



**VISION**

ALASKA INDIVIDUALS, FAMILIES AND COMMUNITIES ARE SAFE AND HEALTHY

**MISSION**

TO PROMOTE AND PROTECT THE HEALTH AND WELL-BEING OF ALASKANS

## House Finance Budget Subcommittee | FY2016 Division Overview

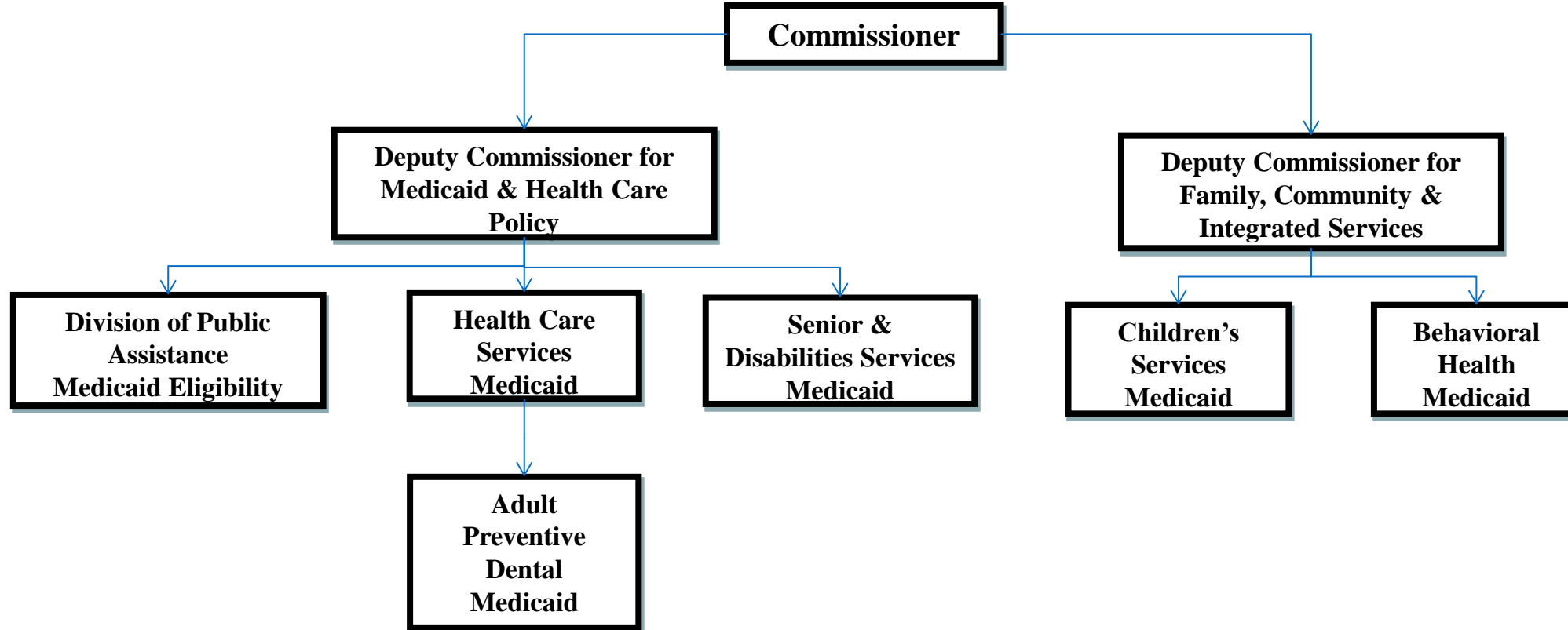
**Margaret Brodie** | Director

**Jon Sherwood** | Deputy Commissioner

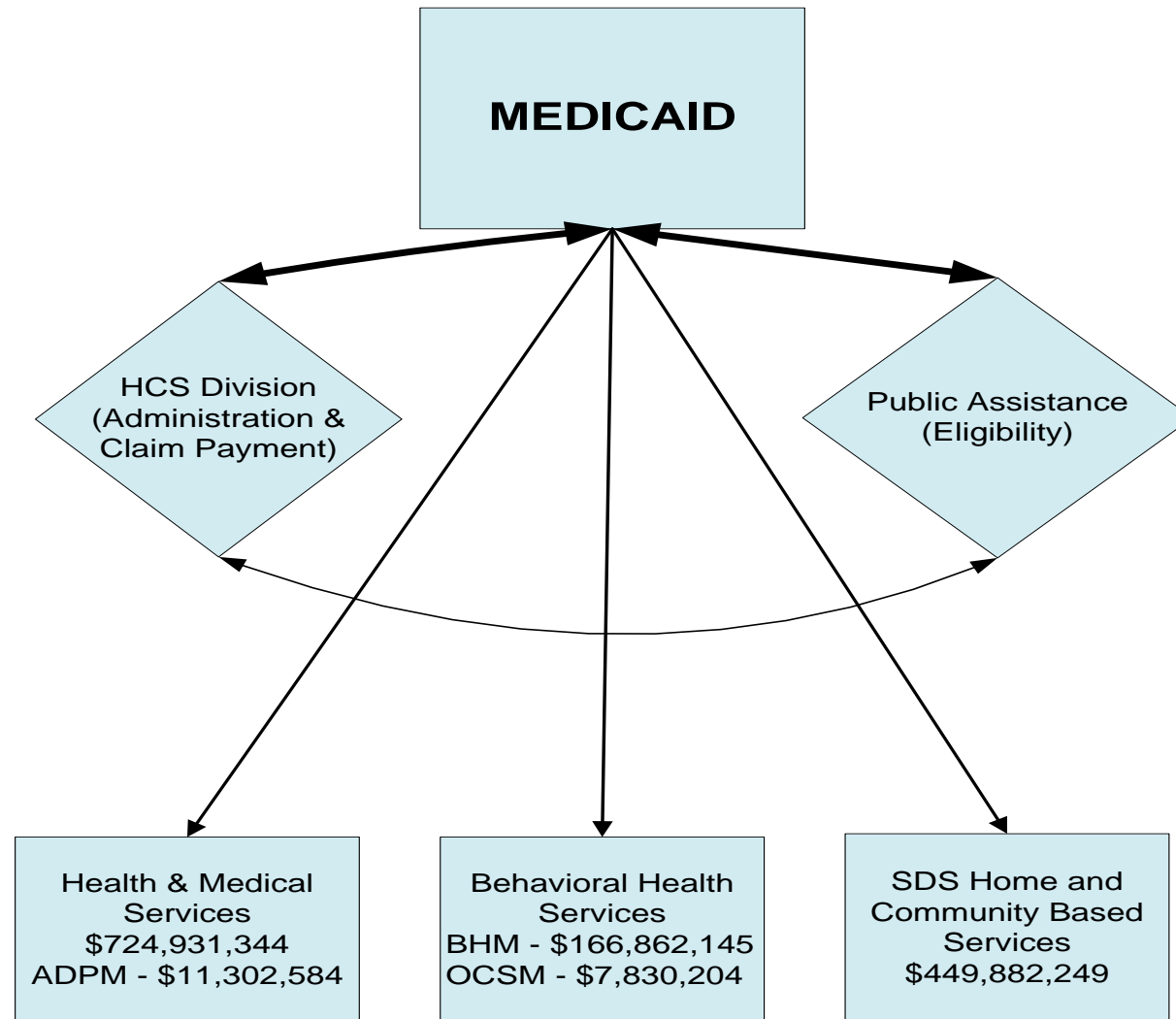
**Medicaid Services**

**February 9, 2015**

# Medicaid Organizational Chart



# Alaska Medicaid



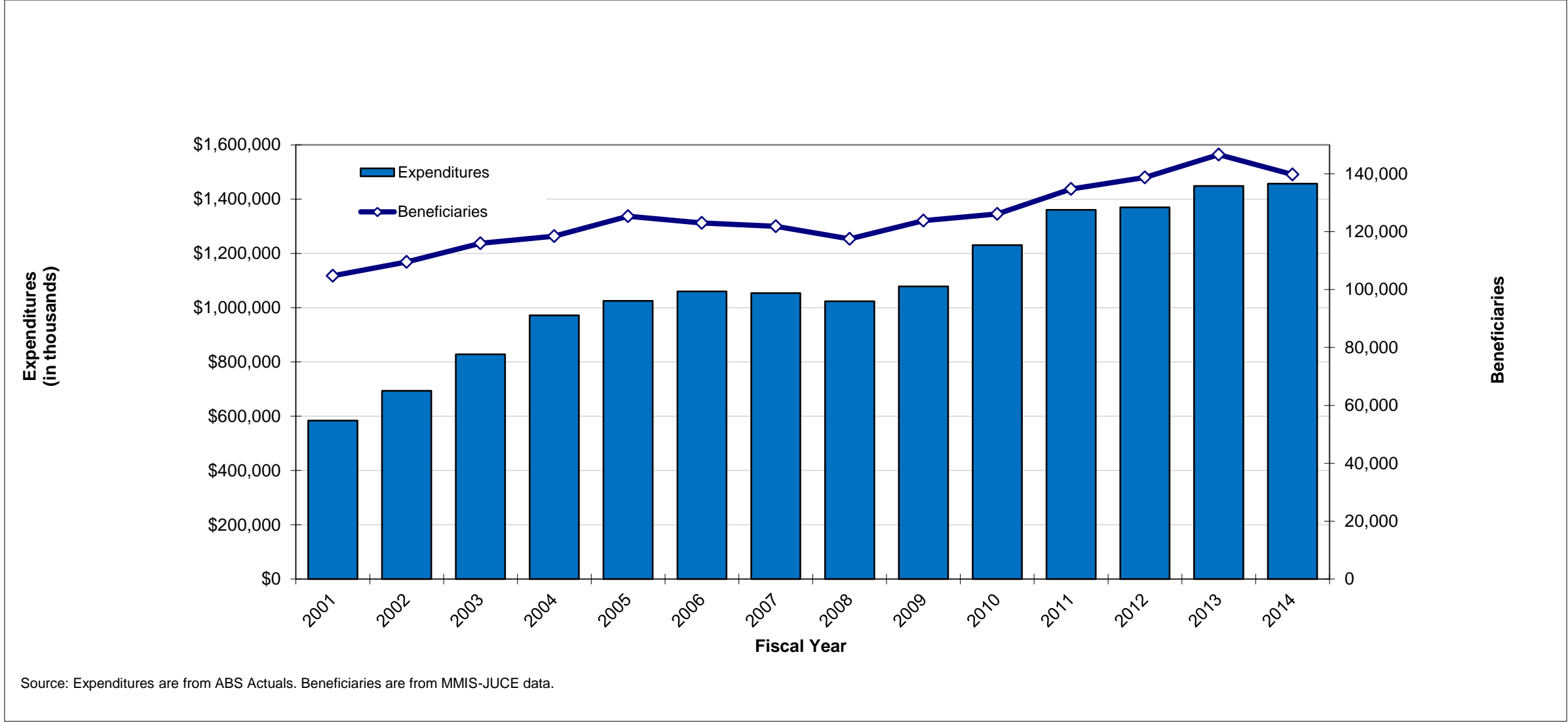
# Medicaid Services Overview

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- **Medicaid Goals:**
  - Integrate and coordinate services
  - Strategically leverage technology
  - Implement sound policy
  - Practice fiscal responsibility
  - Measure and improve performance



# All Medicaid Direct Services Beneficiaries & Expenditures



# Medicaid Core Service Alignment

## PRIORITY 1

### HEALTH & WELLNESS ACROSS THE LIFESPAN

## PRIORITY 2

### HEALTH CARE ACCESS DELIVERY & VALUE

## PRIORITY 3

### SAFE & RESPONSIBLE INDIVIDUALS, FAMILIES & COMMUNITIES

#### CORE SERVICE 1.1

Protect and  
promote the  
health of  
Alaskans

1 2 3 4

Medicaid Services  
aligned with  
Department  
Core Service 1.1

#### CORE SERVICE 1.2

Provide  
quality  
of life in a  
safe  
living  
environment  
for Alaskans

4 5

Medicaid Services  
aligned with  
Department  
Core Service 1.2

#### CORE SERVICE 2.1

Manage  
health care  
coverage  
for Alaskans in  
need

4

Medicaid Services  
aligned with  
Department  
Core Service 2.1

#### CORE SERVICE 2.2

Facilitate  
access to  
affordable  
health care  
for Alaskans

4

Medicaid Services  
aligned with  
Department  
Core Service 2.2

#### CORE SERVICE 3.1

Strengthen  
Alaska  
families

#### CORE SERVICE 3.2

Protect  
vulnerable  
Alaskans

#### CORE SERVICE 3.3

Promote  
personal  
responsibility  
and  
accountable  
decisions  
by Alaskans



#### MEDICAID SERVICES CORE SERVICE 1

Adult  
Preventive  
Dental



#### MEDICAID SERVICES CORE SERVICE 2

Behavioral  
Health  
Medicaid



#### MEDICAID SERVICES CORE SERVICE 3

Children's  
Medicaid



#### MEDICAID SERVICES CORE SERVICE 4

Health Care  
Medicaid



#### MEDICAID SERVICES CORE SERVICE 5

Senior and  
Disabilities  
Medicaid

# Medicaid Services Budget Alignment

## PRIORITY 1

HEALTH & WELLNESS  
ACROSS THE LIFESPAN

**\$1,867,971.2**  
(\$1,478,262.9 Medicaid)

## PRIORITY 2

HEALTH CARE ACCESS  
DELIVERY & VALUE

**\$278,582.9**  
(\$190,878.1 Medicaid)

## PRIORITY 3

SAFE & RESPONSIBLE  
INDIVIDUALS, FAMILIES &  
COMMUNITIES

**\$545,770.5**

### CORE SERVICE 1.1

Protect and promote  
the health of Alaskans

**\$1,110,867.0**  
(\$876,512.0 Medicaid)

### CORE SERVICE 1.2

Provide quality of life in a  
safe living environment for  
Alaskans

**\$757,104.2**  
(\$601,750.9 Medicaid)

### CORE SERVICE 2.1

Manage health care  
coverage for Alaskans in  
need

**\$149,574.5**  
(\$98,779.4 Medicaid)

### CORE SERVICE 2.2

Facilitate access to  
affordable health care  
for Alaskans

**\$129,008.4**  
(\$92,098.7 Medicaid)

### CORE SERVICE 3.1

Strengthen Alaska  
families

**\$191,505.9**

### CORE SERVICE 3.2

Protect vulnerable  
Alaskans

**\$281,385.1**

### CORE SERVICE 3.3

Promote personal  
responsibility and accountable  
decisions by  
Alaskans

**\$72,879.5**

HCS DBH DPH DPA FMS  
DJJ SDS

SDS HCS DPA OCS DBH  
APH FMS DPH

HCS APH DBH FMS DPA  
DPH

HCS DPH DPA DBH FMS  
SDS

DPA OCS DPH FMS DJJ  
SDS HCS APH DBH

DPA OCS SDS FMS DJJ  
DBH APH DPH HCS

OCS DJJ DPA FMS SDS  
DPH DBH



ALASKA PIONEER HOMES



DIVISION OF  
BEHAVIORAL HEALTH



OFFICE OF CHILDREN'S  
SERVICES



DIVISION OF HEALTH  
CARE SERVICES



DIVISION OF JUVENILE  
JUSTICE



DIVISION OF PUBLIC  
ASSISTANCE



DIVISION OF PUBLIC  
HEALTH



SENIOR & DISABILITIES  
SERVICES



FINANCE &  
MANAGEMENT SERVICES

1.1  
\$301,087.1 spent to protect and promote the health of Alaskans (\$205,359.4 Medicaid)

1.1 - \$205,359.4 spent to protect and promote the health of Alaskans

1.1  
\$674,050.8 spent to protect and promote the health of Alaskans (\$671,152.6 Medicaid)

1.2  
\$62,890.1 spent to provide quality of life in a safe living environment for Alaskans (\$62,786.0 Medicaid)

2.1  
\$111,649.1 spent to manage health care coverage for Alaskans in need (\$98,779.4 Medicaid)

2.2  
\$95,361.8 Spent to facilitate access to affordable health care for Alaskans (\$92,098.7 Medicaid)

1.1 - \$671,152.6 spent to protect and promote the health of Alaskans

1.2 - \$62,786.0 spent to provide quality of life in a safe living environment for Alaskans

2.1 - \$98,779.4 spent to manage health care coverage for Alaskans in need

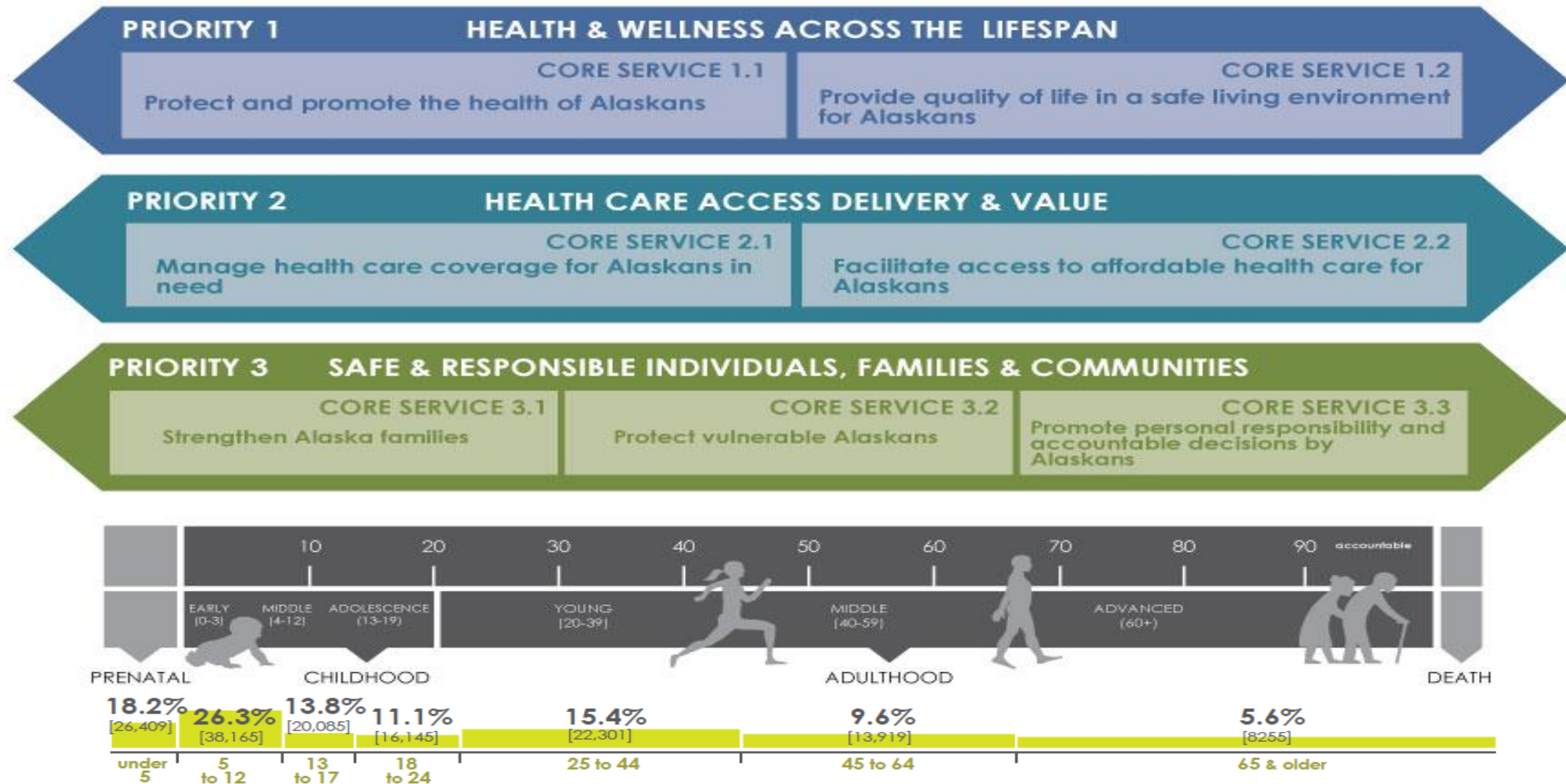
2.2 - \$92,098.7 spent to facilitate access to affordable health care for Alaska

1.2  
\$573,236.4 spent to provide quality of life in a safe living environment for Alaskans (\$538,964.9 Medicaid)

1.2 - \$538,236.4 spent to provide quality of life in a safe living environment for Alaskans



# Medicaid Service Population



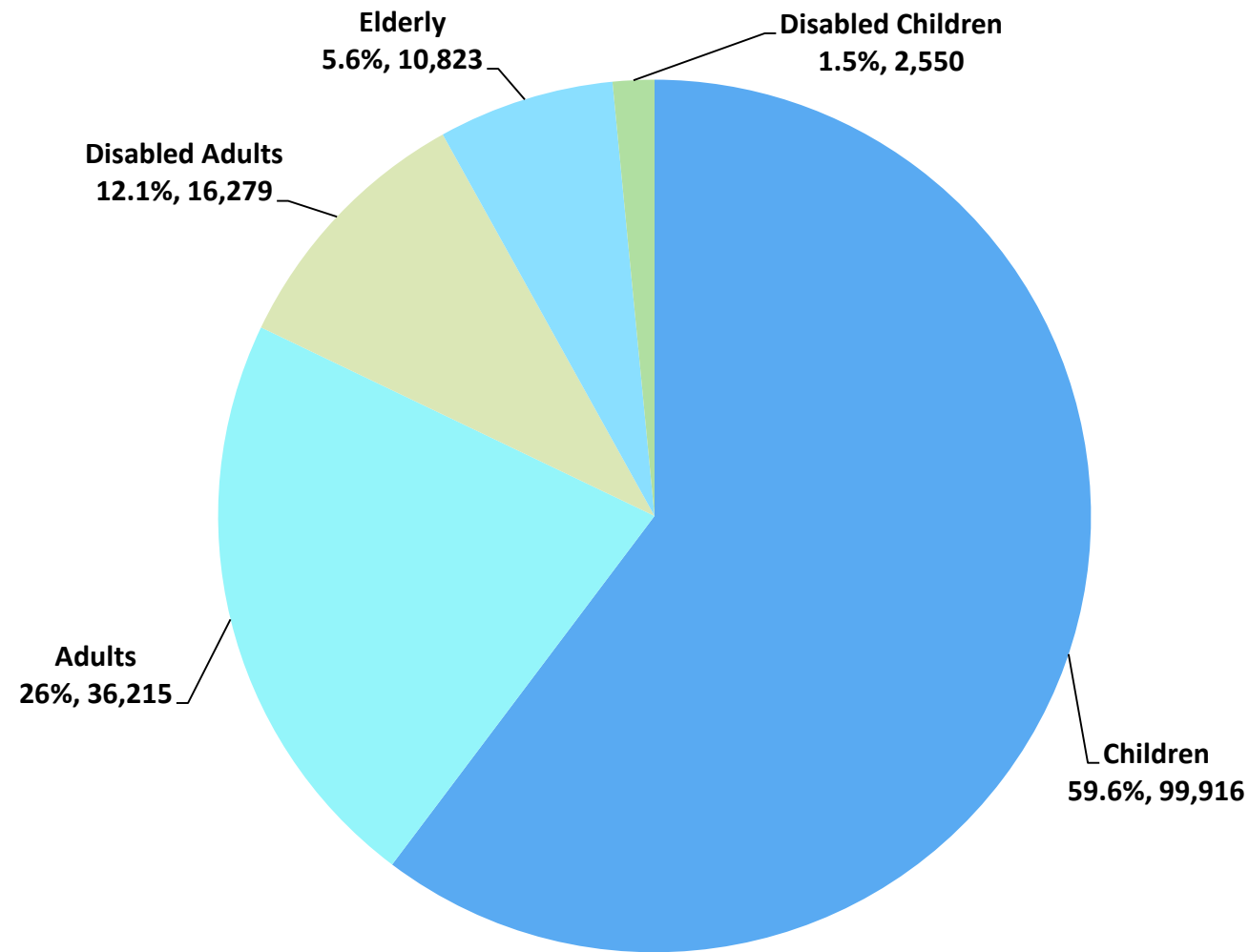


# FY2016 Governor's Amended Operating Request

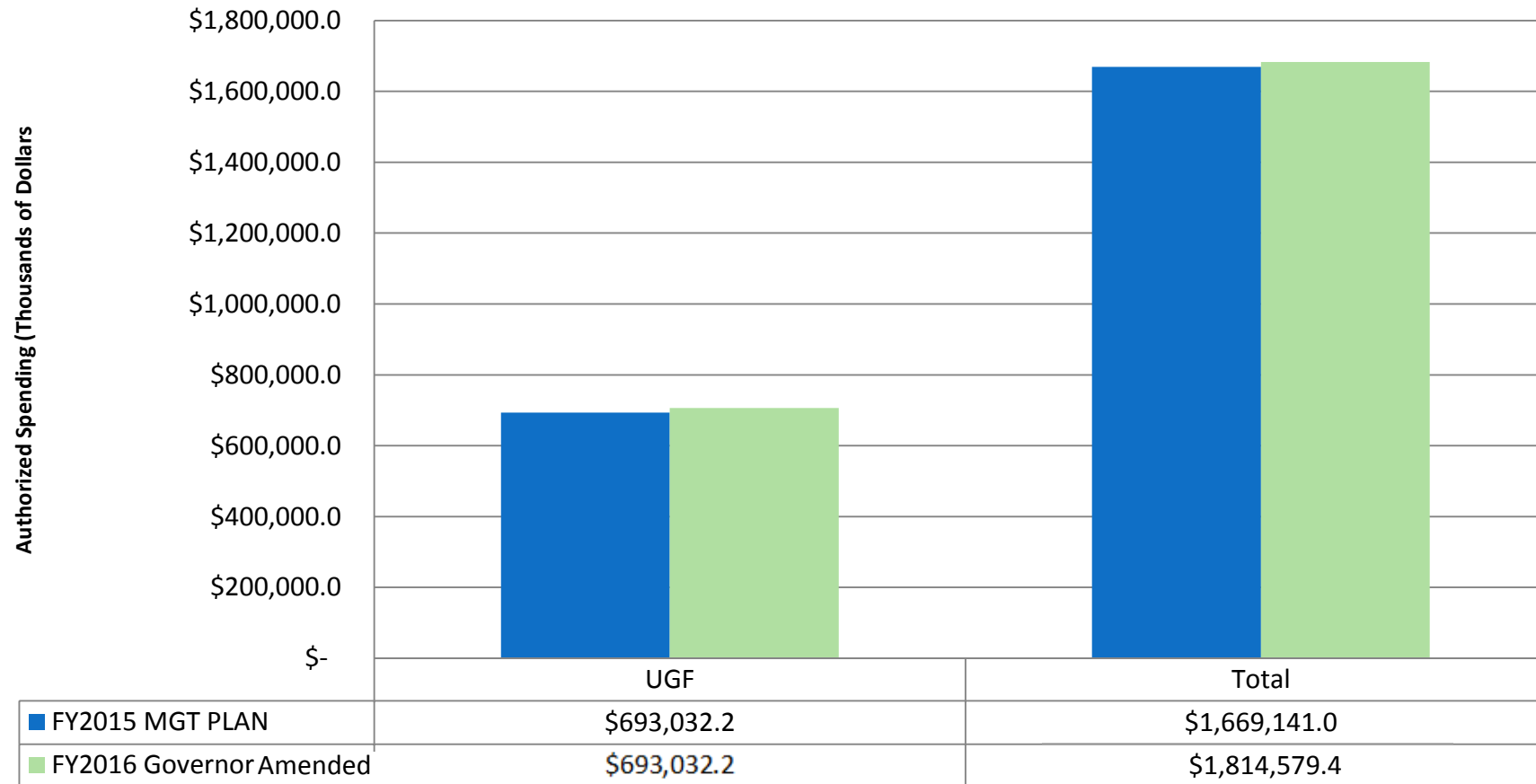
<u>Medicaid</u>	FY2015 Mgmt Plan	Adjusted Base	FY2016 Governor Amended	15 Mgmt Plan to Governor Amended	Adjusted Base to Governor Amended
Unrestricted General Funds	\$693,032.2	\$693,032.2	\$693,032.2	0	0
Designated General Funds	1,797.5	1,797.5	1,797.5	0	0
Federal Funds	966,268.7	966,268.7	1,111,707.1	145,438.4	145,438.4
Other Funds	8,042.6	8,042.6	8042.6	0	0
Total	\$1,669,141.0	\$1,669,141.0	\$1,814,579.4	\$145,438.4	\$145,438.4
Position Total (PFT)	0	0	0	0	0



# FY2014 Total Medicaid Recipients



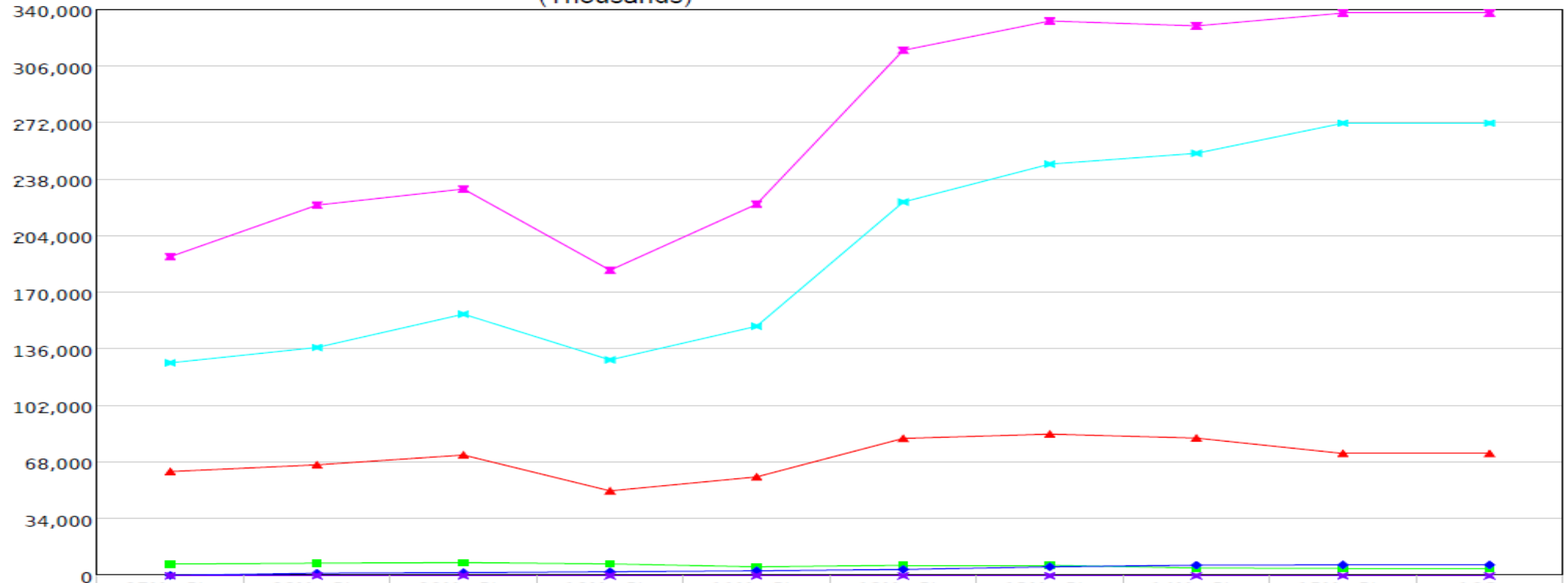
# General Fund vs. Total Expenditures



# Allocation Summary 2007-2016

Multi-year Allocation Summary - Operating Budget - FY 2016 Governor Structure  
Department of Health and Social Services  
Medicaid Services Appropriation  
(Thousands)

Numbers and Language  
Fund Groups: General Funds



Provided by:  
Legislative  
Finance  
Division

Behavioral Health Medicaid Svc	62,654.3	66,679.5	72,575.8	51,040.9	59,444.0	82,579.6	85,141.7	82,765.0	73,525.1	73,525.1
Children's Medicaid Services	7,080.6	7,570.6	7,926.2	7,139.0	5,396.5	6,308.1	6,308.1	4,659.4	4,410.7	4,410.7
Adult Prev Dental Medicaid Svc	219.7	1,543.1	1,877.0	2,416.8	2,981.7	3,804.1	5,390.2	6,377.1	6,547.2	6,547.2
Health Care Medicaid Services	191,830.7	222,805.0	232,494.1	183,688.4	223,385.2	315,890.8	333,513.3	330,549.4	338,265.2	338,265.2
Senior/Disabilities Medicaid	127,991.6	137,245.9	157,271.7	129,770.1	149,998.9	224,679.2	247,470.5	253,955.4	272,081.5	272,081.5
Unallocated Reduction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>389,776.9</b>	<b>435,844.1</b>	<b>472,144.8</b>	<b>374,055.2</b>	<b>441,206.3</b>	<b>633,261.8</b>	<b>677,823.8</b>	<b>678,306.3</b>	<b>694,829.7</b>	<b>694,829.7</b>

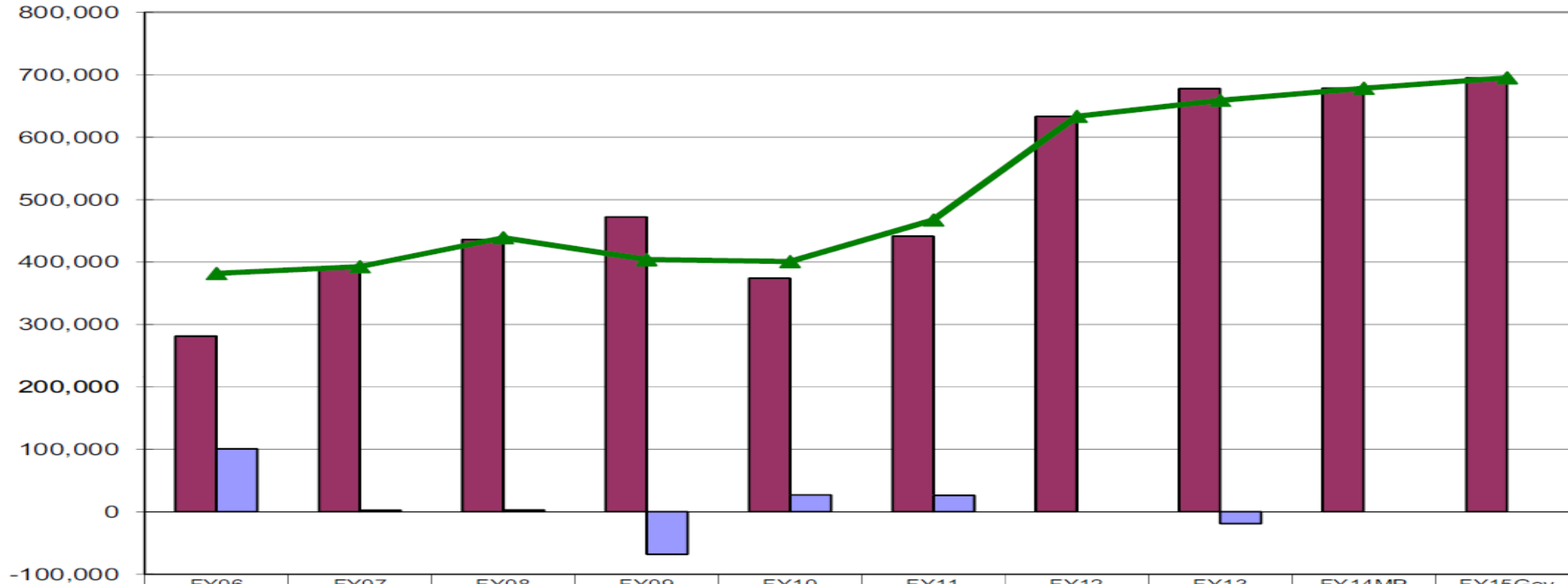


# General Fund 2006-2015

**Medicaid GF** has grown by \$313.4 million (82%) between the FY06 Final Budget and the FY15 Budget. Of this increase:

- \$134.8 million is attributable to FairShare/ProShare
- \$75.2 million is attributable to FMAP changes
- \$32.5 million is attributable to Rate Rebasings

## TOTAL MEDICAID FORMULA APPROPRIATIONS (GF ONLY) (\$ Thousands)

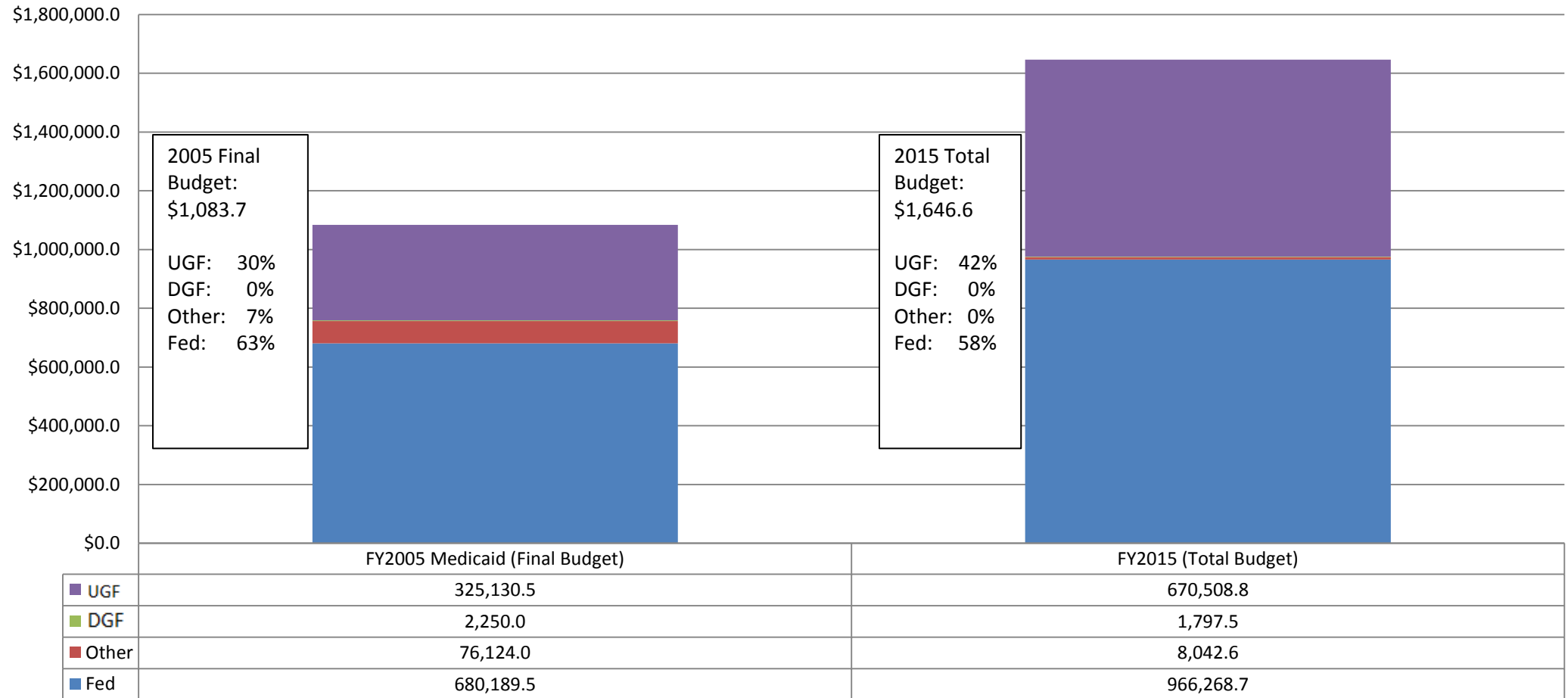


*Provided by:  
Legislative  
Finance  
Division*



# General Fund 2005-2015

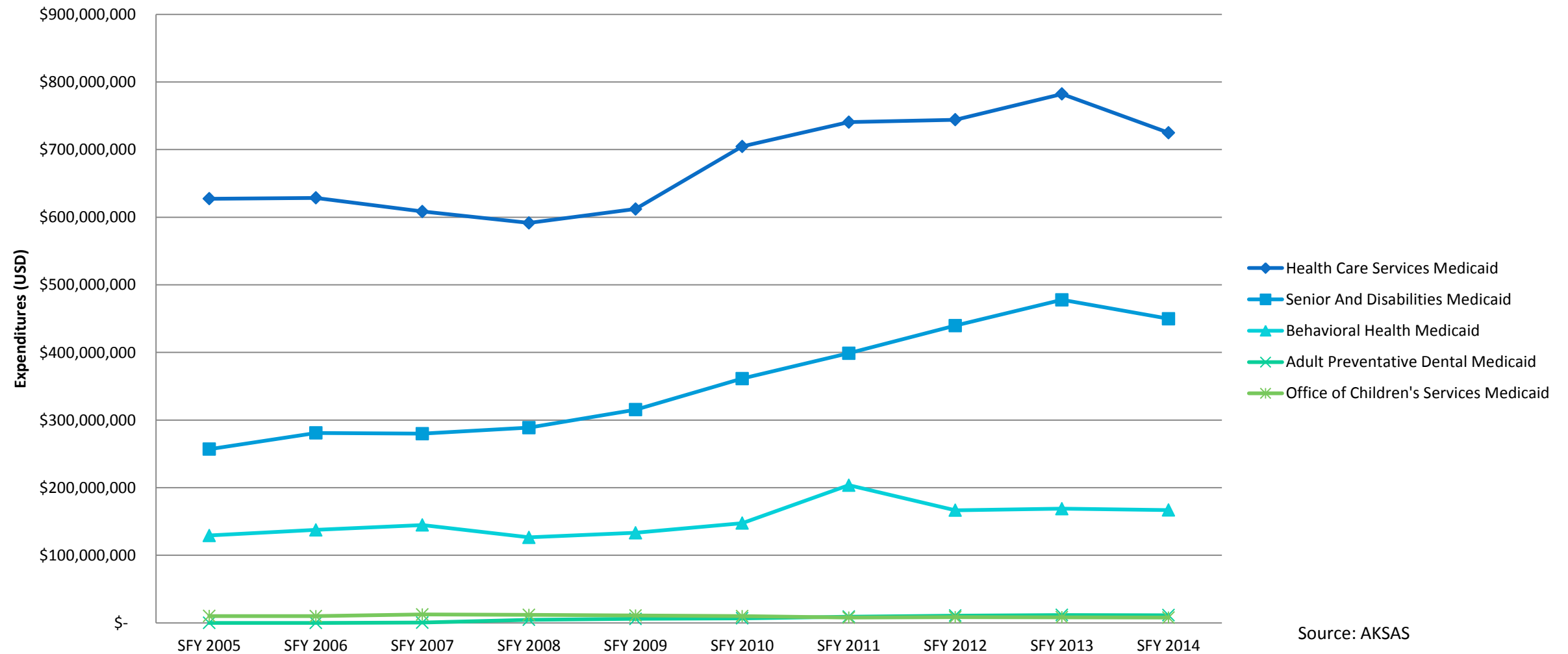
## Medicaid Services Appropriation





# FY 2005-2014 Medicaid Expenditures by Division

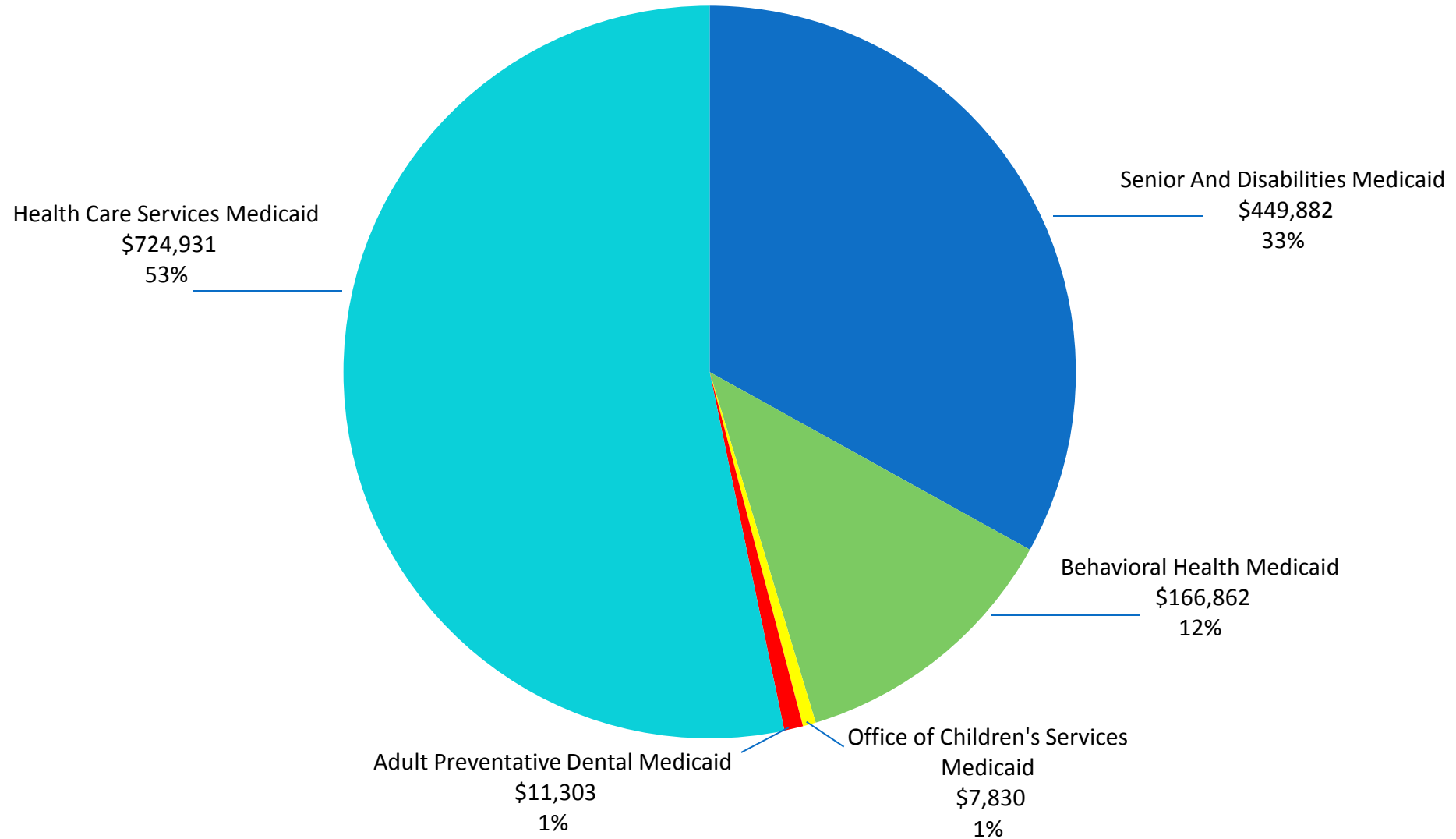
## FY 2005-2014 Medicaid Direct Services Expenditures by Division



Source: AKSAS



# FY 2014 Medicaid Expenditures by Division



Source: AKSAS



# Services Requiring Prior Authorization to Contain Costs

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- » Travel
- » Hospital
- » High Cost Imaging
- » Adult Dental
- » Waiver Services
- » Behavioral Health



# Other Savings

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- » Including Rendering Providers on Claims
- » Listing Referring, Ordering, and Prescribing Providers on Claims
- » Meeting National Correct Coding Initiative Standards
- » Auditing Providers
- » Partnering with Tribes



# Additional Savings

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- » Commercial Insurance Recoupment
- » Substitution to Generic Medication
- » Using ClaimCheck
- » Collecting Negative Balances
- » Surveillance and Utilization Reviews
- » Quality Assurance sections



# Independent Review

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- » Pain Management Contract
- » Psychotropic Medication Review for Children in OCS/DJJ Custody and those on Medicaid





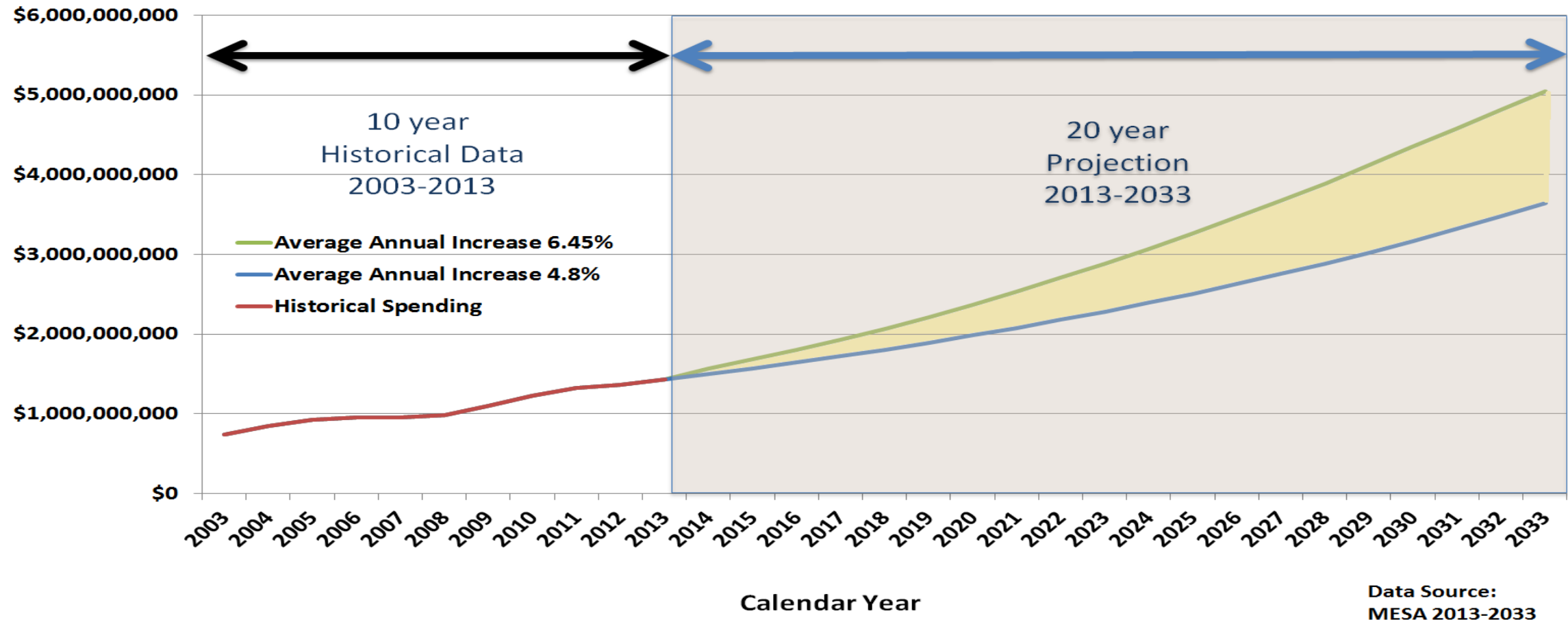
# Future Cost Containment Strategies

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- » Durable Medical Equipment payment regulation updates
- » Collecting Patient Share of Cost - regulation changes
- » Acuity Rate Project
- » Automated Service Plan



# Expenditures Avoided



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QUESTIONS?

Thank You

