

# House Finance Committee

*January 28, 2015*

Trust

Alaska Mental Health  
Trust Authority

# Trustees

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- Mike Barton, chair
- Laraine Derr, vice chair
- Paula Easley, secretary
- Mary Jane Michael
- John McClellan, P.E.
- Larry Norene
- Russ Webb



# Trust Beneficiaries

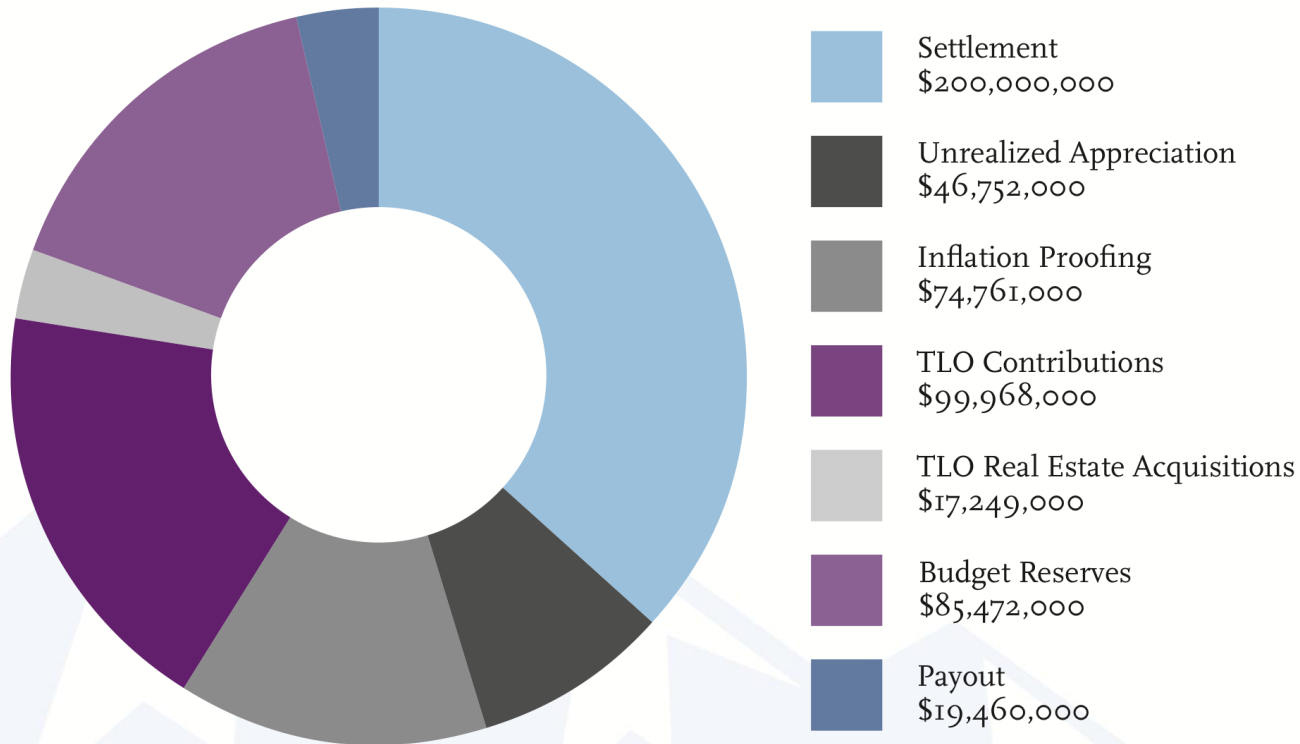
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## Approximate number of Trust beneficiaries

Mental Illness	22,000
Developmental disabilities	13,000
Chronic alcoholism and other substance-related disorders	20,000
Alzheimer's disease and related dementia	5,000
Traumatic brain injury	12,000

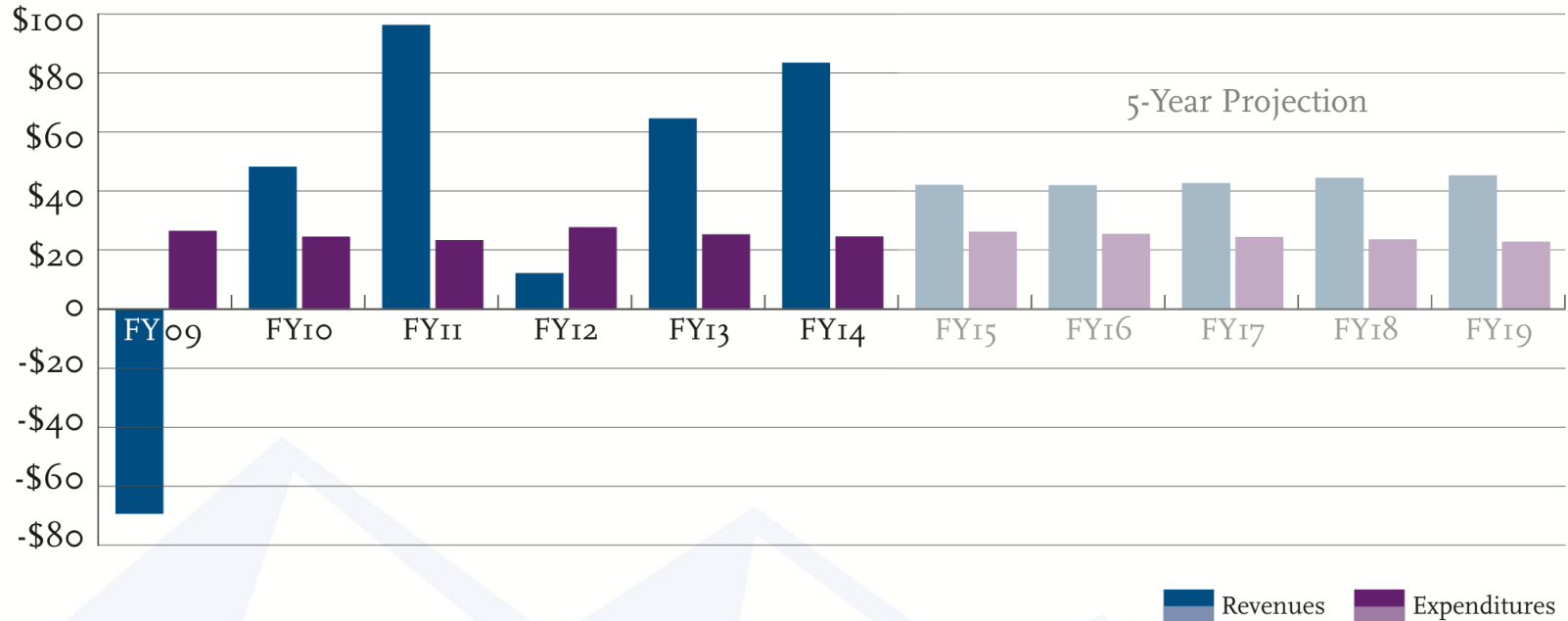
# Trust Cash Assets at End of FY14

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# Revenues and Expenditures

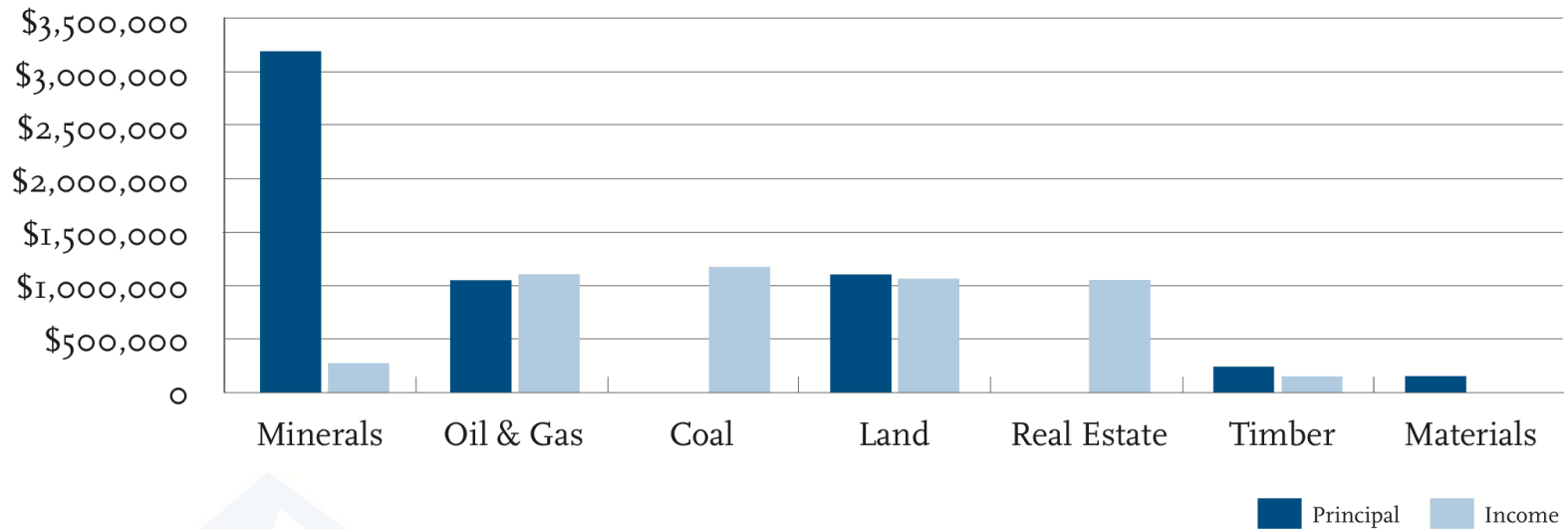
(in millions)



# Trust Land Office

## Revenue Generated in FY14

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# Impact at a Glance

## Grants awarded in FY14

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	AMOUNT	NUMBER
Mental Health Trust Authority Authorized Receipts (MHTAAR)	\$13,105,500	48
Nonprofits/Tribal Organizations/Agencies	\$7,823,365	175
<b>Total</b>	<b>\$20,928,865</b>	<b>223</b>

# FY16 Anticipated Income

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Distributable Income	
Payout	\$20,127,800
Prior Years Average Lapse	\$3,416,000
Land Office Average Spendable Income	\$4,305,200
Interest Average	\$275,800
<b>Total</b>	<b>\$28,124,800</b>



# Utilize POMV strategy

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- The Trust's base payout is 4.25% of the average value of the fund's cash assets



Funding approach ensures relatively stable cash flow from year to year

# FY16 GF/MH Recommendations

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	MHTAAR	GF/MH
<i>IT Application/Telehealth Service System Improvements</i>	\$100.0	\$100.0
<i>National Family Caregiver Grant Program</i>		\$325.0
<i>Senior In-Home Services</i>		\$350.0
<i>Long-Term Care Ombudsman Office – Increment</i>		\$35.0
<i>Area Health Education Centers</i>		\$330.0
<i>Licensed Marriage &amp; Family Therapist</i>		\$25.0
<b>TOTAL</b>	<b>\$100.0</b>	<b>\$1,165.0</b>

# FY16 Capital Recommendations

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	MHTAAR	GF/MH	AHFC
<i>Deferred Maintenance</i>		\$1,000.0	
<i>Home Modifications and Upgrades to Retain Housing</i>	\$300.0	\$500.0	\$250.0
<i>Homeless Assistance Project</i>	\$850.0	\$850.0	\$6,350.0
<i>Special Needs Housing Grant</i>		\$1,750.0	\$1,750.0
<i>Coordinated Transportation</i>	\$300.0	\$1,000.0	
TOTAL	\$1,450.0	\$5,100	\$8,350.0

# Established Focus Areas

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- Disability justice
- Substance abuse prevention and treatment
- Beneficiary employment and engagement
- Workforce development
- Housing and long-term services & supports

# Current Priorities

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- Medicaid Expansion and Reform
- Recidivism
- Substance Abuse Prevention & Treatment

# Medicaid Expansion

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Expansion will impact many Trust beneficiaries.

# Medicaid Expansion

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- Projections estimate 42,000 Alaskans will be eligible under expansion of the Medicaid program
- Alaskans between the ages of 19-64
  - with income under 138% of the Federal Poverty Level who are not already eligible for Medicare or Medicaid (Currently at \$20,120 annual income for a single person; \$27,130 for a couple)

# Medicaid Expansion

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- The new population eligible for coverage will include Trust beneficiaries with **chronic substance abuse and mental health issues**. As well as **homeless adults and incarcerated persons**.
- Medicaid expansion will result in offsets and savings of general funds.



# Medicaid Expansion: Impact on DOC

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- In FY14, Alaska Department of Corrections processed approximately \$8.5 million in billings for inmate in-patient stays that lasted more than 24 hours.
- Under Medicaid expansion, it is estimated that **\$6.8-\$7.65 million** could be paid for by federal Medicaid rather than State funds based on 80%-90% of the population being eligible.

*This is an estimate based on what we know now and our interpretation of the expansion rules so the numbers may change.*

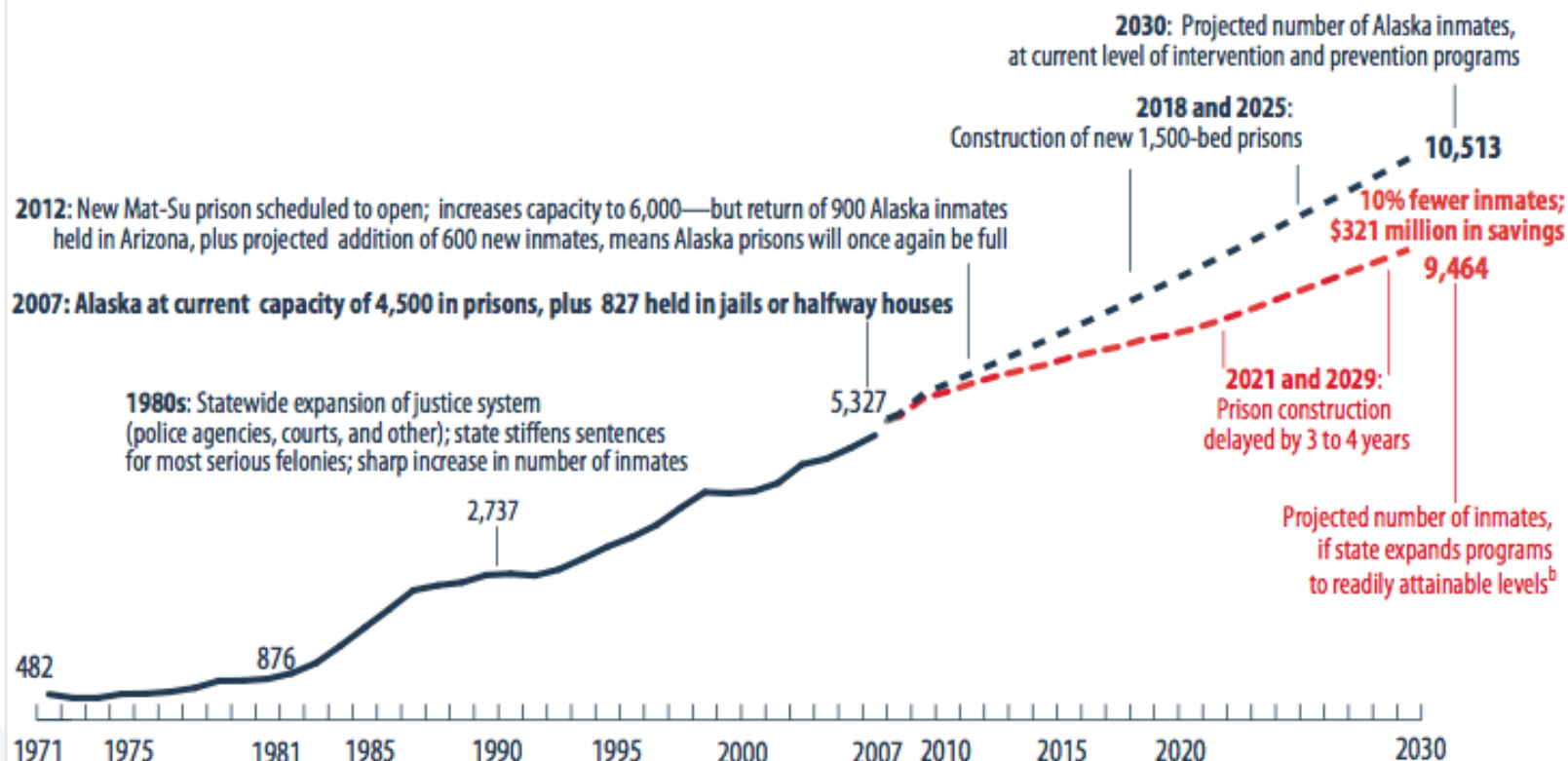
Medicaid expansion is a  
catalyst for reform.

# Recidivism

Reduce long-term budget demands by investing in proven strategies that reduce criminal recidivism.

# Disability Justice ... Investing Wisely?

**Figure 8. Average Number of Alaska Inmates,<sup>a</sup> 1971-2007, and Projected Number, 2008-2030**



<sup>a</sup>Average daily number of people in prisons, jails, and halfway houses. <sup>b</sup>The number of people who could be readily added to program rolls varies considerably by program; see Table 1.

**Sources:** Alaska Department of Corrections; ISER projections of number of prisoners, based on Alaska Department of Labor projections of Alaska population 18-64 and assuming no change in current use of rehabilitation programs as well as expanded use; Washington State Institute of Public Policy

UAA Institute for Social and Economic Research – January 2009 **The Cost of Crime: Could the State Reduce Future Crime and Save Money By Expanding Education and Treatment Programs?**



# Recommendations

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- Maintain efforts of current policy and program efforts
  - 2014 SB64 passed and created Alaska Criminal Justice Commission
  - 2014 HB266 Legislative intent: workgroup formed to develop Recidivism Reduction Plan (to be delivered Feb. 2, 2015)
  - 2007 Criminal Justice Working Group
  - 2005 Trust disability justice focus area

# Broadband

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The Alaska Legislature requested the Trust to “*assess the potential impact of expanded broadband use on the long-term general fund operating costs.*”

# Broadband Capacity

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- Statewide Tribal health and K-12 education each currently have their own substantial broadband capacity – which offers future opportunities for partnerships
- Reasonable to expect savings as a result of increased access to care, and the efficiency and streamlining of services
- Challenges to shared use may potentially be addressed through updating of regulations, policies and program standards
- Some barriers may require congressional action pursuant to Tribal and State agreement

# Substance Abuse Prevention & Treatment

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The prevalence rates and negative consequences of alcohol and drug abuse upon Alaskans are substantial.

In 2010, Alaska's costs associated with individuals dependent on or abusing alcohol/drugs was \$1.2 billion.



# Substance Abuse Prevention & Treatment

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- Collaboration on joint strategies
  - Recover Alaska
  - Alaska Wellness Coalition (Positive Social Norms Campaign)
  - ABC board (Title 4 statute rewrite)
  - Implementation of Proposition 2 (Marijuana)
- Partnership with Department of Corrections on the recidivism reduction planning with opportunities for Trust investment in:
  - Prisoner re-entry coalitions
  - Access to effective treatment
  - Prevention strategies focused on incarcerated parents and their children

# Title 4

- Most of Title 4 has not been updated since 1980. The laws are outdated and confusing.
- A systematic review of Title 4 helps the board carry out its mission and will benefit communities and businesses.

# Licensing Revisions

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- Decrease the number of license types and simplifies the licensing system to achieve more consistent enforcement and adherence to state alcohol regulation.
- Update license fees to support the ABC budget; adjusts wholesale license fees and simplifies supplier reporting.
- Realign the system to better enforce population limits.
- Bring all licenses, endorsements and permits into one place in statute, removes redundant or unused types.

# Role of the ABC Board Revisions

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- Ensure the ABC board fairly represents the interests of all Alaskans and can lead in alcohol education, policy and control.
- Implement uniform police department reporting requirements; develop enforcement, education, and prevention plans directly connected to the matching funds.
- Allow data about alcohol purchases to be released (aggregated at the region or community level) for analysis and community self-assessment.
- Base the ABC budget on the activities and staffing needed to achieve the ABC's mission.
- Designate ABC board seats to ensure representation by: 1 public health, 1 public safety, 2 industry and 1 rural public member; include Director's background in filling the designations.

# Underage Drinking Revisions

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- Reform underage drinking sanctions so that **adults who supply minors with alcohol are held to greater accountability.**
- Reduce the penalty for a licensee, agent or employee selling alcohol to a minor (Sec. 04.16.052) from a class A misdemeanor to a minor offense violation.
- Require statewide keg registration.

# Underage Drinking Revisions

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- Reform underage drinking sanctions so that **minors do not become criminals for making one poor decision.**
- Clarify required sign language warning minors of the legal consequences of their entering licensed premises.
- Restore the minor consuming alcohol offense to a true violation.

# Local Option Revisions

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- Strengthen local option laws and the ability to enforce them.
- Repeal local option 4, which bans sale and importation of alcohol, but not possession.
- Increase ABC budget for dedicated Title 4 enforcement staff.
- Increase the local option boundary from a 5-mile radius to a 10-mile radius from the village center.
- Increase the misdemeanor-level fines for bootlegging and imposes additional unit fines per container of alcohol.
- Make possession of homebrew ingredients and/or equipment with intent to produce alcohol illegal in **all** local option communities.

# Marijuana

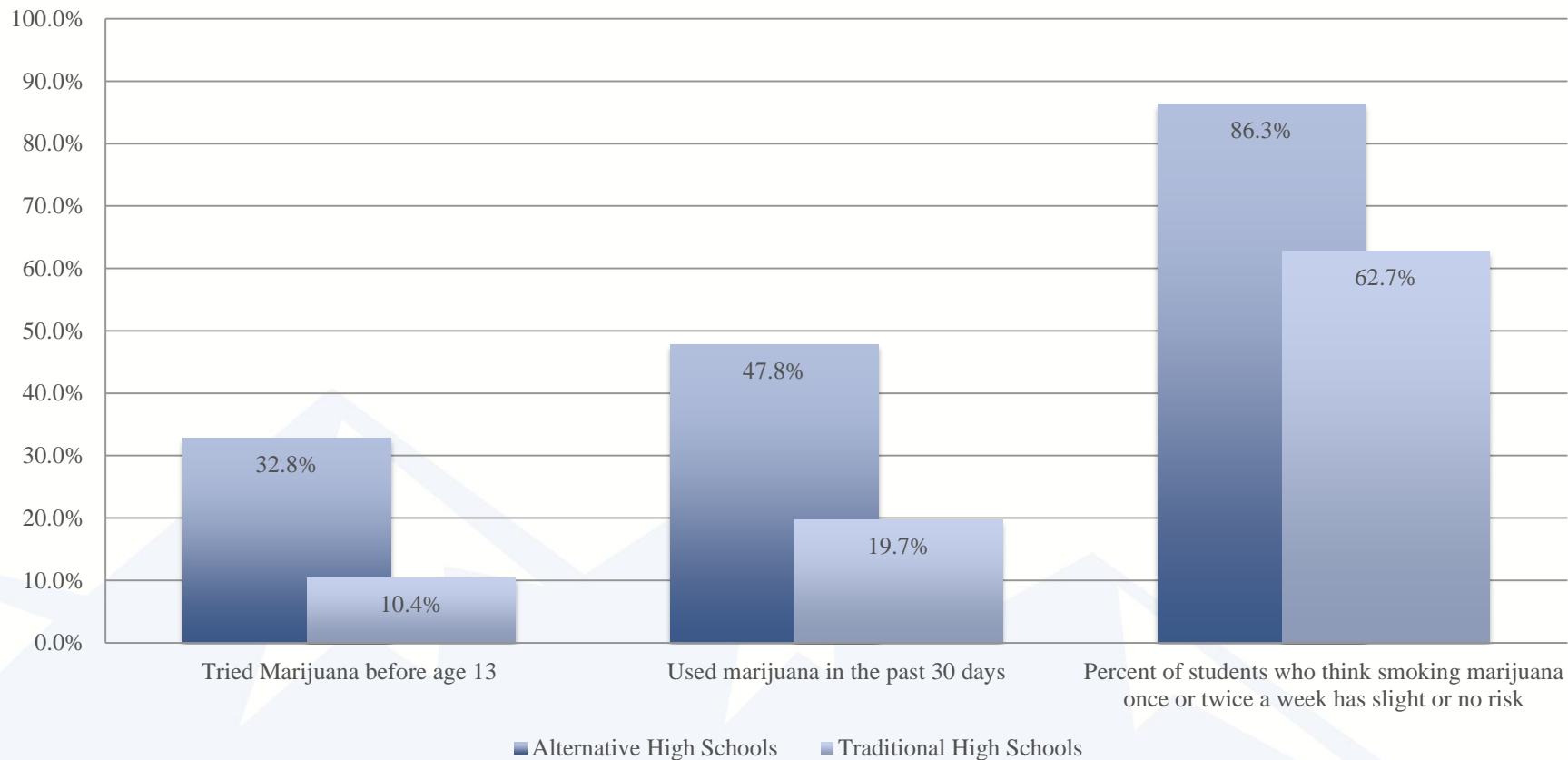
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- Addiction rate
  - 2012, 17% of individuals admitted to treatment reported marijuana as their primary substance of abuse (U.S.)
  - 2012, an estimated 2.7 million people 12 years of age and older met the DSM-IV criteria for dependence on marijuana
- Increased marijuana use during pregnancy
  - 6.1% of mothers in 2006
  - 7.8% of mothers in 2011
- Psychotic symptoms can occur at 3 to 7 times the rate among marijuana users versus those who do not use.



# Impact on Beneficiaries

## 2013 Alaska YRBS Results snap shot



# Lessons Learned in Colorado

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## ■ **Data**

- Colorado wasn't measuring marijuana related data, this lack of baseline has led to an inability to understand the impacts of increased commercial marijuana

## ■ **Home grows are out of control**

- Non taxable, difficult to enforce, non regulated and hard to manage

## ■ **Edibles and concentrates**

- Dosage, THC content, portion control and packaging still continue to be difficult to manage
- Butane hash oil explosions and impacts to residential areas

## ■ **Advertising**

- State is being sued by local newspapers as they believe they have the right to advertise without government restrictions on their commercial free speech

## ■ **Local control**

- Majority of communities opted out of commercial sales (approx. 212)
- Communities also opted out of grow operations and put more restrictions on businesses (locations, quantity)
- Local law enforcement needing training and funding

## ■ **Black market**

- Legalized commercial marijuana has not decreased the black market

# Lessons Learned from Alcohol and Tobacco

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- **Avoiding harms to others**
  - Indoor air
  - Driving and injury restrictions
- **Sales and marketing restrictions**
  - Time, place, manner
- **Price**
- **Use of tax revenue**
  - For prevention in youth and young adults
  - Harm reduction and cessation in adult users
- **Strong public health infrastructure**
  - State and local
  - Collaboration with NGO's
- **Strong public health messaging from trusted source**
- **Attention to vulnerable populations**

# Recommendations

- **Inter-disciplinary task force**
  - Ensure regulations are informed by a *comprehensive field of experts* with various backgrounds (public health, regulatory groups, industry, law enforcement, etc).
- **Data**
  - Make certain that the right data and metrics are being collected and funded
- **Regulations**
  - Start with strict regulations and then with time and data have the ability to adapt
- **Local option**
  - Ensure that communities understand their rights and abilities to exercise local controls
- **Licensing**
  - Staging of licenses
  - Potency limits
- **Edibles and concentrates**
  - Only consider through a preapproval process
- **Advertising**
  - Enforce strict advertising; unlimited and unregulated advertisement has a direct impact on youth use
- **Law enforcement**
  - Need training *now* on how to enforce new regulations
  - Effectiveness of enforcement happens at the local level
  - Regulations needed on levels while driving; using while driving

# Thank You

## Trust

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Alaska Mental Health  
Trust Authority

