Assistance Program***

The Alaska Temporary Assistance Program (ATAP) provides temporary financial assistance to needy families with children while adults work to become self-sufficient. ATAP was created by the state and federal welfare reform laws passed in 1996 and replaced the Aid to Families with Dependent Children (AFDC) program. The program is funded by the federal Temporary Assistance for Needy Families (TANF) block grant and required state maintenance-of-effort funding based on the amount spent in federal fiscal year 1994 for the AFDC program in Alaska.

The program provides assistance to about 3,620 families throughout the state annually. This assistance is limited to 60 months as a temporary safety net to help families care for children in their own homes by providing for the basic needs of shelter, clothing, transportation and food. ATAP also has a strong emphasis on work. Adults in families who receive assistance must participate in work or activities that will help them become self-sufficient and ultimately leave the program. They receive support to help them seek, secure, and retain employment.

Case management and employment-related “Work First” services are provided to emphasize quick entry into the work force. Those families who have multiple or profound challenges to getting and keeping a job are provided with “Work Support” services aimed at allowing them to address their challenges and increase their family’s income. These Work First and Work Supports services are referred to as Work Services.

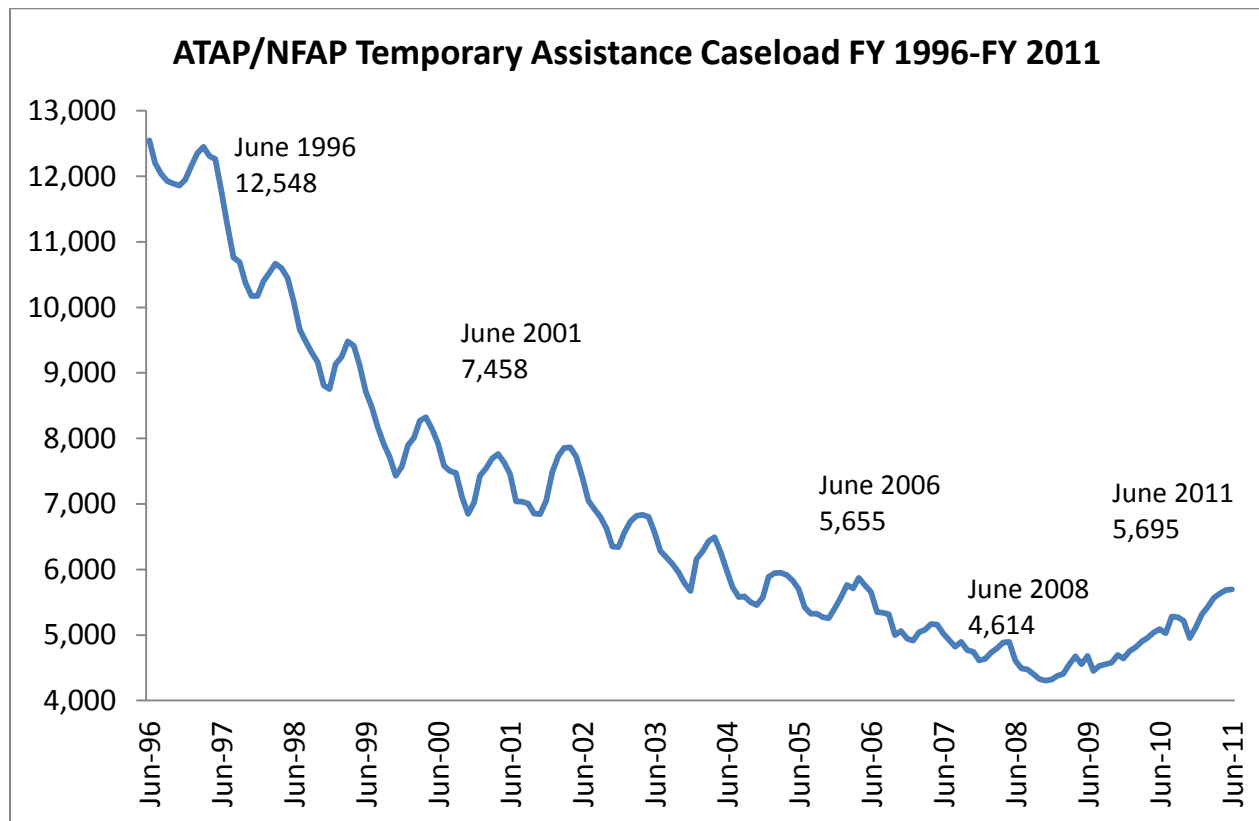
The division continues to invest TANF block grant savings (accrued as a result of welfare reform) to sustain budgets for work services and supports for low income working families, such as childcare assistance. The division also transfers funds to the Social Services Block Grant for child protection services. The remaining TANF block grant balance is reserved to respond to increases in the ATAP caseload, such as the increase that began to occur in FY2010 as more families struggled to make ends meet, and to ensure funds are available to support core business needs in future years such as replacement of the division's aging Eligibility Information System (EIS).

### ***Native Assistance Programs***

Federal law allows for tribes and Alaska Native regional nonprofit organizations to operate tribal TANF programs, known as Native Family Assistance Programs (NFAPs), and to receive direct federal funding through the TANF block grant. The State also supplements these programs using funds that would otherwise be spent to serve Native families through the Alaska Temporary Assistance Program.

While NFAPs must be comparable to the state’s program, the NFAPs have the flexibility to be culturally relevant and regionally focused. The programs may serve both Natives and non-Natives in a region, or serve only Native families in a specific service area.

Approximately 1,730 Alaskan families receive TANF services and benefits from NFAPs. These programs are operated and administered by the Association of Village Council Presidents, Inc. (AVCP), Bristol Bay Native Association (BBNA), Central Council of Tlingit & Haida Indian Tribes (CCTHITA), Cook Inlet Tribal Council, (CITC), Kodiak Area Native Association (KANA), Maniilaq Association, and Tanana Chiefs Conference (TCC).



The sustained efforts of the division since the implementation of ATAP, buoyed by Alaska's moderately strong economy, have resulted in thousands of Alaskans achieving economic self-sufficiency through employment. Alaska began to see an increase in the number of families seeking help from the Temporary Assistance program in FY2010.

Overall, the annual monthly average of families receiving temporary assistance from the State and Native Family Assistance programs has decreased significantly since 1996 and has generated millions of dollars in savings. The decline in the caseloads and in the amount of temporary assistance benefits paid to families is a result of the program's continued emphasis on employment.

### ***Childcare Benefits***

The Childcare Assistance Program helps low-income working families pay for a portion of their childcare costs while they are working, looking for work, or attending school or training. Childcare benefits pay for part of the childcare costs, and parents also provide a co-pay. The parent's share is based on the size of the family and the family's income.

Providing access to affordable, safe, and quality childcare is a key component in the state's efforts to help families succeed in the work place and to attain self-sufficiency. Continued commitment to improving the quality, availability, and affordability of childcare is essential to ensure that families can work and move toward economic self-sufficiency while their children are in safe and healthy childcare and afforded the opportunity to grow and learn in nurturing environments. In addition to childcare assistance, the Childcare Assistance Program provides:

- Oversight and approval of or licensing of childcare facilities across the state to promote the health and safety of children in childcare.
- Activities to promote quality care, such as parent education and support provided by Childcare Resource and Referral agencies, professional development for childcare providers, and other special initiatives.

During FY2011, DPA either directly or through its partners supported childcare services for nearly 3,000 low-income working families, serving over 4,900 children in the Childcare Assistance Program, and licensed and monitored 1,771 childcare facilities.

Childcare assistance programs have been in existence for over 30 years. Initially administered by the Department of Community and Regional Affairs, it was moved to the Department of Education and Early Development in 2001 and subsequently transferred to the Department of Health and Social Services in 2003. Funding for childcare assistance and services comes from the federal Childcare Development Fund (CCDF) and the Temporary Assistance for Needy Families (TANF) block grants, along with a required state general fund match.

### ***Work Services***

The Alaska Temporary Assistance Program's (ATAP) time-limited benefits and focus on moving recipients into the workforce require services that assist program participants in gaining paid employment quickly. Work First services help and promote the efforts of ATAP recipients in attaining economic self-sufficiency through employment. Families with multiple and profound challenges to getting and keeping a job are helped with Work Support services to increase their job readiness or, if they are disabled, to apply for benefits that are not time limited.

Work First services include activities and support systems that prepare clients to enter the workforce, help them to retain jobs, advance professionally, and succeed. Work Services may also provide wage subsidies to employers who create new jobs and hire recipients to fill them. The majority of Work First services are delivered through grants and pay-for-performance contracts with community-based organizations that use case managers to deliver welfare-to-work services to program participants. Grants and contracts are issued to non-profit and for-profit organizations, private sector businesses, and Native regional non-profit organizations that assist recipients in their communities in moving from welfare to work.

Work Support services help families identify their most likely route to increased self-sufficiency either through employment, or through pursuit of other benefits that are not time-limited, and help them into activities that allow them to progress towards their goals. Work Support Providers screen and assess families for challenges to becoming employed. They help the family to coordinate multiple agency plans and activities, access health, behavioral health, and domestic violence services, and partner with state and community agencies to ensure the family is making

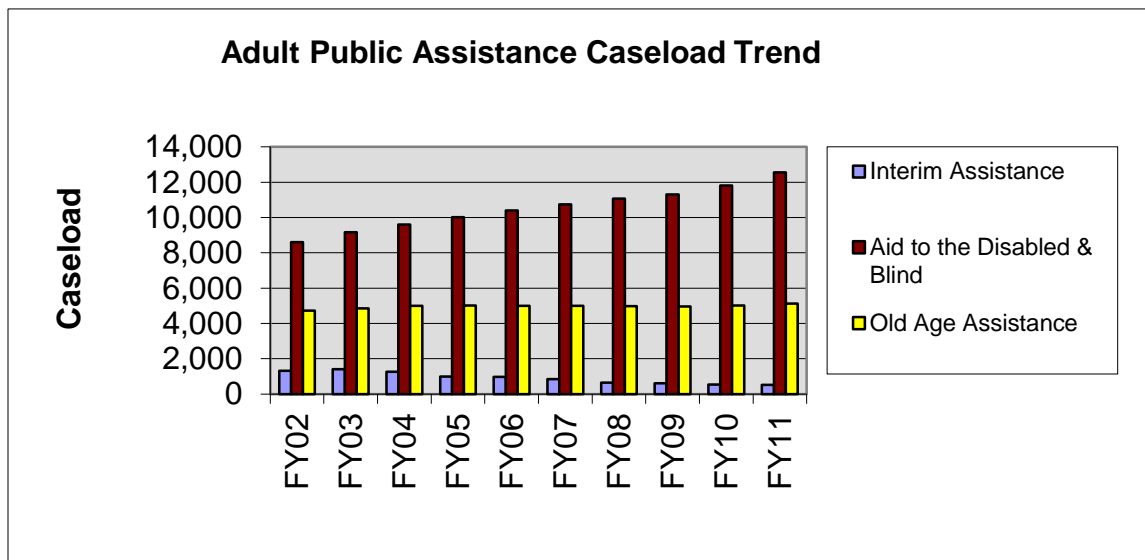
progress. Work Supports are delivered through grants and contracts with community-based organizations that use case managers and vendors to deliver services and support development of coordinated services plans across multiple DHSS agencies and community partners. Assistance in applying for and generating back-up documentation to support application for Social Security Disability Insurance and Supplemental Security Income is provided to those who are disabled. Discovery, Portfolios, and other tools to support customized employment for parents able to work with accommodation are also provided. Grants and contracts are issued to non-profit and for-profit organizations, and private sector businesses to help recipients in their communities move from welfare to self-sufficiency.

### ***Adult Public Assistance***

The Adult Public Assistance (APA) program provides financial assistance and access to medical care for over 5,000 elderly and nearly 12,500 blind and disabled Alaskans annually. The program was created to provide income support to very needy elderly, blind, and disabled persons. APA benefits serve as a supplement to the federal Supplemental Security Income (SSI) program and provide individuals with income sufficient to meet basic needs and to remain as independent as possible in the community. To qualify, an individual must be over age 64, or at least 18 years of age and blind, or diagnosed by a physician as permanently disabled or terminally ill. Certain income and asset eligibility standards also apply.

The Adult Public Assistance program includes an Interim Assistance benefit of \$280 per month for individuals who appear to meet the SSI disability criteria and have applied for SSI. To qualify for SSI, a person's mental or physical impairment must be severe enough to make that person temporarily or permanently incapable of self-support through gainful employment. Over 500 individuals receive Interim Assistance each month while they wait for their SSI decision. In FY2004, DPA implemented a rigorous medical review process to determine if a person will likely meet the SSI disability criteria. This change has slowed the rate of growth in Interim Assistance and has decreased the caseload by approximately 63% since it reached an all-time high at the end of FY2003.

APA serves the community by promoting the stability and independence of needy individuals. APA benefits help many Alaskans achieve well-being through opportunities for community living, promoting independence, and avoiding homelessness, incarceration, and higher-cost settings such as hospitals and nursing homes.

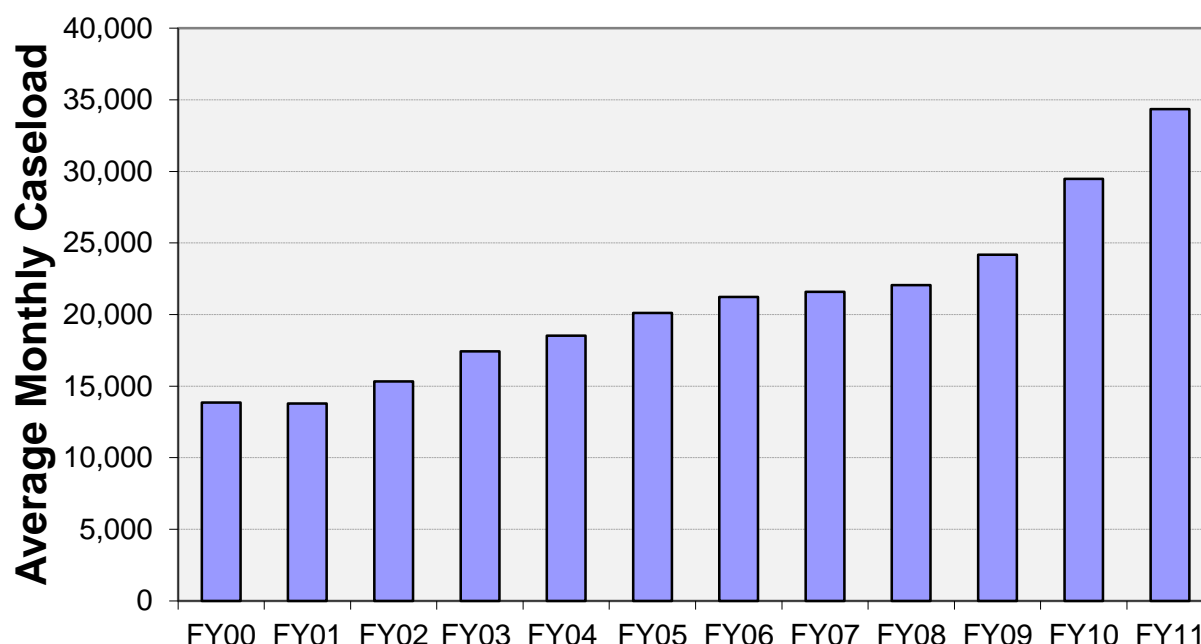


### ***Food Stamp Program***

The Food Stamp Program, also known as the Supplemental Nutrition Assistance Program (SNAP), helps low-income households maintain adequate nutritional needs. Eligible participants receive monthly food stamp benefits on the Alaska Quest debit card and use the card to purchase food products from more than 500 authorized retail grocery stores throughout Alaska. The amount of benefits varies with household size, income, expenses and place of residence. Participants in remote communities receive larger monthly benefits to compensate for higher food costs. Food stamp benefits are 100% federally funded by the U.S. Department of Agriculture (USDA), Food and Nutrition Service. Costs for the administration of the Food Stamp Program are shared equally by the state and federal government, and USDA estimates that for every \$5.00 in food stamp benefits used to purchase food in local stores, \$9.00 is contributed to the economy. Participation in the program has other benefits as well, such as: education about healthful nutrition, enrollment in free and reduced-price school meals for school-aged children, qualification for low-cost phone services, and for conferring financial eligibility for the Supplemental Women, Infants and Children's Program (WIC). Employment and Training supports are available to Food Stamp Program recipients in urban areas with employment opportunities.

Alaska's Food Stamp caseload continues to climb, with a significant increase in participation over the last two years with more households applying for help as they struggle to meet their basic needs. In FY2011 the program served an average of 34,360 eligible households, a 16.6% increase compared to the number of households served in FY2010. In August 2011, nearly 37,000 Alaska households were receiving food stamp benefits. Monthly benefit issuances climbed from over \$14.0 million dollars a month in FY2010 to close to \$16 million per month in FY2011.

# Food Stamp Caseload



Alaska received \$232,898 in bonus funds from the USDA for being one of the 10 states in the nation with the best Food Stamps Program payment accuracy in FFY2010. Currently, Alaska is ranked first in the nation in Food Stamp payment accuracy.

## *Quality Control*

The division conducts rigorous quality control case reviews to ensure the accuracy of individual eligibility and benefit payment decisions. The quality assessment effort helps the division focus on work quality, improved performance outcomes, program stewardship, and accountability. This is a mandated activity for the Food Stamp, Medicaid, and Childcare Assistance programs. The division also conducts payment accuracy reviews for the Alaska Temporary Assistance Program, Senior Benefits, and Adult Public Assistance programs when Quality Control staff resources are available.

As of October 4, 2011, Alaska is ranked first in the nation for achieving a Food stamp payment accuracy rate of 99.14% in FFY2011. This is the highest payment accuracy rate in the nation and is well above the cumulative national rate of 96.36%. It is anticipated that Alaska will receive a bonus award for payment accuracy for FFY2011.

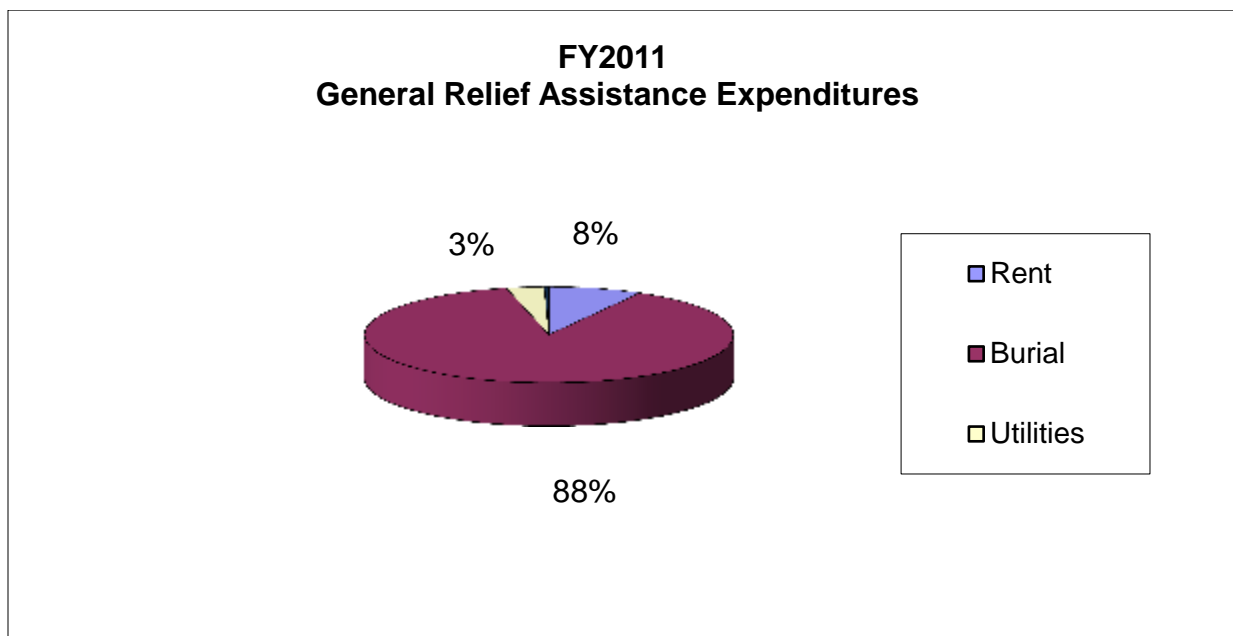
## *Fraud Control*

The division maintains an active statewide welfare fraud control effort. The Fraud Control Unit investigates allegations of applicant and recipient fraud initiated by staff or the public. The investigations involve most of the division's major programs. The unit's investigative staff is

stationed at offices in Anchorage, Fairbanks, Wasilla, and Kenai. Individuals found to have intentionally violated program rules are disqualified from program participation and required to re-pay the amounts they were paid. The most serious cases are referred to the Department of Law for possible criminal prosecution. The unit investigates approximately 1,000 allegations of fraud each year.

### ***General Relief Assistance***

Alaska's General Relief Assistance (GRA) program is a safety net program for very low-income individuals who lack the resources to meet an emergent need and are not eligible for other state or federal assistance. It is the bottom tier in Alaska's welfare system, a last resort program designed to meet emergency food, clothing, shelter, and burial needs of indigent Alaskans who have no other resources available. Approximately 89% of GRA program expenditures are used to pay for funeral and burial expenses. The remainder is used to meet emergency shelter, food, and clothing needs.



In FY2011 the program covered burial expenses for 742 deceased individuals and met emergency shelter needs to prevent eviction and homelessness for an average of about 106 households per month.

### ***Medicaid Program***

The Medicaid Program provides medical coverage for basic health and long-term care services for low-income Alaskans. The Division of Health Care Services (HCS) is responsible for managing payments to health care providers. The Division of Public Assistance (DPA) develops and administers policies for the program, ensures access, and determines eligibility of individuals and families including eligibility for children and pregnant women under the Denali KidCare

Program. The division manages Medicaid eligibility for over 111,000 Alaskans each month. Often, Medicaid recipients participate in other public assistance programs.

### ***Chronic and Acute Medical Assistance***

The Chronic and Acute Medical Assistance (CAMA) program provides limited health coverage for individuals who are terminally ill or have chronic conditions such as cancer, chronic diabetes, seizure disorders, chronic mental illness, or hypertension. It is a state-funded program for individuals who do not qualify for Medicaid, have very little income, few personal resources, and inadequate or no health care. DPA develops and administers policies for the program, ensures access, and determines eligibility of individuals. The division of Health Care Services (HCS) is responsible for authorizing care and generating payments to health care providers.

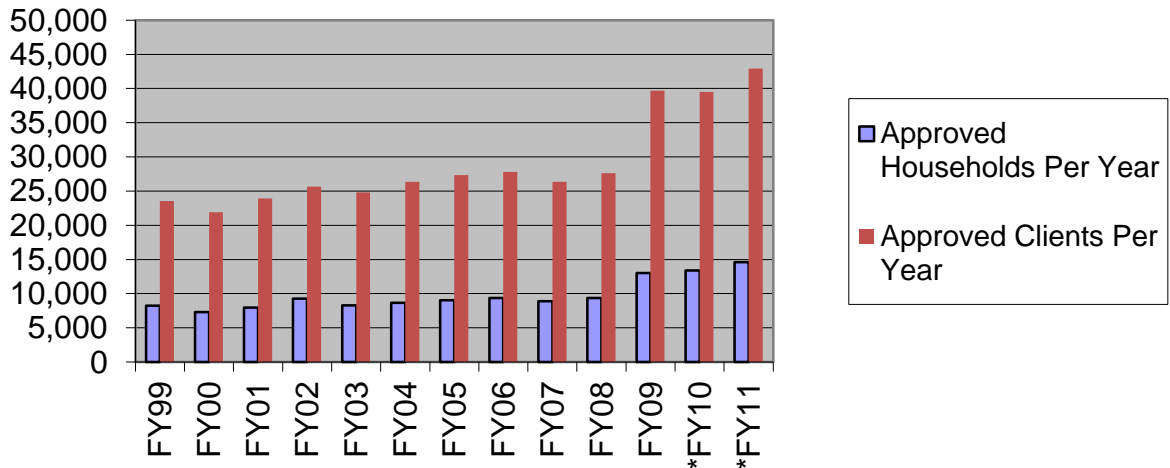
### ***Energy Assistance Program***

The Energy Assistance Program component includes the Heating Assistance Programs (HAP) and funding to support weatherization projects. HAP provides seasonal assistance with home heating expenses. Benefits are based on family income, home heating costs, housing type and geographical region. Households apply for an annual heating assistance grant. Assistance is normally provided in the form of a credit with the applicant's home energy vendor, and covers a portion of their cost for home heating oil, natural gas, electricity, propane, wood, and coal. Until FY2009, heating assistance was funded entirely by the federal Low Income Home Energy Assistance Program (LIHEAP) block grant. In October 2008, DPA began operating the state-funded Alaska Heating Assistance Program (AKHAP). In October 2010, AKHAP transitioned to the new Alaska Affordable Heating Program (AKAHP).

While federal LIHEAP funds can only be used to serve households with income below 150% of the federal poverty limit in Alaska, AKAHP connects the income eligibility standards and the annual benefit levels to the average price per barrel of North Slope crude oil. The AKAHP is available for households with income between 151% and 225%, and increases to 250% of the federal poverty limit if the average price per barrel of oil reaches \$150 a barrel.

## Heating Assistance Program

\*Includes both LIHEAP & AKHAP

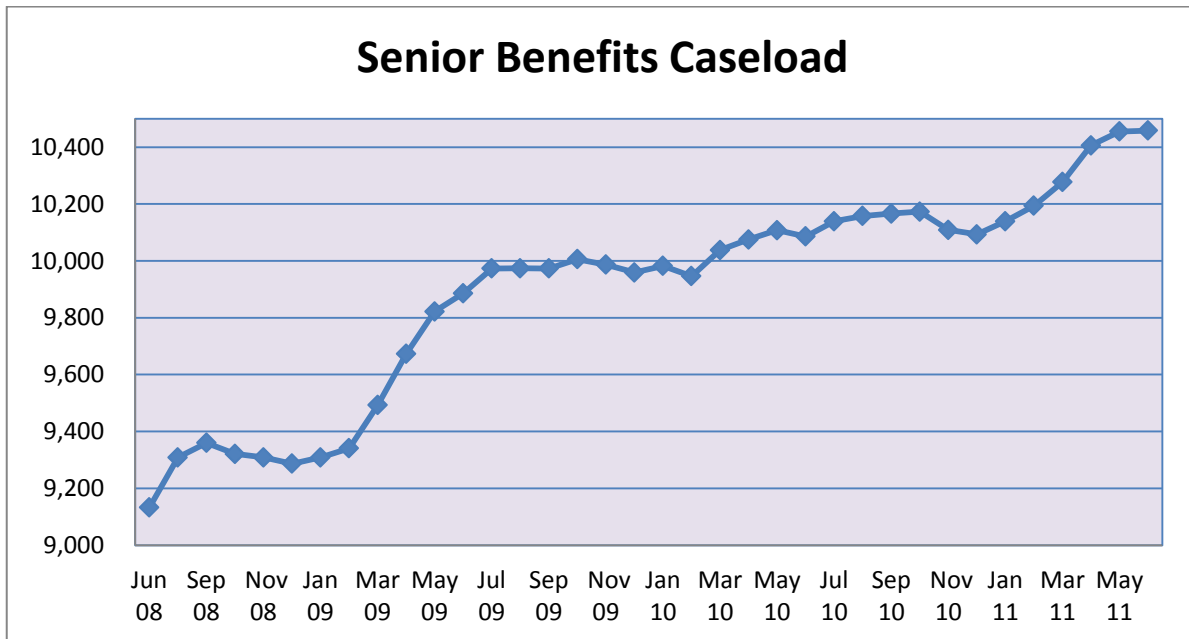


During the 2010 - 2011 heating season, over 14,623 households (12,114 LIHEAP and 2,509 AKHAP) received help from the State administered heating assistance programs. Not included in the chart above, an additional 6,749 households (6,251 LIHEAP and 498 AKHAP) received help from Alaska Native organizations operating Tribal Energy Assistance Programs.

The Energy Assistance Program also contributes funds to the Alaska Housing Finance Corporation Low Income Home Weatherization Assistance Program for weatherization projects.

### ***Senior Benefits Payment Program***

The Senior Benefits Payment Program helps low-income seniors who are at least 65 years of age remain independent in the community by providing monthly cash payments of \$125, \$175, or \$250, depending on annual income. This program was established in 2007, following the sunset on June 30, 2007 of the Senior Care program.



During FY2011 the number of seniors enrolled in Senior Benefit reached over 10,458, compared to approximately 7,000 served under the former Senior Care program. The Senior Benefits Payment Program was re-authorized during the 2011 Legislative Session and has a sunset date of June 30, 2015. The division projects continued growth through the year with an estimated enrollment of 10,900 cases by the end of FY2012.

### ***Women, Infants, and Children (WIC)***

The Women, Infants and Children (WIC) component includes family nutritional programs designed to help pregnant women, new mothers, infants and young children eat well, learn about good nutrition, and stay healthy. Pregnant, postpartum, and breastfeeding women, infants and young children receive nutrition education and counseling, referrals, and warrants to purchase food that will improve their health and nutritional status. This component also includes the Commodity Supplemental Food Program, which provides food to low-income seniors, and the Farmers' Market Nutrition Program, which offers coupons to seniors and WIC participants to purchase locally grown fruits and vegetables at Farmers' Markets during the harvest season. The program provides participants opportunities to include a variety of healthy food choices for infants, including fresh fruits and vegetables, low-fat milk and a variety of whole grain foods. The WIC program also increases the amount of food provided to mothers who breast-feed their babies full time to better promote and support breast-feeding. In FY2011, the division ranked fourth in the nation for breastfeeding initiation rates.

The WIC, Farmer's Markets, and Commodity Supplemental Food Programs are primarily federally funded. In FY2011, over 26,000 Alaskan women, infants and children participated in WIC each month, and approximately 2,190 seniors received food from the Commodity Supplemental Food Program. Over 15,100 WIC participants were issued \$25 worth of vouchers for the Farmer's Market Nutrition Program (FMNP) that ran from June 2011 through October 2011 harvest season. The value of redeemed FMNP vouchers for the 2011 season is expected to be \$160,000; the Senior Farmer's Market Nutrition Program (SFMNP) provided more than 3,400 coupon books valued at \$84,180 and were distributed at 32 senior service agencies.

# Annual Statistical Summary of Services Provided in FY2011

## Comparison of Public Assistance Programs

	Energy Assistance Programs <sup>2</sup>		Child Care (PASS I, II, III)	Senior Benefits	Women, Infants & Children (WIC)
	LIHEAP (Federal)	AKHAP (State)			
FY11 Cases avg/month <sup>1</sup>	12,114	2,509	2,982	10,458	26,490
# of clients avg/month <sup>1</sup>			4,968	10,458	26,490
Race Distribution					
White	58%	68%	46%	Not Available	39%
Alaska Native/American Indian	26%	19%	7%		36%
Asian/Pacific Islander	6%	5%	11%		10%
Black	3%	3%	11%		6%
Two or more races	n/a	n/a	20%		n/a
Not reported/Other	7%	5%	5%		9%
Recipients by DPA Region					
Central	46%	35%	Not Available	49%	47%
Northern	24%	30%		15%	25%
Coastal	24%	23%		25%	20%
Southeast	6%	12%		12%	8%
% by Category of Service			% expenditures	% receiving benefits	% receiving benefits
Employed, retired or temp unemployed	70%	93%	Pass I 21%	Food Stamp 27%	Food Stamp 21%
Receiving ATAP	7%	1%	Pass II 7%	APA 53%	Medicaid 61%
Receiving APA	23%	7%	Pass III 72%	Medicaid 65%	
Total Expenditures	\$13,910,237	\$1,424,261	Pass I \$6,142,217 Pass II/III \$23,040,073	\$20,609,507	\$27,657,085
Federal	\$11,813,208	\$0	\$21,755,733	0	\$26,467,592
GF	\$2,097,029	\$1,424,261	\$7,426,557	\$20,609,507	\$364,286
Other	\$0	\$0	\$1,631,888	0	\$825,207

Notes:

1. Caseload and client numbers for Heating Assisting are annual totals; all other programs are monthly averages
2. Energy Assistance program data does not include Alaskans receiving Heating Assistance through tribal organizations funded directly by the federal government

	ATAP/NFAP <sup>1</sup>	Adult Public Assistance	General Relief	Food Stamps
FY11 Cases avg/month	3,619	18,146	168	34,360
# of clients avg/month	9,875	18,146	282	85,749
Race Distribution				
White	46%	49%	Not Available	35%
Alaska Native/American Indian	13%	28%		41%
Asian/Pacific Islander	16%	12%		9%
Black	11%	5%		5%
Two or more races	9%	1%		7%
Not reported	5%	4%		3%
Recipients by DPA Region of Residence				
Central	70%	56%	59%	49%
Northern	9%	12%	9%	12%
Coastal	14%	21%	21%	29%
Southeast	7%	11%	11%	10%
Recipients by Age Group (avg cases per month)				
Children 0-18 years	6,791	83	Not Available	39,404
Adults 19-59 years	3,071	10,356		41,596
Adults 60+	13	7,707		4,749
% Expenditure By Category of Service <sup>2</sup>				
	Single parent 65%	Disabled 74%	Burial service 88%	FS and ATAP 13%
	Two parent 13%	Aged 25%	Rent assistance 8%	FS only 22%
	Child Only 21%	Blind <1%	other 4%	FS and APA 11%
				FS and Medicaid 80%
Total Expenditures				
	\$27,799,199	\$59,494,405	\$1,955,877	\$175,306,900
Federal	\$11,787,925	\$1,417,728	\$0	\$175,306,900
GF	\$12,457,204	\$53,818,427	\$1,955,877	\$0
Other	\$3,554,070	\$4,258,250	\$0	\$0

Notes:

1. ATAP/NFAP caseload includes the Alaska Temporary Assistance Program only. Expenditures include the Alaska Temporary Assistance Program and the Native Family Assistance Program.
2. Percentages do not necessarily add to 100% - some cases overlap multiple categories

## List of Primary Programs and Statutory Responsibilities

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AS 18.05.010-070	Administration of Public Health and Related Laws
AS 43.23.075	Eligibility for Public Assistance
AS 43.23.085	Eligibility for State Programs
AS 44.29.020	Department of Health & Social Services
AS 47.05.010-080	Public Assistance
AS 47.05.300-.390	Criminal History; Registry
AS 47.07.010-900	Medicaid
AS 47.25.001-.095	Day Care Assistance and Childcare Grants
AS 47.25.120-300	General Relief Assistance
AS 47.25.430-615	Adult Public Assistance
AS 47.25.621-626	Alaska Affordable Heating Program
AS 47.25.975-990	Food Stamps
AS 47.27.005-.990	Alaska Temporary Assistance Program
AS 47.32.010-.900	Centralized Licensing and Related Administrative Procedures
AS 47.45.301-.309	Senior Benefits Payment Program
7 AAC 10	Licensing, Certification, and Approvals
7 AAC 38	Permanent Fund Dividend Distributions
7 AAC 39	Childcare Grant Program
7 AAC 40	Adult Public Assistance
7 AAC 41	Childcare Assistance Program
7 AAC 44	Heating Assistance Program
7 AAC 45	Alaska Temporary Assistance Program
7 AAC 47.020-290	General Relief Assistance
7 AAC 47.545-599	Senior Benefits Payment Program
7 AAC 57	Childcare Facilities Licensing
7 AAC 78.010-320	Grant Programs
7 AAC 100	Medicaid Assistance Eligibility
7 CFR 273.16	Food Stamp Program
7 CFR 275.10	Food Stamp Quality Control
42 CFR 431	Medicaid Program
42 CFR 457	State Children's Health Insurance (SCHIP) Payment Error Rate Measurement (PERM)
45 CFR 98	Childcare and Development Fund
45 CFR 235.110	Welfare Fraud
45 CFR 431.800	Medicaid Quality Control
Public Law 97-35	L.I.H.E.A.P. Act of 1981

## Explanation of FY2013 Operating Budget Requests

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### Division of Public Assistance

#### Budget Overview Table

Division of Public Assistance	FY2012	FY2013 Gov	Difference
Unrestricted General Funds	\$154,987.8	\$161,911.6	\$6,923.8
Designated General Funds	16,452.7	16,992.7	540.0
Federal Funds	130,232.7	131,549.6	1,316.9
Other Funds	13,100.1	13,542.1	442.0
<b>Total</b>	<b>\$314,773.3</b>	<b>\$323,996.0</b>	<b>\$9,222.7</b>

#### Budget Requests

The proposed FY2013 budget requests reflect funding required to cover an increase in the number of cases for programs that provide basic safety net support to Alaska's most needy and vulnerable citizens, including support for low income seniors and people with disabilities, emergency services for destitute individuals, and burial assistance on behalf of deceased indigent persons.

#### *Alaska Temporary Assistance Program (ATAP)*

##### **Alaska Temporary Assistance Program Funding: \$3,500.0 Fed**

Increased funding authority of \$3,500.0 is requested to provide cash assistance and work services to low-income families with children to help them with basic needs while they work toward becoming self-sufficient. This program is provided for under the federal Temporary Assistance for Needy Families (TANF) block grant.

Without additional authority, ATAP will not be able to provide temporary financial assistance and self-sufficiency services at the current level to the increasing population meeting the eligibility requirements for the program.

## ***Adult Public Assistance (APA)***

### **Formula Program Funding Increase Due to Caseload Growth: \$409.5 Fed/\$5,665.5 GF**

Enrollment in the Adult Public Assistance Program is increasing, particularly in the Aid to the Disabled & Blind category. This growth is similar to that experienced by the Supplemental Security Income (SSI) program in Alaska. Both the APA and SSI programs have seen a 4% increase in the number of recipients who are disabled or blind. Based on demographic trends for Alaska, it is anticipated that the old age population will also increase in coming years. As a result, expenditures for the program are expected to increase. Overall, the number of individuals served by the program is expected to continue to increase by over 5% per year. Current funding levels are inadequate to meet projected expenditures.

If this increment is not funded, the Adult Public Assistance Program will not be able to provide benefits to the full population meeting the eligibility requirements for the program. Without increased funds some needy, elderly, blind, and disabled persons will not receive benefits.

## ***Permanent Fund Hold Harmless (PFD-HH)***

### **Program Funding Increase Due to Caseload Growth: \$540.0 PFD-HH**

Alaska law stipulates that recipients of public assistance programs not lose their benefits due to receipt of the Alaska Permanent Fund Dividend. These benefit replacements are referred to as Permanent Fund Dividend Hold Harmless payments. As public assistance caseloads increase, there is increased need for PFD-HH payments. Current PFD-HH funding is not sufficient to cover the amount of hold-harmless payments needed due to the growth of the Supplemental Security Income (SSI), Food Stamp, and the Adult Public Assistance (APA) programs. The SSI and APA programs have grown by over 4% in recent years, and this trend is expected to continue. The Food Stamp program caseload grew over 16% between FY2010 and FY2011 and we expect the program to continue to grow at a rate of 16% into FY2013.

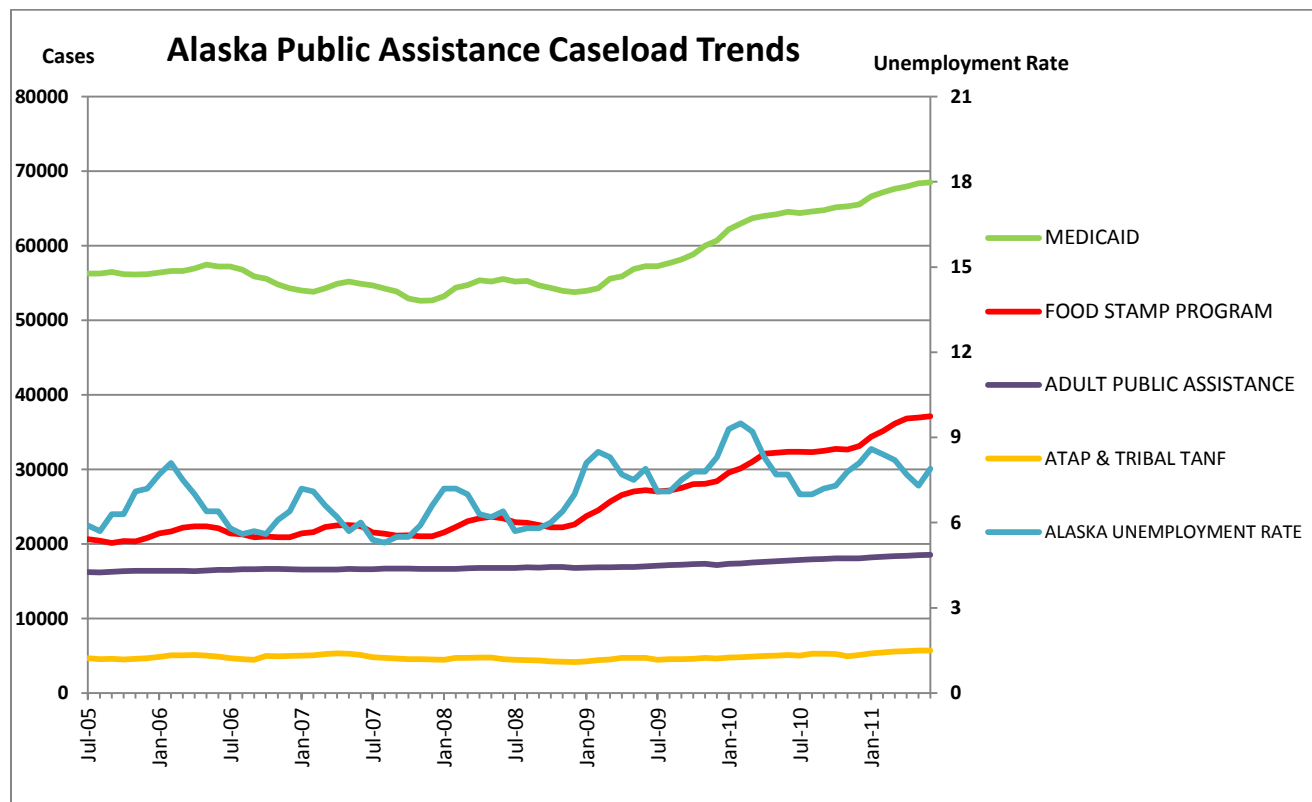
## Challenges

As the Division of Public Assistance (DPA) continues to make progress on its overall mission to promote self-sufficiency and provide for basic living expenses to Alaskans in need, several new and ongoing challenges, listed below, may affect the division's ability to meet performance objectives for FY2013.

### *Increasing Need, Workload Challenges, and Continuous Improvement*

The rise and fall of Alaska's unemployment rates over the past two years, in addition to the costs for food, housing, heating fuel, transportation, and other vital needs, has put immense stress on low-income households, amplifying needs of parents and children throughout the State. As a result, requests for help from programs designed to meet the most basic needs of individuals and families who are economically challenged have increased dramatically.

The number of families receiving Alaska Temporary Assistance Program (ATAP) benefits grew by 12.6% between FY2010 and FY2011. The number of households receiving food stamp benefits grew by another 16.6% in FY2011, with an overall increase of 42.1% over the past two fiscal years.



## ***Work First Accountability***

In April 2011, the Administration for Children and Families (ACF) published the FFY2009 state work participation rates for the Temporary Assistance for Needy Families (TANF) program. Alaska successfully met and exceeded its overall (all families) TANF work participation rate set at 21.4% by achieving an overall participation rate of 37.2%. Alaska, however, did not meet the two-parent work participation rate. Alaska's two-parent rate was set at 51.0%, and the state achieved a two-parent rate of 40.5%. In 2009 and 2010, ACF informed the state of penalties for failure to achieve the two-parent rate in FFY2007 and FFY2008.

Despite the challenges, Alaska achieved the 11<sup>th</sup> highest two-parent participation rate in the nation in FFY2009. This reflects DPA's commitment to achieve results despite great adversity. DPA submitted a reasonable cause claim to ACF in June 2011 and has implemented corrective compliance actions that will enable Alaska to meet the federally required targets.

ACF acknowledged that many states found it difficult to meet the new TANF work participation rates due to the major changes in the mandated targets and new verification requirements in the Deficit Reduction Act (DRA) of 2005. In FFY2005 the two-parent participation rate target was 31.1%. Due to DRA rules, the FFY2009 two-parent participation rate target was 20% higher than the FFY2005 target. ACF also recognized the significant challenges states are facing in the midst of difficult economic times and the substantial pressures on state human service agencies and programs, including TANF.

The state relied on program enhancements, new service strategies, and practices employed by other states to help Alaska reach the two-parent participation target. For instance, innovative ways to increase work participation levels have been implemented through new partnerships. In October 2010 DPA provided a Native Employment Work Services (NEWS) grant to Kawerak, Inc. for development of work and work experience activities in Nome and surrounding villages. As a result, the number of families working or in work experience placements has increased dramatically. In September 2010, the month before Kawerak began NEWS services, 37.9% of ATAP families in Nome and surrounding villages were participating in work activities. Twelve months later, in September 2011, 54.7% of ATAP families were in work activities—an increase of 16.3%. The state is currently working with Aleutian Pribilof Islands Association (APIA) to explore a similar grant partnership to provide NEWS to families in the APIA services area. As a result of these efforts, Alaska has reported to ACF that it has met both participation rates for FFY2011 and anticipates that ACF will respond, as per regulation, to dismiss all pending penalties against the TANF block grant.

Steps taken to ensure work services contractors are complying with the more stringent policies for documenting, monitoring, and verifying allowable activities, as required by federal rules, have been effective. For the first time since the DRA, legislative audit of ATAP had no findings of work verification errors.

DPA continues to keep a focus on a rapid attachment to the workforce. The state is re-procuring for Work First services using pay-for-performance contracts. Work First will continue to ensure that families with adults able to go to work become employed as quickly as possible.

Work Support services will be procured through grants and contracts that focus on directly

addressing significant challenges that prevent any families from success in getting a job and becoming self-sufficient. For families with disabled members that receive ATAP benefits, Work Supports will also reduce the number of months before they are determined eligible for Social Security Disability Insurance or Supplemental Security Income benefits.

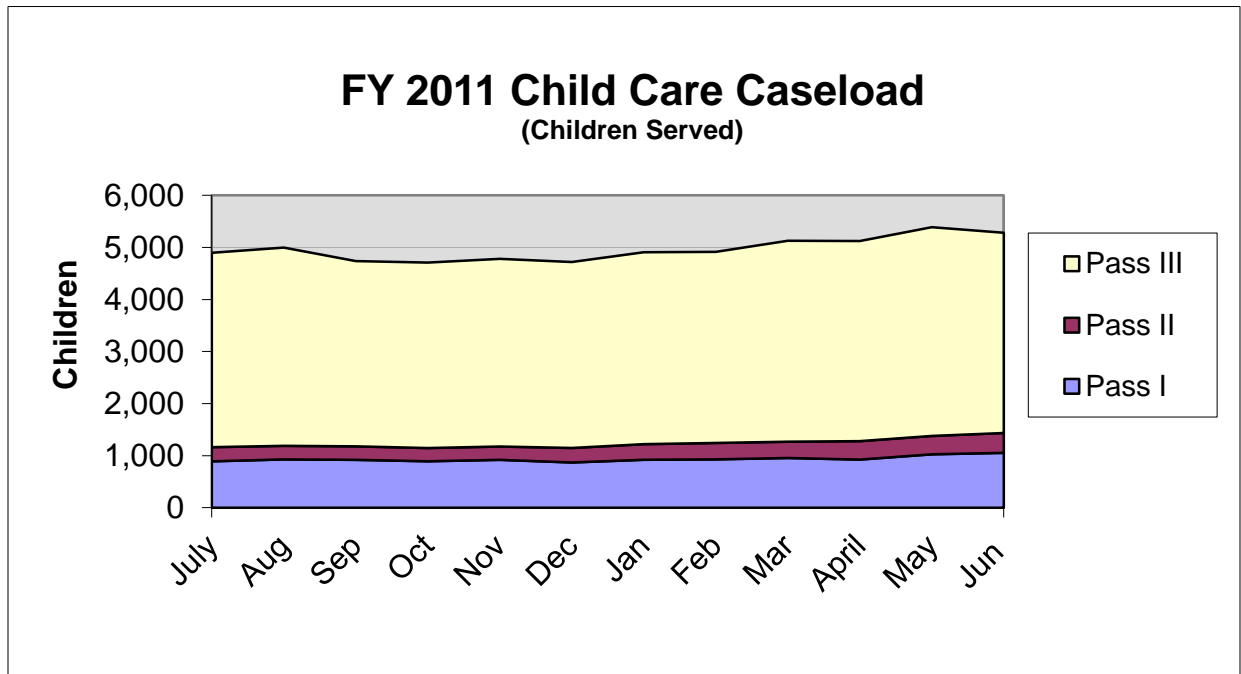
The division's Families First! Initiative will be integrated into the Work Supports services that will begin on July 1, 2012. All ATAP families with multiple DHSS involvement will be participating in service teams that aim to create "informed plans." Partnerships with other DHSS division and community social service providers across the state will be an expectation for all Work Support case managers and will allow for better service coordination and employment planning for families with profound challenges to move to work and self-sufficiency.

### ***Childcare Assistance - Parents Achieving Self-Sufficiency (PASS)***

Children who grow up safe, healthy, and filled with a love of learning are better prepared to succeed in school and life. The Childcare Assistance Program and its initiatives are intended to ensure children in low income working families have access to affordable, safe, quality childcare. Childcare assistance often provides the support that parents need in order to stay working.

The division continues to work on strategies to increase the effectiveness of its Childcare Assistance Program to enable low-income working parents to find and afford safe, stable, and quality childcare. Strategies include increasing access and raising childcare subsidy rates closer to actual market levels. Because childcare subsidy rates had not increased since 2001, rate adjustments were implemented in September of 2008 and again in March 2010 based on the findings of the 2009 market rate survey (market price study). The division also completed a comprehensive analysis of the program's income eligibility standards and the parent contribution (co-pay) levels. As a result, changes to the income qualifying standards and family co-payment amounts were implemented on November 1, 2010. These standards were last adjusted in 2002. Federal guidelines allow states to serve families with incomes up to 85% of the state median income. The new standards set Alaska's childcare assistance income limits at 75% of Alaska's state median income.

The federal government requires states to survey their childcare markets at least every two years and recommends that rates are set for all age categories at the 75<sup>th</sup> percentile of the market rate to ensure equal access to childcare for families. The Childcare Market Price Survey completed in 2011 showed that childcare subsidy rates range from 10% to as much as 40% below market rates. It is believed that this disparity between the state subsidy rate and the rate charged by childcare providers is responsible for a decline in the number of working families participating in the Childcare Benefits program. Additional funding is needed to stabilize Alaska childcare rates. Regular increases to the childcare subsidy rates that keep pace with the growing costs experienced by childcare providers are essential to promote and support access to quality childcare for low income families.



### ***Quality Workforce***

While improved, retention of experienced staff in all sections of the division continues to be a challenge as the workforce ages and dedicated employees with years of knowledge and service retire. The division is expected to deliver timely and accurate benefits, and staff takes great pride in ensuring families and individuals receive the best possible service. The division has enhanced its recruitment strategies to select the best possible candidates and is working with the DHSS Public Information Office to develop recruitment videos to target job classes and communities that face chronic recruitment challenges. Changes to core business practices have been implemented that have helped improve employee morale.

### ***Service Review Project***

Despite the dramatic increase in applications for service and unprecedented growth in the Food Stamp caseload, DPA is committed to high quality customer service, timely processing, benefit accuracy, and other program performance expectations.

To fulfill those commitments, the division is using existing resources to invest in innovative practices to provide better customer service, increase efficiency and streamline service delivery, and make other significant business process improvements.

In FY2011, the division completed the initial delivery and implementation of LEAN work process improvements in all of the agency's 15 field offices and the Childcare Program Office. Staff in the Administrative Support Unit, System Operations and the WIC Program initiated process improvements to promote administrative efficiency and program effectiveness.

Even with these improvements in work processes, the division's workforce is challenged by the growth in public assistance cases. The increased demand for services necessitates the use of overtime and non-permanent positions to ensure accurate, timely, and quality services for public assistance applicants and recipients. However, the division will work to continually improve and standardize work processes and to leverage new technologies in order to increase its service capacity.

### ***Automated System Replacements***

The division has three major information and management systems under various stages of replacement.

*Alaska Women Infant and Children (AKWIC) system:* This computer system, which supports WIC, was scheduled to be replaced in FY2011; however, implementation was delayed due to unforeseen complications in securing a vendor for the transfer of a federally certified WIC system. The division has been successful in competing for and securing federal funds to support this project, which includes dedicated project staff and a contract to oversee the transfer of a federally approved WIC system. In FY2012 the division was able to procure an implementation contract to transfer SPIRIT, a federally approved WIC information system. The division anticipates full implementation in FY2013. DPA expects transition to the new system will provide uninterrupted services to WIC program participants, vendors, and grantees.

*Fraud Case Management System:* The contractor for the replacement of this system was unable to meet project deadlines and deliverables and the contract was terminated. A new strategy is being displayed to ensure continued progress on a new Fraud Case Management System.

*Upgrading or replacing the Eligibility Information System (EIS):* The division completed a comprehensive business needs assessment and feasibility study that evaluated options and the costs for replacing the EIS. The contractor responsible for the feasibility study prepared draft Technical Services and Quality Assurance RFPs. The feasibility study also provides the basis for the Department's FY2013 capital request for the funds needed for the design, development, and implementation of the replacement system.

Originally implemented in 1984, EIS is the backbone of Public Assistance operations. EIS is a complex system that supports Alaska's public assistance programs including: Food Stamps, Medicaid, Temporary Assistance, Denali KidCare, Childcare Assistance, Senior Benefits, General Assistance, Adult Public Assistance, Interim Assistance, and Work Services. EIS supports application tracking, eligibility, budgeting, benefit payments and benefit recovery, correspondence, accounting, and federal reporting. EIS interfaces with systems in multiple agencies to support the administration of their programs and services.

While EIS has been a reliable, mission-critical system for over 25 years, its aging application is costly to maintain and its use limits DPA's ability to gain efficiencies using more advanced applications. Many significant changes in public assistance programs, program requirements, and associated business practices have occurred since EIS was developed. The division needs a more user-friendly and adaptable system to gain efficiencies and keep up with increased service demands, reduce system maintenance costs, and support better customer service, timeliness, and accuracy of eligibility decisions.

## ***Health Care Reform***

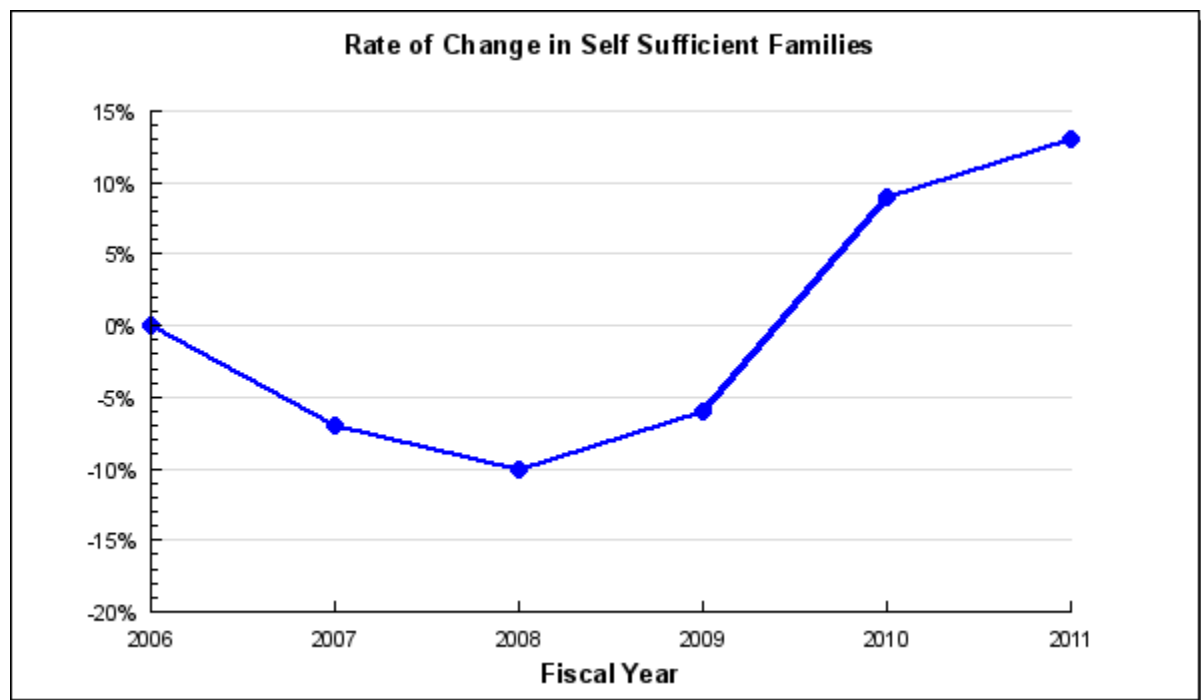
The federal Affordable Care Act, also referred to as Health Care Reform, includes a number of requirements related to Medicaid eligibility that are mandatory for state programs, as well as offering optional provisions that the state may implement. One of the most significant provisions of the health care reform legislation is an expansion of Medicaid. Beginning January, 1, 2014, states must implement a new Medicaid category for persons (including childless adults) with income that is equal to or less than 133% of the federal poverty guidelines. Eligibility for this new Medicaid category must be based on a person's modified adjusted gross income, which is based on the Internal Revenue Code definition of adjusted gross income. This mandatory provision, as well as others and any options that the state may select, will require research and policy development as well as computer system changes to implement. As necessary, division resources will be redirected from other projects and programs to support this planning effort.

## Performance Measure Detail

### A: Result - Low income families and individuals become economically self-sufficient.

**Target #1:** Increase the rate of self-sufficient individuals and families by 10%.

**Status #1:** In FY2011, the Alaska Temporary Assistance Program (including the Native Temporary Assistance for Needy Families Program) showed a 13% increase in the number of families receiving benefits.



Methodology: \*YTD Total Column represents the average annual monthly caseload rate change.

#### Rate of Change in Self Sufficient Families

Fiscal Year	AFDC/ATAP Caseload	YTD Total
FY 2011	5,400	13%
FY 2010	4,800	9%
FY 2009	4,400	-6%
FY 2008	4,700	-10%
FY 2007	5,200	-7%
FY 2006	5,600	0

**Analysis of results and challenges:** As shown in the YTD Total column, FY 2011 had a 13% increase in the number of families receiving Alaska Temporary Assistance Program benefits compared to FY 2010. Note: The YTD Total column represents the average annual monthly caseload rate change.

The goal is for clients to move off Temporary Assistance with more income than they received while on the program, and for those clients to stay employed with sufficient earnings to stay off the program. As the caseload declines, those adults with more significant barriers to employment make up a higher percentage of the caseload. Therefore, with a declining caseload, it becomes more difficult to achieve higher percentages of families becoming self-sufficient.

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**Target #2:** Reduce the proportion of the population that lives in impoverishment.

**Status #2:** In calendar year 2009, the percentage of food stamp families with incomes below the poverty threshold was reduced by 25% after receiving food supports, compared to 18% in 2008.

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**A1: Strategy - Increase the percentage of temporary assistance families who leave the program with earnings and do not return for six months.**

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**Target #1:** 90% of temporary assistance families leave with earnings and do not return for six months.

**Status #1:** The FY2011 percentage of Alaska Temporary Assistance families who left the program with earnings and did not return for six months was 86%, which is 1% higher than in FY2010.

**Percent of Temporary Assistance Families Who Leave the Program With Earnings and Do Not Return for 6 Months**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2011	88%	86%	84%	86%
2010	82%	85%	85%	85%
2009	88%	87%	85%	85%
2008	86%	86%	87%	86%
2007	88%	88%	88%	87%
2006	87%	87%	80%	84%
2005	88%	85%	80%	82%
2004	90%	85%	79%	80%
2003	85%	87%	82%	82%
2002	83%	83%	76%	81%

**Analysis of results and challenges:** The goal is for clients to move off Temporary Assistance with more income than they received while on the program, and for those clients to stay employed with sufficient earnings to stay off the program. The measurement ties in job retention, since retaining employment is directly related to remaining off Temporary Assistance.

The division provides childcare and supportive services to support employed families during the transition to self-sufficiency. Supportive services include case management support to continue coaching the employed client during this vulnerable period.

To calculate this measure, we divide the number of cases that closed with earnings six months ago who are not in the current caseload by the number of cases that closed with earnings six

months ago. The calculation for the quarterly figures is a weighted average of the three months in the quarter. The YTD total is a weighted average of all the months so far in the year.

**A2: Strategy - Increase the percentage of temporary assistance families with earnings.**

**Target #1:** 40% of temporary assistance families with earnings.

**Status #1:** The percent of Alaska Temporary Assistance families with earnings for FY2011 increased to 30% from 29% in FY2010.

**Percent of Temporary Assistance Adults With Earnings**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2011	32%	30%	29%	30%	30%
2010	31%	29%	28%	29%	29%
2009	34%	33%	31%	31%	31%
2008	35%	33%	32%	33%	33%
2007	36%	34%	33%	34%	34%
2006	34%	32%	32%	36%	34%
2005	34%	31%	30%	35%	33%
2004	31%	29%	29%	35%	31%
2003	30%	28%	27%	32%	29%
2002	31%	28%	27%	31%	29%

**Analysis of results and challenges:** This is a measure of current Temporary Assistance recipients who have earned income. As the caseload declines, those adults with more significant barriers to employment make up a higher percentage of the caseload. Therefore, with a declining caseload, it becomes more difficult to achieve higher percentages of recipients with earned income. The goal of the division's welfare-to-work effort is to move families off assistance and into a jobs that pays well enough for the families to be self-sufficient.

The calculation for the quarterly figures is a weighted average of the three months in the quarter. The YTD total is a weighted average of all the months so far in the year.

**A3: Strategy - Increase the percentage of temporary assistance families meeting federal work participation rates.**

**Target #1:** 50% of temporary assistance families meet federal work participation rates.

**Status #1:** In FY2011, 37% of all Alaska Temporary Assistance families met the federal participation requirements, exceeding the federal target of 33%.

**Percentage of temporary assistance families meeting federal work participation rates.**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2011	36%	36%	36%	37%	37%
2010	36%	34%	33%	33%	33%
2009	41%	40%	38%	38%	38%
2008	46%	42%	41%	42%	42%
2007	47%	47%	46%	47%	47%
2006	42%	43%	44%	44%	44%
2005	39%	37%	39%	40%	40%
2004	36%	36%	36%	37%	37%
2003	32%	33%	33%	34%	34%
2002	38%	37%	36%	36%	36%

**Analysis of results and challenges:** Temporary Assistance (TA) is a work-focused program designed to help Alaskans plan for self-sufficiency and to make a successful transition from welfare to work. Federal law requires the state to meet work participation requirements. Failure to meet federal participation rates results in fiscal penalties.

The quarterly figures are YTD figures. The federal participation rate calculation is a running YTD figure.

As Alaska's TA caseload declines, a growing portion of the families require more intensive services just to meet minimal participation requirements. Enhancement of TA Work Services will serve to identify and address client challenges to participation.

**A4: Strategy - Improve the timeliness of benefit delivery.**

**Target #1:** 95% of food stamp expedited service applications are processed within 5 days.

**Status #1:** In FY2011, 95% of emergency food stamp applications were processed within 5 days which is an increase from 90% in FY2010.

**Percentage of food stamp expedited service households that meet federal time requirements**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2011	94.2%	94.2%	95.1%	95.4%	95.4%
FY 2010	88.5%	90.1%	89.6%	90.2%	90.2%
FY 2009	89.6%	90.2%	87.2%	89.6%	89.6%
FY 2008	93.1%	90.4%	86.6%	88.4%	88.4%
FY 2007	96.5%	96.2%	96.3%	96.4%	96.4%
FY 2006	95.0%	95.6%	96.0%	95.7%	95.7%
FY 2005	90.9%	92.3%	92.7%	93.5%	93.5%
FY 2004	93.2%	93.8%	94.5%	94.7%	94.7%
FY 2003	94.0%	90.5%	90.8%	92.1%	92.1%
FY 2002	95.4%	94.5%	93.4%	93.4%	93.4%

**Analysis of results and challenges:** Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

The quarterly data are YTD figures.

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**Target #2:** 96% of new food stamp applications are processed within 30 days.

**Status #2:** In FY2011, 96% of new food stamp applications were processed within 30 days with an overall average processing time of 18 days, compared to 89% in FY2010.

**Percentage of new food stamp applications that meet federal time requirements**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2011	84.2%	95.3%	95.2%	96.1%	96.1%
FY 2010	86.0%	86.8%	87.3%	89.3%	89.3%
FY 2009	88.9%	89.2%	86.9%	85.8%	85.8%
FY 2008	94.8%	92.2%	89.6%	90.3%	90.3%
FY 2007	97.2%	97.3%	97.2%	97.1%	97.1%
FY 2006	95.4%	95.9%	96.1%	96.2%	96.2%
FY 2005	95.2%	95.5%	95.7%	95.9%	95.9%
FY 2004	96.2%	96.1%	96.3%	96.5%	96.5%
FY 2003	95.9%	95.1%	95.1%	95.5%	95.5%
FY 2002	93.0%	94.2%	94.3%	94.7%	94.7%

**Analysis of results and challenges:** Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

**Target #3:** 99.5% of food stamp recertification applications are processed within 30 days.

**Status #3:** In FY2011, 91% of food stamp recertification applications were processed within 30 days, compared to 87% in FY2010.

**Percentage of food stamp recertification applications that meet federal time requirements**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2011	88.1%	88.8%	89.5%	91.2%	91.2%
FY 2010	84.8%	85.4%	85.5%	87.4%	87.4%
FY 2009	89.9%	89.0%	84.3%	85.8%	85.8%
FY 2008	94.6%	93.9%	92.6%	92.4%	92.4%
FY 2007	99.7%	99.5%	99.5%	99.1%	99.1%
FY 2006	99.4%	99.5%	99.5%	99.5%	99.5%
FY 2005	99.5%	99.5%	99.5%	99.6%	99.6%
FY 2004	99.6%	99.6%	99.6%	99.6%	99.6%
FY 2003	99.5%	99.5%	99.4%	99.4%	99.4%
FY 2002	99.8%	99.8%	99.7%	99.6%	99.6%

**Analysis of results and challenges:** Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

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**Target #4:** 90% of temporary assistance applications are processed within 30 days.

**Status #4:** In FY2011, 90% of Alaska Temporary Assistance applications were processed within 30 days with an overall average processing time of 23 days. This is an increase from 75% in FY2010 with an overall average processing time of 21 days.

#### Percentage of Temporary Assistance applications that meet time requirements

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2011	86.7%	85.6%	88.3%	90.1%	90.1%
FY 2010	67%	69%	71%	75%	75%
FY 2009	78%	80%	74%	65%	65%
FY 2008	83%	82%	81%	81%	81%
FY 2007	85%	83%	83%	84%	84%
FY 2006	88%	86%	86%	87%	87%
FY 2005	85%	84%	85%	85%	85%
FY 2004	88%	88%	88%	88%	88%
FY 2003	90%	88%	89%	90%	90%
FY 2002	83%	86%	85%	86%	86%

**Analysis of results and challenges:** Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

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**Target #5:** 90% of Medicaid applications are processed within 30 days.

**Status #5:** In FY2011, 91% of Medicaid applications were processed within 30 days, an 11% increase from FY2010.

**Percentage of Medicaid applications that meet federal time requirements**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2011	89.4%	88.8%	89.7%	90.8%	90.8%
FY 2010	74%	74%	77%	80%	80%
FY 2009	77%	72%	71%	71%	71%
FY 2008	71%	64%	60%	64%	64%
FY 2007	88%	84%	78%	78%	78%
FY 2006	89%	88%	89%	89%	89%
FY 2005	92%	91%	91%	90%	90%
FY 2004	88%	91%	91%	91%	91%
FY 2003	91%	90%	90%	90%	90%
FY 2002	89%	90%	89%	89%	89%

**Analysis of results and challenges:** Timely benefits ensure clients have their benefits when they need them. Untimely benefits cause budget issues for clients and impact their ability to gain self-sufficiency. An issue affecting timeliness is the balance that eligibility workers must strike between timely and accurate benefit delivery.

Recent changes in federal eligibility requirements, such as verification of citizenship, have greatly increased the complexity and processing time for each Medicaid application handled. During the first half of FY2008 processing times far exceeded the 30-day standard. As a result, children did not receive timely medical care, and payments to vendors and medical care providers were delayed. The implementation of the federal Payment Error Rate Measurement (PERM) requirements further impacts processing timeframes by establishing higher expectations for program accountability and payment accuracy.

**A5: Strategy - Improve the accuracy of benefit delivery.**

**Target #1:** 93% of food stamp benefits are accurate.

**Status #1:** In FFY2010, 98% of food stamp benefits were accurate, compared to 96% in FFY2009.

**Percentage of accurate food stamp benefits**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FFY 2011	99.2%	99.0%	0	0	99.0%
FFY 2010	99.7%	98.3%	98.6%	98.3%	98.3%
FFY 2009	93.8%	94.2%	95.1%	96.3%	96.3%
FFY 2008	91.1%	93.9%	92.8%	92.6%	92.6%
FFY 2007	95.1%	96.3%	96.3%	96.1%	96.1%
FFY 2006	92.3%	93.5%	94.1%	94.3%	94.3%
FFY 2005	92.2%	93.2%	93.0%	93.8%	93.8%
FFY 2004	90.8%	94.2%	93.5%	93.3%	93.3%
FFY 2003	86.2%	84.7%	85.6%	86.4%	86.4%
FFY 2002	90.4%	92.4%	90.5%	89.2%	89.2%

**Analysis of results and challenges:** Accurate benefits ensure clients have the amount of benefits to which they are entitled. Fluctuating benefits cause budget issues for clients and impact their ability to gain self-sufficiency. The Quality Assessment Reviews evaluate payment accuracy using statistically valid sampling, case reviews, and home visits.

This is a cumulative measure based on the federal fiscal year (Oct-Sep), and it has about a four-month lag.

**Target #2:** 95% of temporary assistance benefits are accurate.

**Status #2:** The FFY2010 Alaska Temporary Assistance benefit accuracy was 97%, compared to 98% in FFY2009.

**Percentage of accurate temporary assistance benefits.**

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FFY 2011	95.6%	95.7%	0	0	95.7%
FFY 2010	98.2%	97.7%	97.7%	97.4%	97.4%
FFY 2009	98.8%	98.2%	97.7%	97.7%	97.7%
FFY 2007	99.4%	99.3%	99.1%	98.8%	98.8%
FFY 2006	98.1%	96.3%	97.7%	96.3%	96.3%
FFY 2005	98.5%	95.9%	95.7%	97.1%	97.1%
FFY 2004	96.7%	97.5%	98.2%	98.1%	98.1%
FFY 2003	94.4%	93.6%	94.5%	93.6%	93.6%
FFY 2002	88.2%	93.7%	93.6%	92.0%	92.0%

**Analysis of results and challenges:** Accurate benefits ensure clients have the amount of benefits to which they are entitled. Fluctuating benefits cause budget issues for clients and impact their ability to gain self-sufficiency. The Quality Assessment Reviews evaluate payment accuracy using statistically valid sampling, case reviews, and home visits.

This is a cumulative measure based on the federal fiscal year (Oct-Sep), and it has about a four-month lag.

The Temporary Assistance accuracy reviews for FY2008 were temporarily suspended due to the additional efforts needed to perform both the federally mandated Medicaid payment accuracy rate and Childcare accuracy measurements.

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**Target #3:** 93% of Medicaid eligibility determinations are accurate.

**Status #3:** In FFY2011, 99% of the Medicaid eligibility determinations were accurate compared to 94% in FFY2010.

**Percentage of accurate Medicaid eligibility determinations**

Fiscal Year	YTD Total
FFY 2011	99%
FFY 2010	94%
FFY 2009	90%
FFY 2008	98%
FFY 2007	90%
FFY 2006	95%
FFY 2005	93%
FFY 2004	99%
FFY 2003	99%
FFY 2002	96%

**Analysis of results and challenges:** Accurate benefits ensure clients have the amount of benefits to which they are entitled. Fluctuating benefits cause budget issues for clients and impact their ability to gain self-sufficiency. Medicaid eligibility accuracy is compiled at the end of projects designed by the state and accepted by federal authorities. Reviews in FFY 2009 were targeted to only high risk cases.

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**Target #4:** Food Stamp Program, Temporary Assistance, and Medicaid eligibility benefits are accurate.

**Status #4:** In FFY2010, 98% of Food Stamp Program benefits, 97% of Temporary Assistance benefits, and 94% of Medicaid eligibility determinations were accurate.

**A6: Strategy - Increase the percentage of subsidy children in licensed care.**

**Target #1:** 76% of subsidy children are in licensed care.

**Status #1:** In FY2011, 76% of children receiving childcare assistance were in licensed care, equal to 76% in FY2010.

**Percentage of subsidy children in licensed care**

Fiscal Year	September	December	March	June	YTD Total
FY 2011	76%	76%	76%	76%	76%
FY 2010	73%	75%	75%	76%	76%
FY 2009	70%	70%	71%	71%	71%
FY 2008	73%	73%	73%	73%	73%
FY 2007	74%	74%	75%	75%	75%
FY 2006	80%	84%	75%	72%	78%
FY 2005	74%	81%	77%	80%	77%
FY 2004	75%	76%	76%	76%	76%
FY 2003	65%	66%	68%	75%	75%
FY 2002	0	60%	58%	64%	64%

**Analysis of results and challenges:** The first available data regarding this measure is the second quarter in 2002. There is a two month lag in the data.

The number of working families participating in the Childcare Assistance Program has decreased over the past year. The decrease is partially attributed to State rates for childcare not keeping up with the rates that childcare providers charge. As state rates decline in relation to the market rate, low income families on childcare assistance are faced with an increased financial burden to pay the difference between the state rate and the childcare provider's rate (in addition to their required co-payment) or to choose lower priced and usually lower-quality childcare. The decline in state rates in relation to the market rate has resulted in fewer families being assisted by the Childcare Assistance Program and childcare providers being less able to provide care at state payment levels. State rates for licensed childcare providers who accept children on childcare assistance were increased effective September 2008 as an initial step to bridge that gap.

The YTD total is the average for the year.

## FY2013 Governor's Request Increment and Decrement Fund Breakout

<b>DHSS FY2013 Governor's Request for <u>Public Assistance</u></b> <b>General and Other Funds</b> (Increase, Decrease and OTI Items Only)					
Item	UGF	DGF	Federal	Other	Total
Additional Temporary Assistance for Needy Families (TANF) Federal Authority	\$ -	\$ -	\$ 3,150.0	\$ -	\$ 3,150.0
Adult Public Assistance Program - Formula Funding Increase Due to Caseload Growth	\$ 5,665.5	\$ -	\$ -	\$ 409.5	\$ 6,075.0
Hold Harmless Program Authority Increase Due to Public Assistance Caseload Growth	\$ -	\$ 540.0	\$ -	\$ -	\$ 540.0
Extend Senior Benefits Payment Pgm CH6 SLA2011 (HB16) FN year 2	\$ 604.8	\$ -	\$ -	\$ -	\$ 604.8
Federal Low Income Home Energy Assistance Program (LIHEAP) Funding for Tribes	\$ 3,373.0	\$ -	\$ -	\$ -	\$ 3,373.0
Federal Low Income Home Energy Assistance Program (LIHEAP) Funding to the State	\$ 4,627.0	\$ -	\$ -	\$ -	\$ 4,627.0
Reverse American Recovery and Reinvestment Act (ARRA) Funding Sec33(d) CH3 FSSLA2011 P92 L8-12 (HB108)	\$ -	\$ -	\$ 2,666.1	\$ -	\$ 2,666.1
Reverse Energy Assistance Program Contingency Language Sec28(c) CH5 FSSLA2011 P163 L12-19 (SB 46)	\$ (4,627.0)	\$ -	\$ -	\$ -	\$ (4,627.0)
Reverse LIHEAP Tribes Contingency Language Sec28(b) CH5 FSSLA2011 P163 L5-11 (SB 46)	\$ (3,373.0)	\$ -	\$ -	\$ -	\$ (3,373.0)
<b>Public Assistance Total</b>	<b>\$ 6,270.3</b>	<b>\$ 540.0</b>	<b>\$ 5,816.1</b>	<b>\$ 409.5</b>	<b>\$ 13,035.9</b>