



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

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MEMORANDUM

DATE: February 6, 2015

TO: Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
House Finance Standing Committee

FROM: Sana Efird, Assistant Commissioner *SE*
Department of Health and Social Services

SUBJECT: Department of Health and Social Services House Finance Committee Budget
Presentation Follow-Up

On January 26, 2015 the Department of Health and Social Services (DHSS) received the following questions from you regarding Department's House Finance Committee presentation. The DHSS responses are as follows:

- ***Representative Neuman asked about the future of the Alaska Pioneer Homes, given the silver tsunami headed their way. Commissioner Davidson mentioned changes in the levels of care being analyzed. Please provide additional information on this.***

Growth Data

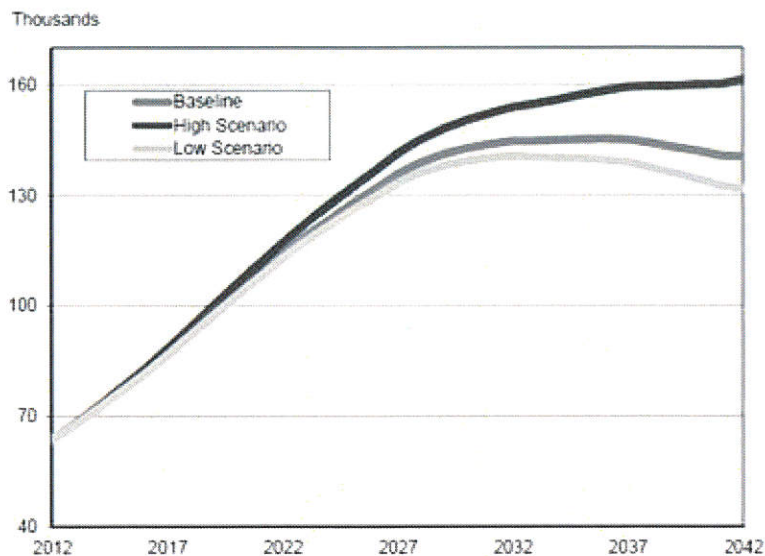
The Alaska Department of Labor and Workforce Development, Research and Analysis Section prepared a report entitled *Alaska Population Projections; 2012-2042*. The report includes a projection for the 65 and older population growth within Alaska; the chart accompanying this projection is below. The baseline model projects that the senior population will peak near 140,000 during 2037. Previously, Department of Labor and Workforce Development, Research and Analysis Section prepared a projection showing the probable geographic spread of the senior population across Alaska. That chart is also below for reference.

DHSS Response to Growth

Alaska Pioneer Homes is licensed to provide assisted living home services for 501 residents. During FY 2014 Alaska Pioneer Homes served a total of 604 (unduplicated) residents. To maintain the same percentage of Alaska Pioneer Home residents served to total senior population in Alaska at the projected peak of the senior population in 2037, Alaska Pioneer Homes would need to have the staffing and facilities available to serve a total of 1,126 (unduplicated) residents. With the current rate of resident turn over, to serve 1,126

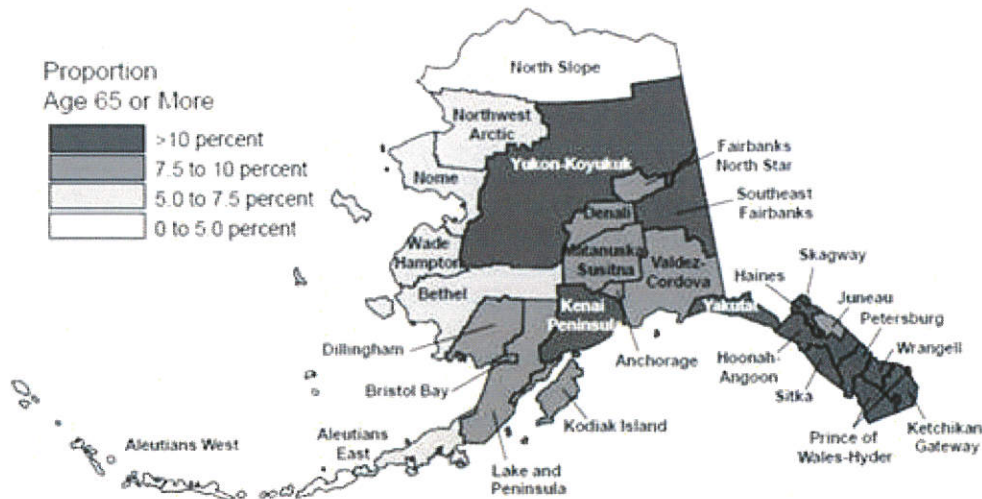
(unduplicated) residents in 2037, Alaska Pioneer Homes estimates that 934 licensed beds would be needed within the division, or an additional 433 beds beyond current capacity. At this time, it is the intention of the Division of Alaska Pioneer Homes to continue to provide the highest level of care possible within the budget authority provided. The Division of Alaska Pioneer Homes recognizes that the senior population it serves is growing rapidly. The Division of Alaska Pioneer Homes will continue to increase efficiencies within its current budget authorization; however, no plans for expansion are currently underway.

Figure 1.18
Population Age 65+,
Alaska, 2012 to 2042



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Figure 2.7
Proportion Age 65 or More by Borough and Census Area, 2012



Sources: U.S. Census Bureau, and Alaska Department of Labor and Workforce Development, Research and Analysis Section

Additional analysis of the growth within Alaska's senior population and its impacts on the Division of Alaska Pioneer Homes was conducted in FY2010 by an outside contractor, Information Insights. The report and the follow up by DHSS can be found online at <http://dhss.alaska.gov/daph/Documents/docs/plan.pdf> and <http://dhss.alaska.gov/daph/Documents/docs/LookingForward2010.pdf>

- *Representative Neuman asked about tribal and local control regarding juvenile justice programs. He expressed interest in expanded federal participation and a more stable budget. The Commissioner indicated they are open to anything more appropriate. Please provide more information on this.*

As Commissioner Davidson testified, the Department continues to explore all options for partnerships with Tribal and other Native organizations.

- *Representative Munoz asked how many positions were going to be required for Medicaid expansion. Sana explained that Medicaid expansion crossed many divisions. Please provide more specific information.*

A presentation to House Finance on Medicaid expansion is scheduled for February 16.

- *Representative Wilson asked about positions outside the state system that were funded through grants and contracts.*

The department will have to get back with more information; this information is not readily available in a database and would require extensive time and resources to compile.

- *Representative Neuman asked about the department's vacancy rate. Sana didn't know for the department and how it might compare to other agencies. There was discussion about Pioneer Homes and Juvenile Justice keeping employees and the Office of Children's Services not. Please provide more information.*

DHSS Vacancy as of 1/26/2015

per ALDER PCN extract from AKPAY

	PFT/PPT filled	PFT/PPT vacant	Total PFT/PPT	VACANCY RATE vacant as % of total
Public Health	441	42	483	8.7%
Behavioral Health	312	23	335	6.9%
Children's Services	491	30	521	5.8%
Public Assistance	529	32	561	5.7%
Finance and Management Services	207	15	222	6.8%
Health Care Services	118	4	122	3.3%
Senior and Disabilities Services	151	13	164	7.9%
Alaska Pioneers' Homes	592	19	611	3.1%
Juvenile Justice	456	26	482	5.4%
Commissioner's Office	28	1	29	3.4%
DHSS overall	3,325	205	3,530	5.8%

The Department is researching how DHSS's vacancy rate compares to that of other State agencies.

- *Representative Neuman asked what the department is doing for the Office of Children's Services and other programs challenged by turnover. Representative Gara talked about too much work driving employees away.*

The Public Information section created a more realistic job preview video and an attractive recruitment video for prospective OCS employees to provide them with a better understanding of the rigors and challenges of working in Alaska.

- *Representative Neuman asked about the huge wave of problems headed the department's way as a result of the budget cuts coming. More information is needed.*

Making decisions that affect our most vulnerable populations is very difficult. However, since the bulk of DHSS funding is for grants/benefits, reductions will

affect services and benefits to vulnerable Alaskans. Strategic planning and analysis of current programs will be vital as we work toward mitigating negative impacts on Alaskans. The department will also focus on building partnerships with other entities that can help address the needs of Alaskans.

- *Representative Wilson wants a response to help HSS members identify which of the department's programs are mandated by statute, and which are not.*

The Department is currently working on this request.

- *Representative Gara: What is the state doing to reduce the rate of increase in cost for health care?*

The Department has instituted several measures to reduce the rate of increase in the cost of health care. Some of those measures are paying for generic drugs whenever possible; support of fraud control; prior authorizations; creation of a super-utilizer program; lock-ins; and Medicaid audits. Additionally, the Department is researching other cost-saving measures. As for the rising cost of employee health care, that question should be directed to the Department of Administration.

If you have any additional questions regarding this issue, please contact Sana Efird at 465-1630.

cc: Amanda Ryder, Fiscal Analyst, Legislative Finance
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