Department of Health and Social Services
Departmental Support Services

House Finance Subcommittee Presentation
8:30 – 10:30am Monday, January 28

Finance and Management Services'
Deputy Director Sarah Woods, presenting

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p. 396.....Core Services
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n/a.....Legislative Finance "look-back" Graph
n/a.....FY2013 Status Update
p. 41..... Division Challenges
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n/a.....New Performance Measures

Introduction to Departmental Support Services

Mission

Provide quality administrative services in support of the department's mission.

Introduction

Departmental Support Services assists Department of Health and Social Services divisions in meeting their administrative and financial responsibilities. The division serves both external and internal customers, providing centralized administrative services.

Core Services

The Departmental Support Services (DSS) results delivery unit includes the Commissioner's Office, Public Affairs, and Finance and Management Services. Departmental Support Services provides a varied range of services to support program efforts across the department which consists of the following components:

- Commissioner's Office
- Public Affairs
- Quality Assurance and Audit
- Assessment and Planning
- Facilities Management
- Facilities Maintenance
- Pioneers' Homes Facilities Maintenance
- HSS State Facilities Rent
- Information Technology Services
- Administrative Support Services

Additionally, Departmental Support Services provides oversight over two small, stand-alone grant program components:

- Community Initiative Matching Grants
- Human Services Community Matching Grants

Services Provided

Commissioner's Office

The Commissioner's Office component funds leadership, strategic direction, and policy development for the Department of Health and Social Services. (AS 18.05: Health, Safety and Housing)

Public Affairs

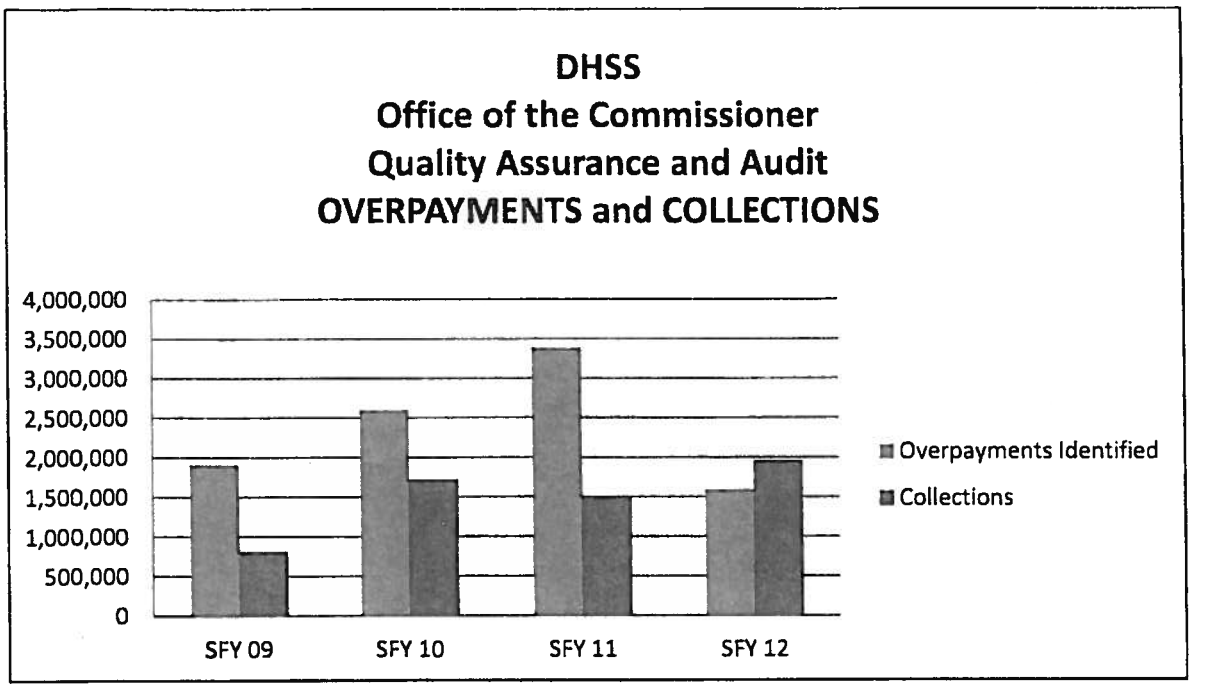
Public Affairs is tasked with ensuring consistency and continuity in department communication with stakeholders and ensures responsiveness to media, legislative, and constituent inquiries. The Public Affairs component includes the functions of public information management, publications design, video production, and web site design, maintenance, and communication. (AS 18: Health, Safety and Housing; AS 44.29 Department of Health and Social Services)

Public Affairs Work Products

Website Maintenance	**15,000 web pages updated**
Video Production	32 television/radio/film productions
Publication Design	260 publications produced
Media Relations	800+ media inquiries coordinated

Quality Assurance and Audit

Quality Assurance and Audit is responsible for conducting and coordinating Medicaid program integrity efforts to meet both state and federal requirements. These efforts include provider auditing activity, contract audit processes under AS 47.05.200, law enforcement contact, and data analysis and problem detection. Unit efforts focus on meeting department and federal standards and requirements related to protecting program assets and assuring quality services. As required by the patient protection and affordable act, the unit is also implementing a Recovery Audit contract and will manage an Electronic Health Record incentive payment audit contract. The chart below shows identified Medicaid provider overpayments and related collections. (AS 47.05; AS 47.07; 7 AAC 160.100 - 140.)



Assessment and Planning

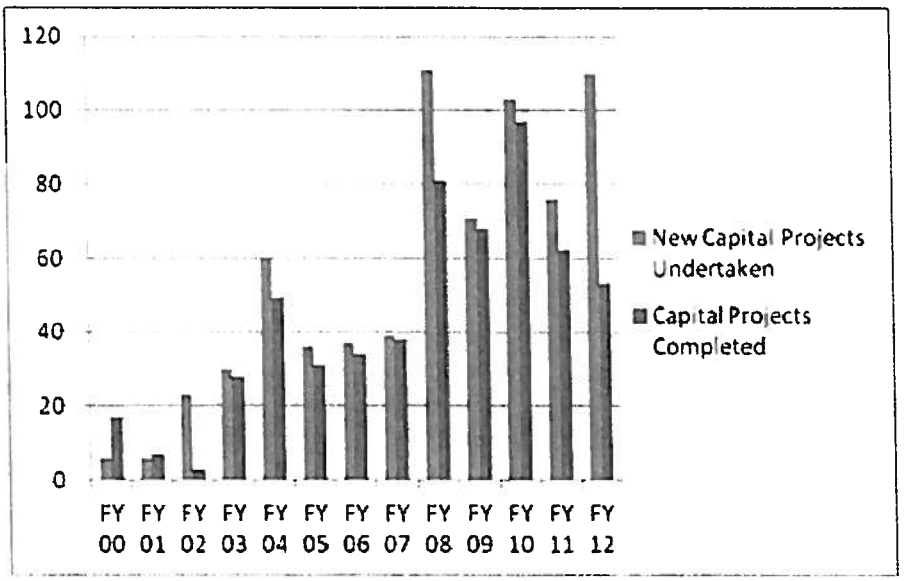
Assessment and Planning provides planning, assessments and forecasting activities for the Medicaid Program. Medicaid is an entitlement program providing for more than $1.3 billion in services to eligible Alaskans. Accurate data and forecasting of expenditures and revenues is critical to the management of this large program and to the state. (AS 37.07, 47.07, 7AAC 43, 7AAC 100.)

Facilities Management

Facilities Management manages the department's capital programs and by law is responsible for preparation, submission and competent management of annual capital budget requests. (AS 37.07.062 Capital Projects.)

Facilities Management is responsible for research, planning, and oversight of capital projects for the department. This includes managing all renovation and repair, deferred maintenance, and major capital construction projects. The Department is responsible for maintaining 43 state-owned buildings with an estimated 956,000 square feet throughout Alaska, at a replacement value of $702 million.

The following chart shows the level of activity within Facilities Management for FY2000 through FY2012.



In addition, Facilities Management administers all capital grants including pass through federal funds from the Denali Commission. In FY2012, Facilities managed eight Denali Commission grants with a value of $4.3 million and an additional 38 state capital grants with a value of $5.1 million.

Facilities Maintenance

The Facilities Maintenance, Pioneer Homes Facilities Maintenance, and DHSS State Facilities Rent components record dollars spent to operate state facilities. These units collect costs for facilities operations, maintenance, and repair, renewal, and replacement as defined in Chapter 90, SLA 98. These facilities also pay rent fees.

Information Technology

Information Technology is designed to be a customer focused, strategically aligned, operationally sound technology business enabler for the Department's health programs.

The Information Technology organization is structured to provide the following five core services.

- **Project Management Office**
  - Currently 89 managed IT projects
- **Business Management – Health related vertical market applications, systems development, and support.**
  - Development and support for 135 IT systems
- **Operations – Support for day-to-day information technology services required to support office productivity tools, data centers, desktops, networks, infrastructure and computing resources.**
  - Support for two data centers, 3784 desktops, 139 networks
- **Security services to protect public, internal, confidential and restricted data**

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- Security framework, logging/auditing/monitoring, risk mitigation, investigations HB-65 Alaska Personal Information Protection Act (APIPA), (the security policy of the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

- **Technology Standards, Communications, Privacy, Compliance and Training**
  - Managing State and department IT standards, approve technologies, IT communications/training infrastructure and privacy office.

DHSS Computing Environment Statewide Totals:	
Desktops:	**3,784**
Servers (physical):	**187**
Servers (virtual):	**219**
Networks Statewide:	**139**
Housed Facilities Networks:	**113**
FY10 Help Calls	**20,596**
FY11 Help Calls	**22,596**
FY12 Help Calls	**22,240**
FY10 Average Calls per Day	**74**
FY11 Average Calls per Day	**91**
FY12 Average Calls per Day	**85**
Communities with IT Infrastructure	**82**
Number of Business Applications	**135**

Administrative Support Services

The Administrative Support Services component is responsible for finance, budget, grant and contract administration, and procurement. Administrative Support provides key liaison services to other state departments in the areas of personnel, travel, finance, procurement, and legislative audit issues. (AS 37.10: Financial Management, OMB Circulars A-87, A-89, A-102, A-122, Code of Federal Regulations and Federal Register; AS 37.07; Budget Section; AS 36.30 Procurement Section, 7 AAC 78 and 81 Grant Regulations; Audit Section PL 98-502 Single Audit Act Amendments of 1996, PL 104-156 and OMB Circular A-133).

Finance Section

The Finance Section (known internally as Fiscal Services) is responsible for centralized processing, audit, and certification of expenditure and non-federal revenue transactions, coordination of year end activities, specialized management reporting, and accounting services.

Revenue Section

The Revenue Section is responsible for reporting of expenditures and federal revenue collections for the department. Core services include daily, weekly, and quarterly drawdown of cash from

the federal treasury in compliance with the Cash Management Improvement Act, quarterly cost allocation processing in accordance with the Department's federally approved Public Assistance Cost Allocation Plan and filing of multiple federal financial reports for departmental programs, grants, and contracts. Total collection of revenues exceeded $1,022,402,157 (billion) in FY2012 for 250 federal programs.

The Revenue Section also has overall responsibility for the state fiscal year-end close out activities. The revenue section also ensures budgetary and financial compliance for all divisions.

Federal Allocation Management Unit

The Federal Allocation Management Unit is responsible for the quarterly federal reporting of the department's open-entitlement programs of Titles XIX, XXI, and IV-E; management of the Public Assistance Cost Allocation Plan; administration of cost allocation system; and facilitation of responses to federal and state compliance audits, responses, or inquiries.

Audit Section

The Audit Section is responsible for performing single audit reconciliations of DHSS grantees, federal sub-recipient monitoring and special review of department grantees upon request. In addition, the Audit Section coordinates the statewide and federal compliance audits conducted by the Division of Legislative Audit for the Department.

Budget Section

The Budget Section is responsible for analyzing, monitoring, and controlling the Department's annual $2.6 billion operating budget, including processing budget amendments, revised programs, supplemental budget requests, fiscal notes, and legislative requests for information for each of the nine divisions.

Major efforts include guiding departments through the various steps of developing the FY2013 and FY2014 budget, processing over 1,000 FY2012 reimbursable service agreements and revised program documents, and tracking division revenue and expenditure projections on a quarterly basis.

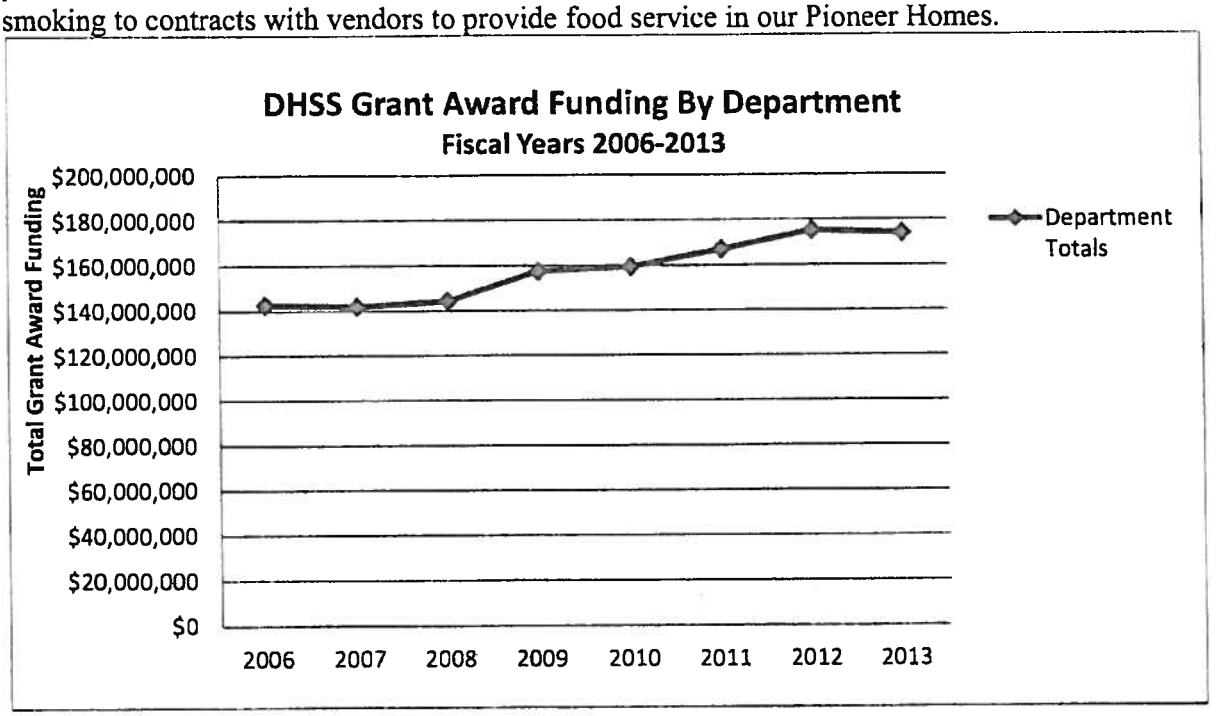
Two significant accomplishments include editing, compiling, and publishing the FY2013 Budget Detail Book and the FY2013 Budget Overview Book. Once budget staff members receive the division-authored narrative of both publications, they then collaborate with the divisions to ensure budget descriptions and justifications are accurate, logical, and clear. At over 1,900 pages, the Budget Detail serves as an important reference for individuals throughout the state. At almost 430 pages, the Budget Overview provides key budget, programmatic, and performance measure information to stakeholders in the executive and legislative branches not only during the legislative session, but throughout each year.

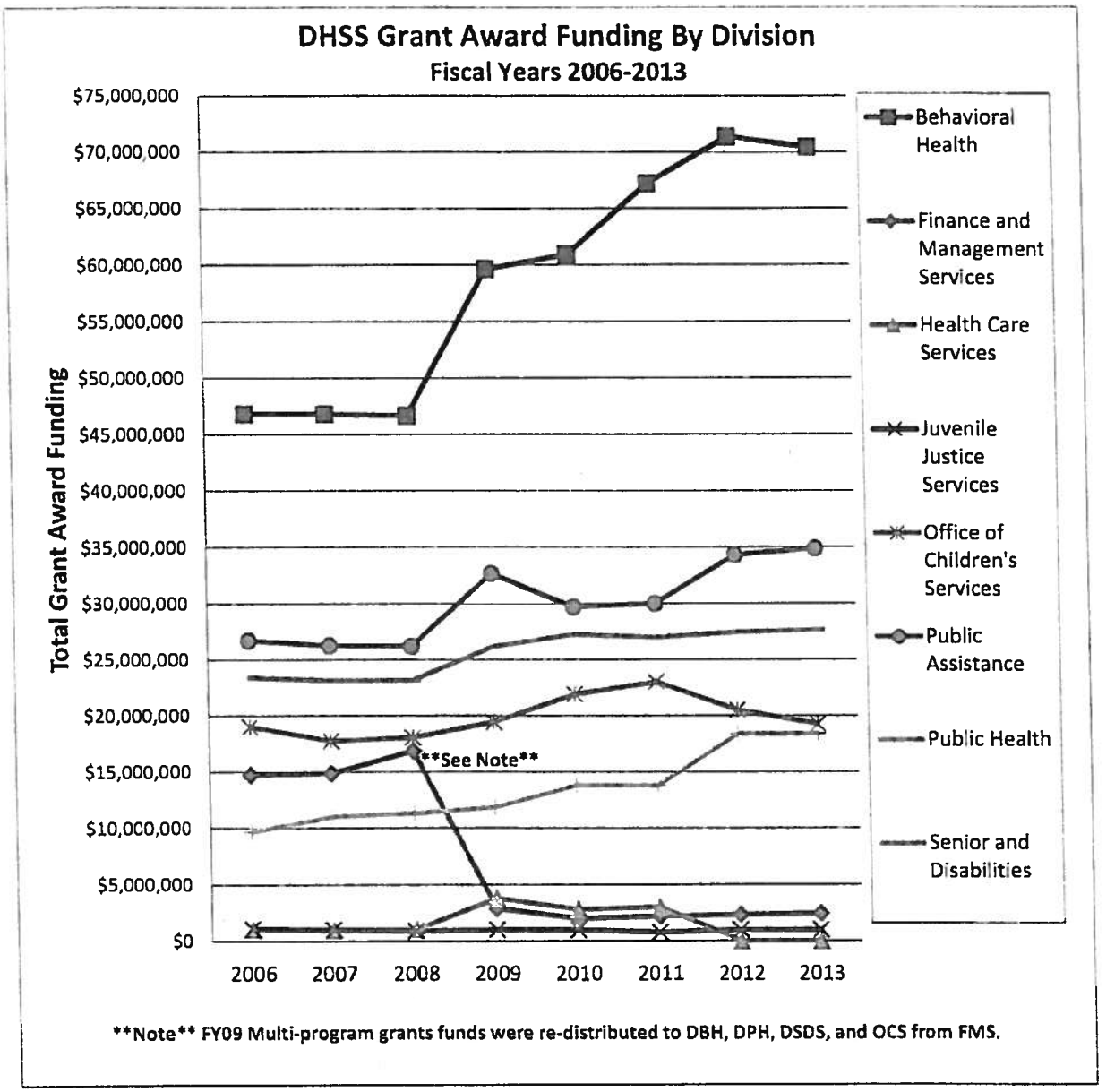
The Medicaid Budget Unit provides departmental leadership with key internal updates of Medicaid projections and estimates, including an update of the twenty-year long-term forecast of Medicaid enrollment and spending in Alaska (MESA) and monthly adjustments to the Short

Term Alaska Medicaid Projections (STAMP) report. Additionally, the unit provides detailed programmatic and fiscal data in response to information requests and fiscal notes.

Grants and Contracts Support Team

The Grants and Contracts Section of Finance and Management Services is responsible for the procurement and administration of all operating grants issued on behalf of DHSS. The Department awards approximately 650 operating grants annually which last year exceeded 175 million dollars. The grants cross the spectrum of services from nutrition, transportation, and support services for seniors in our Senior and Disabilities Services Division to family preservation grants within Office of Children's Services to public health nursing.
Grants and Contracts is also responsible for the procurement and administration of all professional services contracts which include everything from advertising campaigns to help stop smoking to contracts with vendors to provide food service in our Pioneer Homes.





Human Resources

On July 1, 2012, the Human Resources Section completed the transition from Department of Administration to Department of Health and Social Services. With this transition, payroll services remained in the Department of Administration, but recruitment services and management services/employee relations transferred to the Department of Health and Social Services. The Human Resources Section provides professional and labor relations human resource services to managers and supervisors in the areas of management consulting. Additionally, the Section provides assistance to hiring managers in recruiting and selecting qualified individuals by approving recruitment announcements and requests to hire.

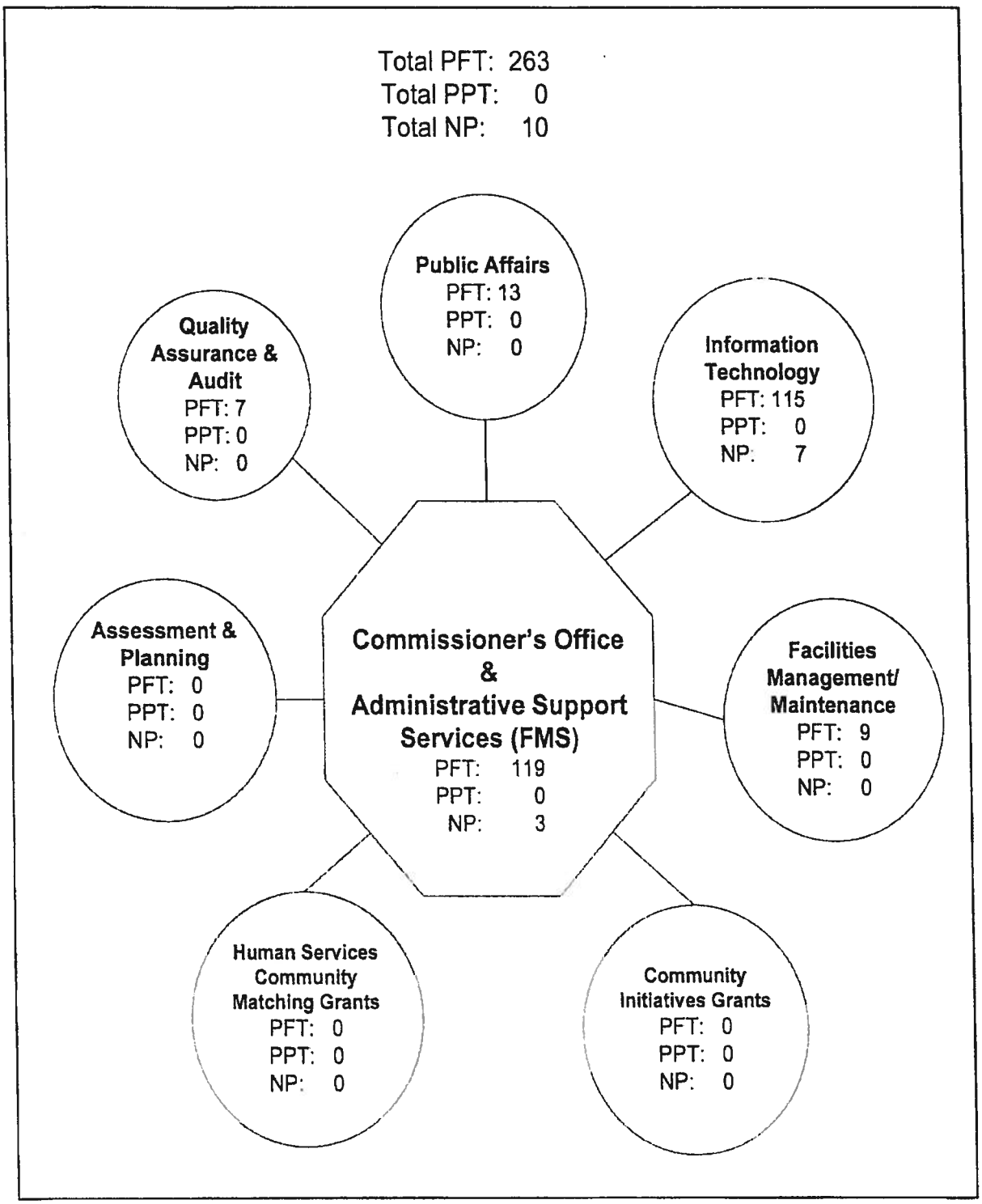
Community Initiative Grants

The Community Initiative Matching Grant program was created by the legislature to fund grants to areas ineligible for the Human Services Community Matching Grant. The funds are used to provide essential human services whose unavailability would subject persons in need to serious mental or physical hardship. Upcoming services will focus on the most basic of essential human services. Related services include: homeless shelters, food banks, runaway shelters, homeless find programs, distribution centers for the homeless, support services for the needy, sexual assault and domestic violence shelters, and transportation services for medical and support services.

Human Services Community Matching Grants

The Human Services Community Matching Grants component funds grants to qualified municipalities. These grants provide for substance abuse treatment, mental health services, food and shelter, sexual assault shelters, and other related needs. (AS 29.60.600 Human Services Community Matching Grants.)

Departmental Support Services



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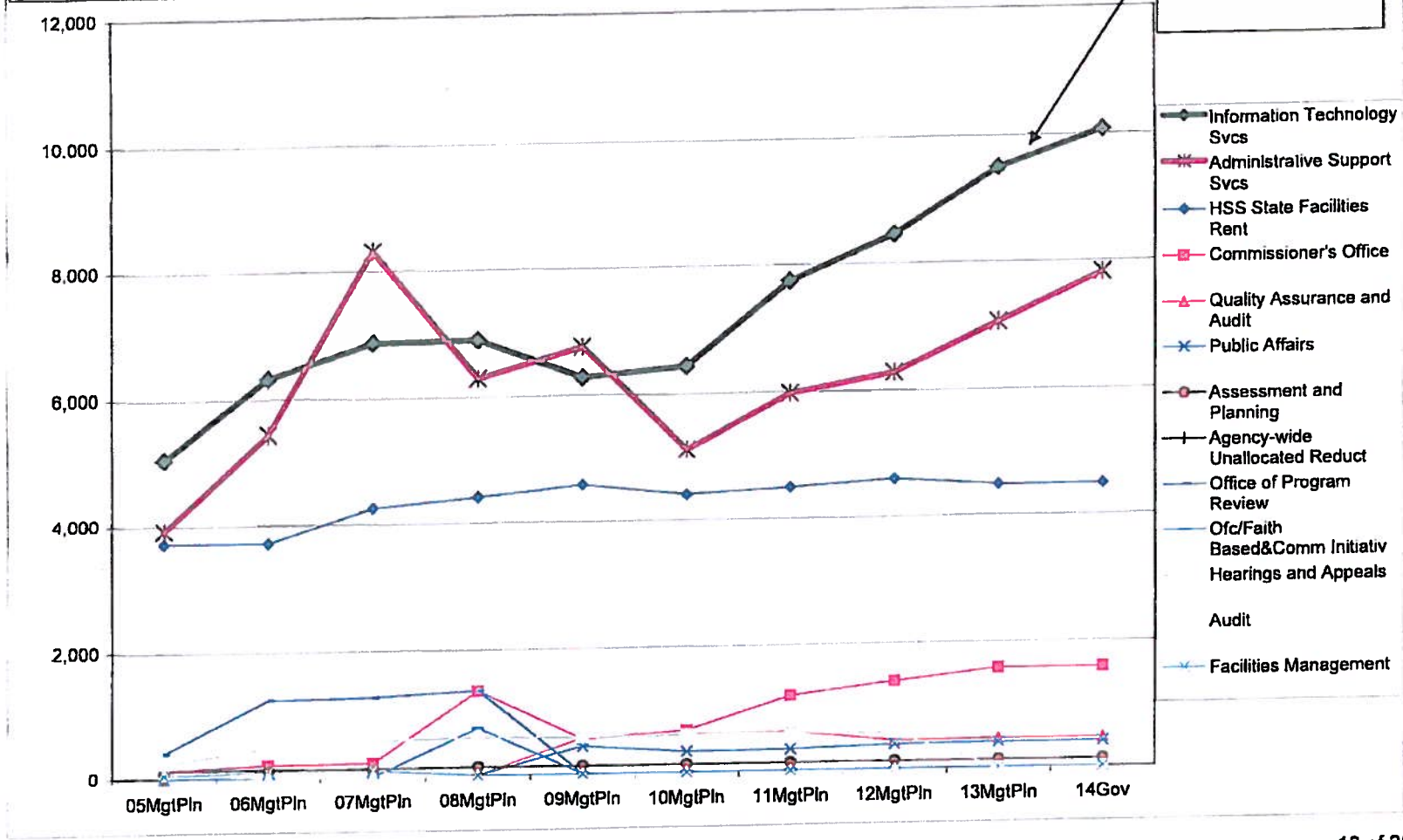
DHHS Departmental Support Services Non-Formula Comparisons by Allocation

(GF Only)

($ Thousands)

The Departmental Support Services appropriation increased by $11.3 million (82%) between FY05 and the FY14

The Information Technology Services allocation increased by $5 million (100%) between FY05 and the FY14 Governor's Request.



Non Formula Programs, General Funds

Component Summary
Department of Health and Social Services

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Results Delivery Unit/ Component	FY2005 Management Plan (3987)	FY2006 Management Plan (4642)	FY2007 Management Plan (5368)	FY2008 Management Plan (6147)	FY2009 Management Plan (6832)	FY2010 Management Plan (7514)
Departmental Support Services						
Health Planning & Systems Deve	10.7	249.3	255.4	269.2	0.0	0.0
Public Affairs	0.0	0.0	0.0	0.0	438.8	329.4
Quallty Assurance and Audit	0.0	0.0	0.0	0.0	570.7	597.7
Commissioner's Office	131.8	204.7	213.7	1,345.8	544.4	663.4
Assessment and Planning	125.0	125.0	125.0	125.0	125.0	125.0
Adminlstrative Support Svcs	3,913.4	5,439.3	8,305.6	6,280.7	6,759.7	5,110.4
Office of Program Review	409.3	1,244.3	1,268.7	1,351.4	0.0	0.0
Rate Review	402.1	497.8	527.3	670.3	0.0	0.0
Hearings and Appeals	0.0	472.1	574.1	602.3	579.7	590.2
Ofc/Faith Based&Comm Initiative	0.0	0.0	0.0	753.5	0.0	0.0
Facilities Management	56.3	96.9	98.9	0.0	0.0	0.0
Audit	75.1	0.0	0.0	0.0	0.0	0.0
Information Technology Services	5,047.7	6,319.3	6,860.6	6,883.6	6,275.9	6,426.2
HSS State Facilities Rent	3,713.5	3,713.5	4,262.0	4,411.3	4,581.9	4,406.2
RDU Total:	**13,884.9**	**18,362.2**	**22,491.3**	**22,693.1**	**19,876.1**	**18,248.5**
Unrestricted General (UGF):	13,725.9	18,097.9	22,213.6	22,409.1	19,701.8	18,127.0
Designated General (DGF:	159.0	264.3	277.7	284.0	174.3	121.5
Other:	0.0	0.0	0.0	0.0	0.0	0.0
Federal:	0.0	0.0	0.0	0.0	0.0	0.0
Total Funds:	**13,884.9**	**18,362.2**	**22,491.3**	**22,693.1**	**19,876.1**	**18,248.5**

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Non Formula Programs,
General Funds

Component Summary
Department of Health and Social Services

DRAFT

Results Delivery Unit/ Component	FY2011 Management Plan (8230)	FY2012 Management Plan (9056)	FY2013 Management Plan (9920)	FY2014 Governor (10289)	FY2013 Management Plan vs FY2014 Governor	
Departmental Support Services						
Public Affairs	340.1	391.5	403.0	403.3	0.3	0.1%
Quality Assurance and Audit	617.4	456.1	466.4	466.4	0.0	0.0%
Commissioner's Office	1,194.2	1,403.1	1,592.5	1,599.2	6.7	0.4%
Assessment and Planning	125.0	125.0	125.0	125.0	0.0	0.0%
Administrative Support Svcs	5,974.8	6,277.9	7,050.6	7,817.0	766.4	10.9%
Hearings and Appeals	600.8	575.6	0.0	0.0	0.0	0.0%
Information Technology Services	7,736.1	8,451.7	9,480.3	10,072.9	592.6	6.3%
HSS State Facilities Rent	4,488.0	4,597.0	4,488.0	4,488.0	0.0	0.0%
RDU Total:	**21,076.4**	**22,277.9**	**23,605.8**	**24,971.8**	**1,366.0**	**5.8%**
Unrestricted General (UGF):	21,073.6	22,275.1	23,603.0	24,969.0	1,366.0	5.8%
Designated General (DGF:	2.8	2.8	2.8	2.8	0.0	0.0%
Other:	0.0	0.0	0.0	0.0	0.0	0.0%
Federal:	0.0	0.0	0.0	0.0	0.0	0.0%
Total Funds:	**21,076.4**	**22,277.9**	**23,605.8**	**24,971.8**	**1,366.0**	**5.8%**

Non Formula Programs,
General Funds

Component Summary
Department of Health and Social Services

DRAFT

Results Delivery Unit/ Component	FY2005 Management Plan (3987)	FY2014 Governor (10289)	FY2005 Management Plan vs FY2014 Governor	
Departmental Support Services				
Health Planning & Systems Deve	10.7	0.0	-10.7	-100.0%
Public Affairs	0.0	403.3	403.3	100.0%
Quality Assurance and Audit	0.0	466.4	466.4	100.0%
Commissioner's Office	131.8	1,599.2	1,467.4	1113.4%
Assessment and Planning	125.0	125.0	0.0	0.0%
Administrative Support Svcs	3,913.4	7,817.0	3,903.6	99.7%
Office of Program Review	409.3	0.0	-409.3	-100.0%
Rate Review	402.1	0.0	-402.1	-100.0%
Facilities Management	56.3	0.0	-56.3	-100.0%
Audit	75.1	0.0	-75.1	-100.0%
Information Technology Services	5,047.7	10,072.9	5,025.2	99.6%
HSS State Facilities Rent	3,713.5	4,488.0	774.5	20.9%
RDU Total:	**13,884.9**	**24,971.8**	**11,086.9**	**79.8%**
Unrestricted General (UGF):	13,725.9	24,969.0	11,243.1	81.9%
Designated General (DGF:	159.0	2.8	-156.2	-98.2%
Other:	0.0	0.0	0.0	0.0%
Federal:	0.0	0.0	0.0	0.0%
Total Funds:	**13,884.9**	**24,971.8**	**11,086.9**	**79.8%**

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
FY13 - Summary of Significant Budget Issues

Governor's Budget Items Approved as Requested

Item #	Approp/ Allocation	Description	Amount/ Fund Source	Expended as of 12/31/12	Comment	Dept. Comments
8	Departmental Support Services/ Information Technology Services	Establish Rural Information Technology Support Program	$183.0 Fed Repts $427.5 UGF	$181.4	The legislature approved the Department's request to establish an information technology rural support program to proactively address the needs of rural customers. Desktop computers and network infrastructure will be replaced in a staggered approach (depending on the life of the equipment). ITS has determined that it is necessary to refresh 25% of the approximately 700 workstations annually, resulting in 180 desktop computers replaced each year, at a cost of $1,300 per machine (including disposal). Monitors will be an extra cost, but it is anticipated that new monitors will be needed only in some cases. Yearly network infrastructure upgrades are estimated at $10,000 per site, for 28 sites. Additionally, ITS is requesting $72.0 for travel, which will allow an average of two days of on-site support, three times each year, for each of the 28 rural sites. This on-site time is required to install and configure new workstations and server equipment.	-The balance of the funds will be spent by June 30, 2013 -20 Communities visited -All outstanding IT problem tickets resolved -New PCs, routers, servers & UPS systems deployed -Office Rewiring for 2 communities in progress -Each of the remaining community visits have been scheduled -All site assessments have been completed for the 20 visited communities and equipment being ordered to fix failing hardware -Phase 2 trips being scheduled for follow up work -NOTE: Rural Bandwidth Connectivity continues to be substandard and won't be addressed through this increment

Legislative Additions and Deletions

26	Departmental Support Services/ Commissioner's Office	Delete GF portion of funding moved to the services line for legal and judicial services and for Health Insurance Exchange costs	($115.0) UGF		The Senate decremented the GF portion ($225.0) of a $403.5 transfer from the personal services line to the contractual line for legal and judicial services and projects such as the Health Insurance Exchange. According to the Senate Subcommittee's Budget memo, policy "changes need to have the Legislature involved, and the Governor specifically declined the $1 million of federal funds which were available for this purpose." The conference committee opted to decrement $115.0 (not the $225.0 Senate	
27	Human Services Community Matching Grant	Increase funding to keep pace with increased costs and	$100.0 UGF	100.0	This legislative appropriation is a 5.9 percent increase from FY12.	Fully expended
28	Community Initiative Matching Grants	Add funding to keep pace with increased costs and increased need	$150.0 UGF	136.6	This legislative appropriation is a 7.5 percent increase from FY12.	The additional $150,000 for CIMG warranted a second procurement in the program. Following solicitation and review of proposals, six notices of award were issued on the tenth of December. Of the additional funds, a balance of $13,417 remained. On 04 Jan 13, those funds were offered as amended awards to five of the program's original grantees – those projects providing basic, essential human services. To date, none of the amended awards have been finalized. Until the awards are finalized we cannot encumber the funds, but it is expected that the funds will be fully expended.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2013 OMB Conference Committee (9823)
Component: Information Technology Services (2754)
RDU: Departmental Support Services (106)
Title: Establish Rural Information Technology Support Program

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	610.5	0.0	72.0	0.0	538.5	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		183.0										
1004 Gen Fund		427.5										

Currently, the information technology support provided to our rural customers is sporadic and typically emergency based. It is a necessity to equip our staff and offices outside of Juneau, Anchorage and Fairbanks with the best IT resources to support our constituents across Alaska. Supporting the public in rural Alaska is already difficult; however, requiring our staff to use outdated equipment, slow networks and failing hardware makes the task exceptionally challenging.

Information Technology Services (ITS) acts in a reactionary mode in areas of desktop replacement and infrastructure upgrades. Typically, it takes the failure of a desktop computer, server, switch or router before ITS performs a replacement upgrade. Often these failures leave customers without service until ITS can react to the failure, greatly affecting the service offered in the community.

ITS proposes the establishment of an information technology rural support program to proactively address the unique needs of our rural customers. Desktops and network infrastructure should be replaced in a staggered approach depending on the life of the equipment. ITS has determined that it is necessary to refresh 25% of the approximately 700 workstations annually, resulting in 180 desktop computers replaced each year, at a cost of $1,300 per machine (including disposal). Monitors will be an extra cost, but it is anticipated that new monitors will only be needed in some cases. Yearly network infrastructure upgrades are estimated at $10,000 per site, for 28 sites. Additionally, ITS is requesting $72.0 for travel, which will allow an average of two days of on-site support, three times each year, for each of the 28 rural sites. This on-site time is required to install and configure new workstations and server equipment.

Underfunding or not funding information technology rural support will reduce the department's ability to deliver critical services that impact all Alaskans, especially those in rural areas. This was recently demonstrated when the Ketchikan Public Assistance office went offline for two days. The inability to stay current with desktop and server-based hardware jeopardizes the effective operation of the myriad of computer-based case management systems upon which the department relies, leaving the organization at the mercy of hardware failures.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2013 OMB Conference Committee (9823)
Component: Commissioner's Office (317)
RDU: Departmental Support Services (106)
Title: Delete GF portion of funding moved to the svcs. line for legal and judicial svcs & for Health Insurance Exchange costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Dec	-115.0	0.0	0.0	-115.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	-115.0											

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2013 OMB Conference Committee (9823)
Component: Human Services Community Matching Grant (1821)
RDU: Human Services Community Matching Grant (82)
Title: Increase Human Services Community Matching Grant

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	100.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0	0	0

1004 Gen Fund 100.0

Increase funding by $200.0 to keep pace with increasing costs and need.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2013 OMB Conference Committee (9823)
Component: Community Initiative Matching Grants (non-statutory grants) (2915)
RDU: Community Initiative Matching Grants (non-statutory) (566)
Title: Increase Community Initiative Matching Grants

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	150.0	0.0	0.0	0.0	0.0	0.0	150.0	0.0	0	0	0
1004 Gen Fund	150.0											

Increase funding by $150.0 to keep pace with increasing costs and need.

Departmental Support Services Summary

Departmental Support Services provides support to the department's eight programmatic divisions across an array of business functional areas. Sections include Fiscal, Revenue, Federal Allocations, Budget, Facilities, Human Resources, Information Technology, Grants and Contracts, Audit, and internal administration.

The Department of Health and Social Services along with other healthcare partner agencies nationwide now face aggressive regulatory oversight and enforcement by the Office of Civil Rights. The Department is required to safeguard Private Health Information. The state is also required to migrate all of its manual paper-based health information to electronic-based systems. Technology advances have made it possible to share Private Health Information across Alaska to improve health care, but also put the Department at severe risk of disclosing protected information. With the mandated growth in electronic transmission of confidential data comes the additional regulatory responsibility to protect that data. Each month DHSS investigates reports of possible data breeches, is required to report to the Office of Civil Rights its findings, should an actual breech occur, and face the consequences of each incident.

Currently DHSS does not have an annually funded security program in place to meet requirements under the Health Insurance Portability and Accountability Act (HIPAA) and the more recent stricter Health Information Technology for Economic and Clinical Health Act. On April 26, 2012, the Office of Civil Rights notified DHSS that it had completed an investigation of the Department and determined that DHSS has not met five requirements under the Health Insurance Portability and Accountability Act (HIPAA) rules and is required under Corrective Action Plans to remediate each of the issues. In addition, it is required to perform an in-depth security analysis of all of its systems that contain Private Health Information. From this analysis, a comprehensive remediation plan is being developed to correct all Health Insurance Portability and Accountability Act deficiencies, with a priority level, timeline and costs for each item.

The DHSS Information Technology section has requested $850.0 ($595.0 GF, $255.0 Fed) to implement a 7x24x365 security program to secure its Protected Health Information that resides in nearly 200 applications, and is shared with partners, providers, patients and agencies.

This request supports DHSS Core Service Priority II, *"Health care access, delivery and value."* The challenge is to appropriately share medical information and improve healthcare, while carefully safeguarding the confidentiality of protected data. This budget request is for the health information security, privacy compliance and remediation to support the Department's mission to "*protect and promote the health and well-being of Alaskans.*"

Departmental Support Services

Budget Overview Table

Departmental Support Services	FY2013	FY2014 Gov	Difference
Unrestricted General Funds	$23,603.0	$24,969.0	$1,366.0
Designated General Funds	2.8	2.8	0.0
Federal Funds	15,712.3	15,845.5	133.2
Other Funds	9,355.5	9,517.1	161.6
Total	**$48,673.6**	**$50,334.4**	**$1,660.8**

Budget Requests

Information Technology Services

Health Information Security/Privacy Compliance and Remediation: $850.0 Total -- $255.0 Fed, $595.0 GF

Problem Statement: DHSS and other health entities nationwide are facing an increasingly aggressive regulatory oversight environment. This became evident when the Office of Civil Rights (OCR) sanctioned DHSS for insufficient compliance with the safeguarding of Protected Health Information. The Office of Civil Rights imposed a $1.7 million penalty and placed the department on a Correction Action Plan that mandates a Risk Assessment and Remediation Plan to be completed by January 2013. It is anticipated that the Office of Civil Rights will require DHSS to begin security remediation immediately following the assessment which will result in a supplemental request in FY2013 to begin the work prior to any FY2014 funding being available.

Proposal: This request addresses the resources needed to comply with regulatory requirements not currently being fully addressed. The complexity of the department's information systems continues to grow with over three hundred servers, a hundred applications, sixty terabytes of data and dozens of critical information systems required for the everyday work within the department. To ensure compliance with a multitude and growing number of federal and state legal requirements contractual services, task orders, tools, training, travel, and legal advice, such as the below, are required to reasonably and appropriately safeguard the department's information, while meeting regulatory requirements and reducing the likelihood and cost of public breach notification.

- Manage effective security measurements
- Security awareness and education
- Maintain and implement security policies, procedures, and guidelines
- Schedule and provide system and application assessments
- Remediate ongoing identified security risks to DHSS systems

- Manage and remediate security incidents
- Test and certify systems and applications
- Audit and direct security and compliance controls
- Provide timely reporting of corrective action progress
- Provide preventative and proactive accountability to executive management
- Assessment, auditing, and reporting tools
- Legal services from Department of Law
- Security software/hardware
- Encryption
- Firewall management
- Mobile and device management
- Technical security training for 100 IT staff
- Contractual security services and tasks orders

Consequences of no funding: DHSS will remain in non-compliance with the Federal Office of Civil Rights (OCR). The department will risk formal enforcement, including civil monetary penalties, enhanced scrutiny, investigations, and regulatory oversight by the Office of Civil Rights. DHSS will continue to be sanctioned. Mandated compliance directives from the Office of Civil Rights have cost various entities, such as Providence Hospital, millions of dollars annually.

Without the accountability and preventative focus provided by a security team, the number of public breach notifications mandated by the Health Insurance Portability and Accountability Act (HIPAA)/Health Information Technology for Economic and Clinical Health (HITECH) and Alaska Personal Information Protection Act (APIPA) may continue to grow. These breach notifications could impact the confidence providers have in participating in a health information exchange.

Departmental Support Services is requesting the following capital funding:

- Pioneer Home Deferred Maintenance, Renovation, Repair, and Equipment: $3,871.2 Total -- $3,871.2 GF
- Non-Pioneer Home Deferred Maintenance, Renovation, Repair, and Equipment: $2,902.8 Total -- $2,902.8 GF
- Bethel Youth Facility Renovation Phase 2 of 2: $10,600.0 Total -- $10,600.0 GF
- Master Client Index, State Interface Improvements to the Health Information and Direct Secure Messaging Gateway: $5,749.7 Total -- $2,411.0 GF, $3,338.7 Fed
- Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project: $450.0 Total -- $450.0 GF
- MH Deferred Maintenance and Accessibility Improvements: $1,000.0 Total -- $1,000.0 GF
- MH Home Modification and Upgrades to Retain Housing: $1,050.0 Total -- $750.0 GF/MH, $300.0 MHTAAR
- MH Implementation of Replacement Grant System: $700.0 Total -- $700.0 GF/MH
- MH Medical Appliances for Beneficiaries Experiencing Sensory Impairments: $500.0 Total -- $500.0 GF/MH
- Transition of Care Pilot Project: $1,040.0 Total -- $936.0 Fed, $104.0 GF
- Personal Care Assistant Pilot Project: $1,040.0 Total -- $936.0 Fed, $104.0 GF
- Electronic Vital Record Registration System Phase 2 of 2: $1,785.0 Total -- $1,785.0 GF
- Alaskans Veterans and Pioneers Home Resident Lifts: $212.0 Total -- $212.0 GF
- Equipment needs for Front-Line Probation Officers, Juvenile Justice Officers and Facilities and Probations Offices: $267.5 Total -- $267.5 GF
- Livescan Fingerprinting for Offices of Children's Services: $135.2 Total -- $135.2 GF
- Juneau Pioneer Home Security Cameras: $106.0 Total -- $106.0 GF
- Department-wide Disaster Recovery: $805.8 Total -- $805.8 GF
- Electronic Health Records Incentive Payments – Expanded Authorization: $30,187.5 Total -- $30,187.5 Fed

Brief Description of Major Projects:

Pioneer Home Deferred Maintenance, Renovation, Repair, and Equipment: $3,871.2 Total -- $3,871.2 GF

This request is for deferred maintenance and renovation projects for the state's six (6) Pioneer Homes. The homes are located in Ketchikan, Sitka, Juneau, Anchorage, Palmer, and Fairbanks, and have a combined replacement value of approximately $334 million.

Non-Pioneer Home Deferred Maintenance, Renovation, Repair, and Equipment: $2,902.8 Total -- $2,902.8 GF

This request is for deferred maintenance and renovation projects for the Department's thirty-five (35) facilities statewide – which include youth facilities, public health centers, laboratories, and

behavioral health buildings. The combined replacement value of these facilities is approximately $368 million.

Bethel Youth Facility Renovation Phase 2 of 2: $10,600.0 Total -- $10,600.0 GF

Bethel Youth Facility requires extensive renovation and construction. This capital request will provide funding for the completion of the project. The construction work will consist of building four new detention beds for a total of twelve detention beds, upgrading the existing treatment beds, providing additional probation space and expanded medical space, constructing a vehicle sally port, a small gymnasium, and a secure outdoor recreation area.

Emergency Medical Services Match for Code Blue: $450.0 Total -- $450.0 GF

This request will fund the purchase of critical Emergency Medical Services (EMS) equipment and ambulances for EMS agencies around the state, particularly in rural locations.

MH Home Modification and Upgrades to Retain Housing: $1,050.0 Total -- $750.0 GF/MH, $300.0 MHTAAR

This is a competitive capital grant program that provides housing modifications for persons with special needs. People are able to remain in their homes, thus, reducing costs of providing supported housing or moving to institutional housing.

MH Deferred Maintenance and Accessibility Improvements: $1,000.0 Total -- $1,000.0 GF/MH

Capital grant funds offered competitively to providers serving Alaska Mental Health Trust beneficiaries will be awarded statewide to agencies on a competitive basis for deferred maintenance, including facility renovation and repair, energy efficiency upgrades, and accessibility improvements. This project contributes to the department's mission "To promote and protect the health and well-being of Alaskans". The funds are needed to keep program facilities operational and accessible.

Master Client Index, State Interface Improvements to the Health Information and Direct Secure Messaging Gateway: $5,749.7 Total -- $2,411.0 GF, $3,338.7 Fed

This project covers the post implementation services required to operate the Health Information Gateway or Exchange. This includes general hosting requirements in operating software as a service; proactive service monitoring and management infrastructure; provision of back-up systems and development of corrective action plans in event of service outages or failures. This project will also encompass the prioritization, updating, and modifications needed to a state system, such as the Master Client Index to successfully integrate data to the Health Information Gateway to meet Centers for Medicare and Medicaid Services' and Office of the National Coordinator's meaningful use and security requirements.

Electronic Vital Record Registration System Phase 2 of 2: $1,785.0 Total -- $1,785.0 GF

The information system currently supporting registration of births, deaths, marriages, and divorces in Alaska is more than 20 years old. The system is based on computer technologies no longer supported by modern operating systems. This is Phase 2 of 2.