



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of  
Health and Social Services

OFFICE OF THE COMMISSIONER  
Juneau

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August 13, 2013

Senator Pete Kelly  
Co-Chair, Senate Finance Committee  
State Capitol, Room 516  
Juneau, Alaska 99801-1182

Dear Senator Kelly:

At long last, I am responding to your letter of May 31, 2013 requesting preliminary reports on Public Assistance and Medicaid programs' potential cost-savings. I thank you for the opportunity, as I believe we are at work aggressively and innovatively addressing the growth of entitlement programs in Alaska.

For the Division of Public Assistance in Attachment 1, we identify the programs that we manage as well as the number of individuals that we serve. We then detail the different programs and the funding sources for each. We close by detailing how we save approximately \$5.8 million per year through efficiencies and fraud control activities. In addition, we have generated performance bonuses that have increased federal revenues by another \$1.0M. Attachment 1a breaks down the number of recipients served by each program; the benefits issues; the criteria to participate in the programs, and applicable Federal and/or State regulations directing each program.

For Medicaid in Attachment 2, we provide an introduction and explanation of the categories of service that individuals can receive. "Medicaid" is not housed in just one division in the State of Alaska, but rather crosses five divisions. Three divisions provide services (Behavioral Health, Health Care Services and Senior and Disability Services) and one division (Public Assistance) determines the eligibility for the programs. The report begins by showing the demographics of the population served as well as the spending by fund source, service category and the enrollment statistics over time. The report continues with details about optional and mandatory services; the four ways that we could control Medicaid spending in Alaska, and those options that may be feasible in our state. We have included specifics that show our current savings of approximately \$21.2 million annually; how we intend to save an additional \$16 million this year, and how in FY 2015 we already have plans to implement projects that will save an additional approximately \$5 million per year, all of which offset the annual cost increases for publically paid healthcare in Alaska. These savings are not one-time savings; they build upon each other year after year and serve to offset additional costs related to enrollment, rate and utilization increases .

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As you can see from these reports, we have and will continue to find cost savings in all of our program areas. We look forward to your continued interest and partnership with us to further contain costs in these programs.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill", written in black ink.

William J. Streur  
Commissioner