



VISION

ALASKA INDIVIDUALS, FAMILIES AND COMMUNITIES ARE SAFE AND HEALTHY

MISSION

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

House Health & Social Services | Division Overview

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Health Care Services

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Health Care Services Overview

- **Mission:** Manage health care coverage for Alaskans in need.
- **128 Positions:** 124 Full-time/4 Non-Perm Positions
- **\$21,399.0** (\$8,159.3 UGF) - FY2018 Total Operating Budget Request
- FY2016 Medicaid:
 - **191,048** Medicaid Enrollees
 - **175,881** Medicaid Beneficiaries



Services to Providers

25,613 – Active Medical Providers enrolled in Medicaid

832 - Providers licensed through Health Care Services

- 126 - Health Care Facilities (*combination of federal certification and state license as applicable*)
- 651 - Assisted Living Homes
- 55 - Residential Child Care Facilities

31,657 - Background Checks in FY2016



FY2018 Governor's Operating Budget Decrements

Catastrophic and Chronic Illness Assistance	(17.1) UGF	Decrease in demand for services due to coverage of this population under Medicaid expansion
Health Facilities Licensing and Certification	(59.7) UGF	Elimination of one reimbursable services agreement and reductions to commodities
Residential Licensing	(128.4) UGF	Reduce Personal Services Authority – Delete 3 positions
Medical Assistance Administration	(914.9) CIP	Reduce capital improvement project receipts authority
Rate Review	(150.0) GFM	One-time item funding reduction under SB74, Medicaid Reform for actuarial contract costs

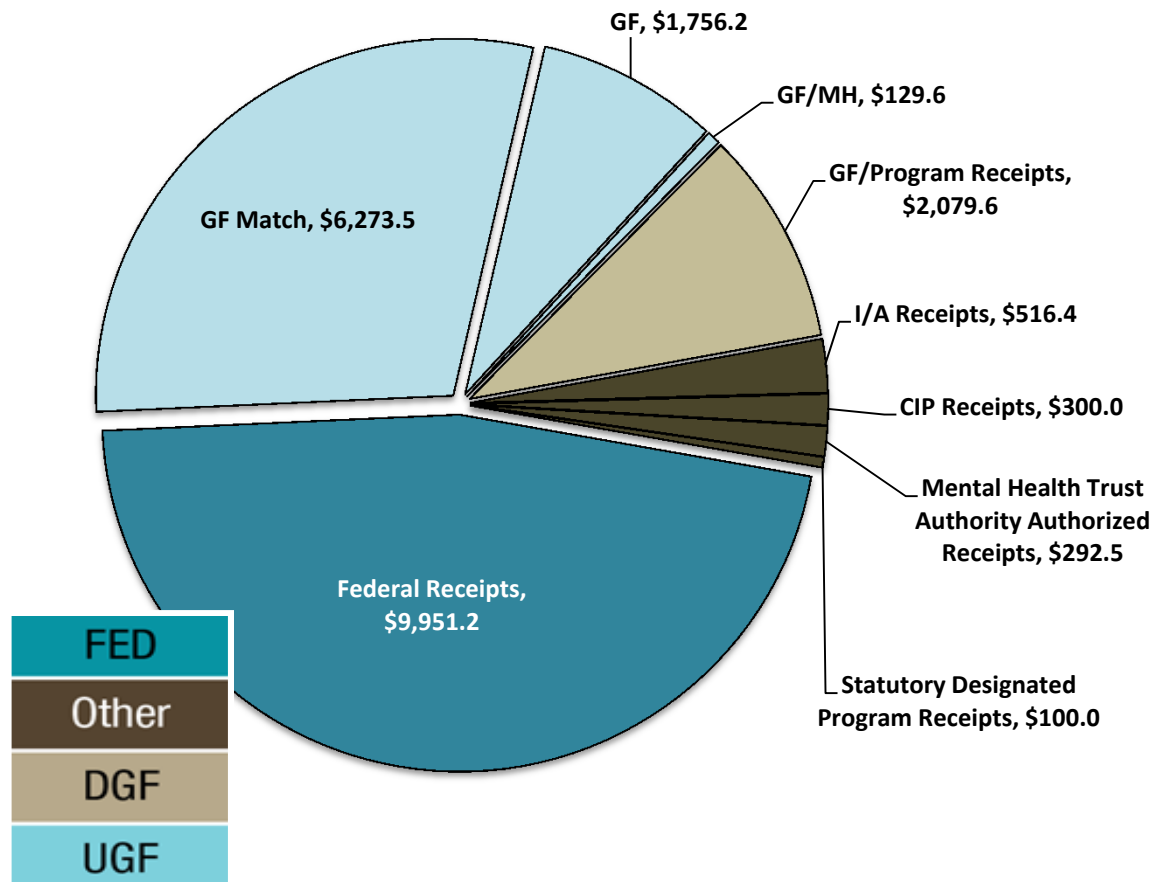


Health Care Services Fiscal Overview

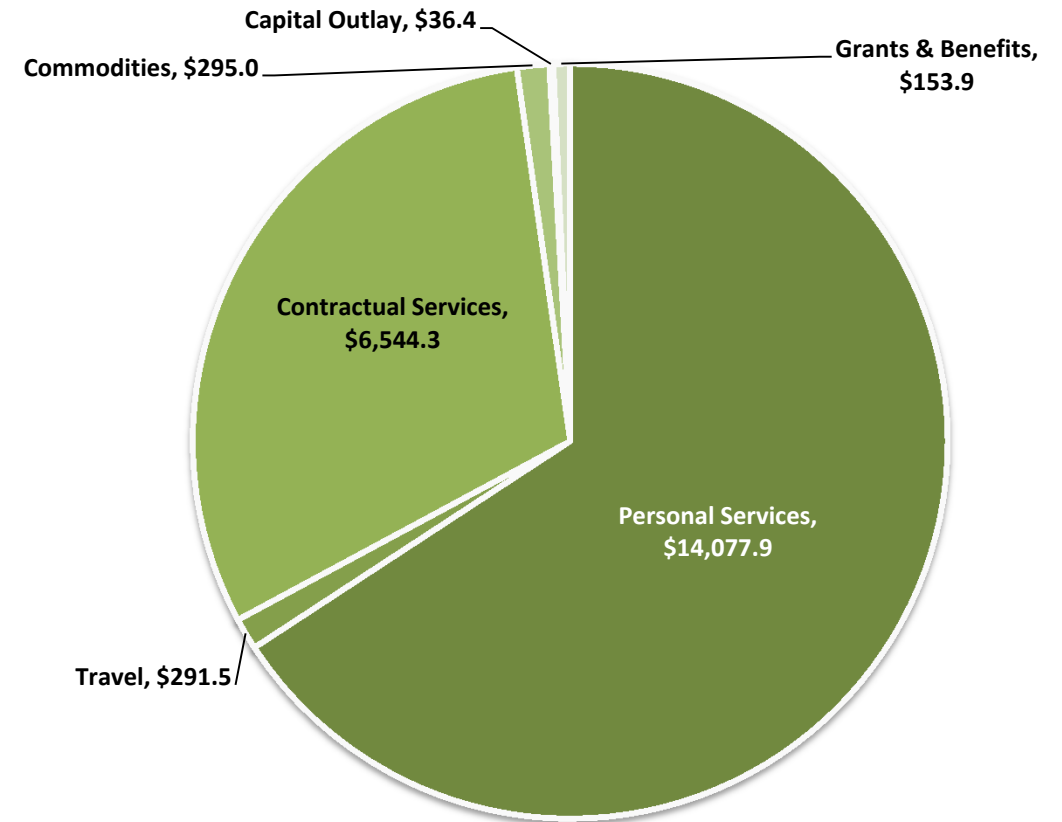
	Allocation and/or Program	Funding (in thousands)	# of Employees	# of Alaskans Served	% Cost through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
24	Health Care Services (485)	\$21,399.0: \$8,159.3 UGF \$2,079.6 DGF \$9,951.2 Fed \$1,208.9 Other	128							
25	Catastrophic and Chronic Illness Assistance (AS 47.08) (2330)	\$153.9: \$153.9 UGF	-	Population size less than 10	0.00%	Important	1	Yes	No	47.05, Administration of Welfare, Social Services and Institutions 47.07, Medical Assistance for Needy Persons 47.08, Assistance for Catastrophic Illness and Chronic or Acute Medical Conditions 47.25, Public Assistance
26	Health Facilities Licensing and Certification (2944)	\$2,162: \$ 525.4 UGF \$ 189.3 DGF \$1,347.3 Fed \$ 100.0 Other	13	All Alaskans	13.38%	Critical	1	Yes	Yes	08.64, Medicine 08.80, Pharmacists and Pharmacies 18.05, Administration of Public Health and Related Laws 18.20, Hospitals and Nursing Facilities 18.23, Health Care Services Information and Review Organizations 44.29.020(a)(9), Duties of department 47.05, Administration of Welfare, Social Services and Institutions 47.32, Centralized Licensing and Related Administrative Procedures
27	Residential Licensing (245)	\$4,244.5: \$1,181.0 UGF \$1,747.9 DGF \$ 952.6 Fed \$ 363.0 Other	25	All Alaskans	42.59%	Important	1	Yes	No	18.05, Administration of Public Health and Related Laws 44.29, Department of Health and Social Services 47.05, Administration of Welfare, Social Services and Institutions 47.32, Centralized Licensing and Related Administrative Procedures 47.33, Assisted Living Homes
28	Medical Assistance Administration (242)	\$12,175: \$5,178.2 UGF \$6,310.9 Fed \$ 685.9 Other	74	177,597	0.00%	Critical	1	Yes	Yes	47.07, Medical Assistance for Needy Persons 47.25, Public Assistance
29	Rate Review (2696)	\$2,663.6: \$1,120.8 UGF \$ 142.4 DGF \$1,340.4 Fed \$ 60.0 Other	16	177,597	5.35%	Critical	1	Yes	Yes	18.07, Certificate of Need Program 47.07, Medical Assistance for Needy Persons

FY2018 Governor Budget Request Revenue & Expenditure Authority

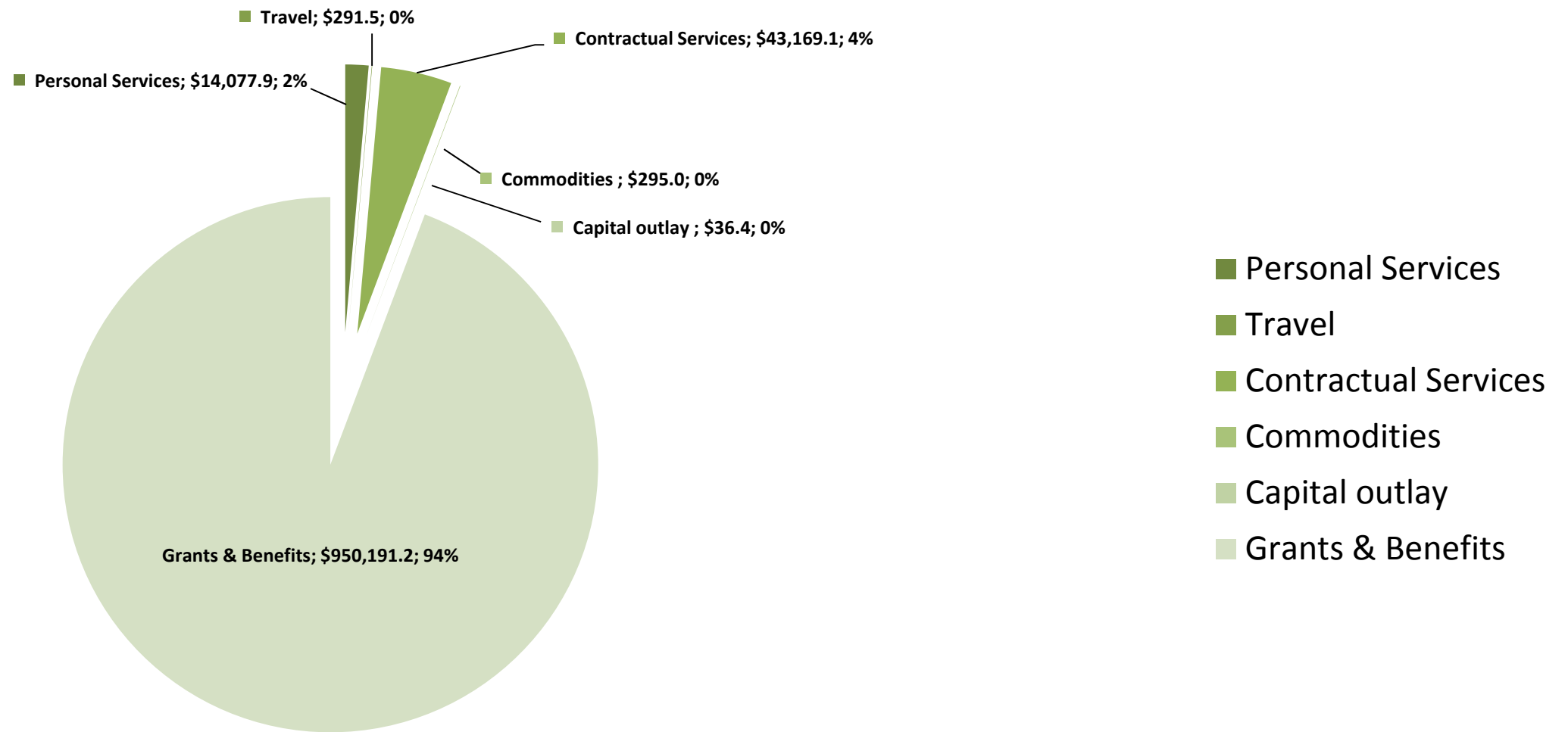
Revenue



Expenditure



FY2018 Governor, Expenditure Authority- Health Care Services (HCS)& HCS Medicaid



Budget Reductions and Impacts

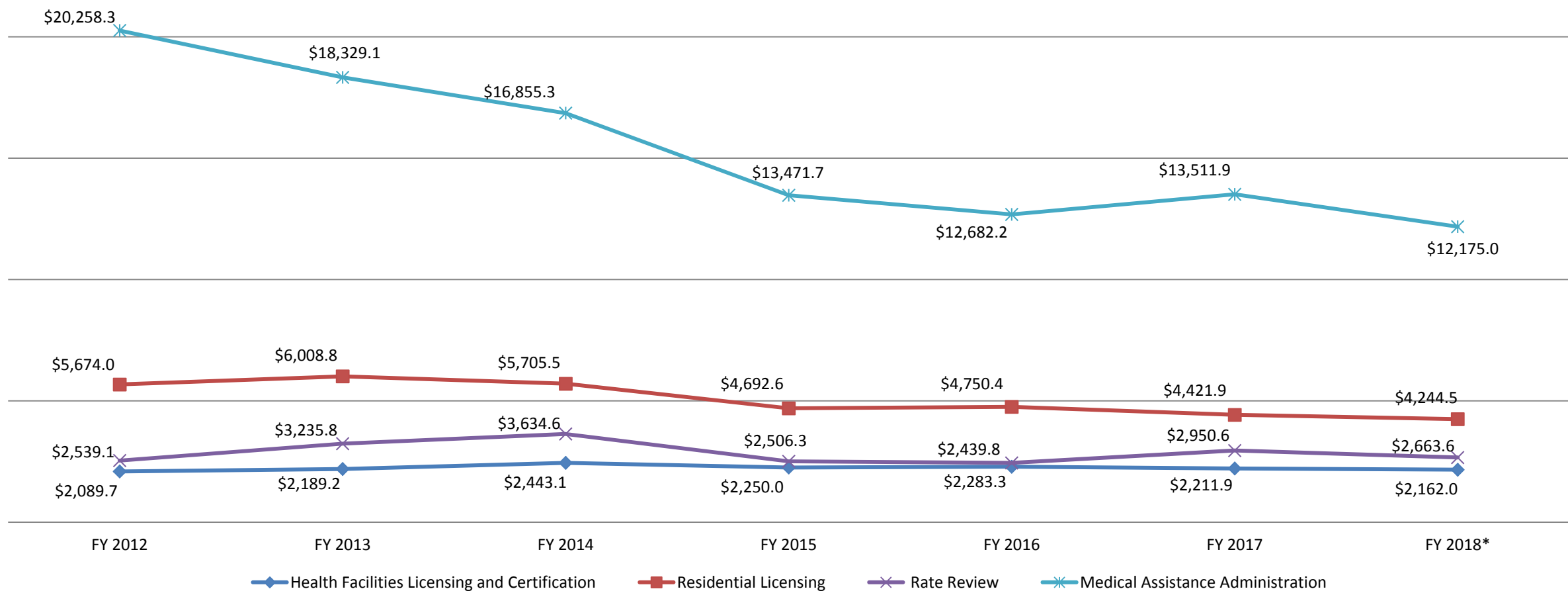
Unrestricted General Fund Reduction*	\$1,735.1↓	17.5% ↓
Permanent Full Time Position Decrease*	3 ↓	2.4% ↓

* - Since FY2015

- **Health Facilities Licensing & Certification:** Less nurses sent on surveys.
- **Residential Licensing:** Cut the number of inspections in half, physically performing inspections every two years, with the providers performing self-inspections and reporting to the state in the other years.
- **Background Check Program:** Reduced staffing has resulted in higher caseloads for workers.
- **Medical Assistance Administration:** Mandatory system changes are now spread out over the next few years. Subject to formal corrective action plans and experience more scrutiny from Centers for Medicare and Medicaid Services.



Expenditures: Budget Authority for FY2012–FY2018



* FY2018 is Governor's Requested Budget



Health Care Services

Activities

Medicaid Administration

Federally Mandated Projects

Regulation Projects

Operational Certification Priorities

Licensing

Residential Child Care Facilities

Health Care Facilities

Assisted Living Homes

Background Checks

Medicaid Policy and Planning



Health Care Services Projects

Federal Mandated Projects

Health Insurance Portability and Accountability Act
Operating Rules (HOPR)

Transformed Medicaid Statistical Information System (T-
MSIS)

Social Security Number Removal Initiative (SSNRI)

Cost Sharing (Affordable Care Act)

Medicaid Information Technology Assistance - Social
Security Administration (MITA-SSA) 3.0 – Technical
Assistance for mandatory system assessment



Health Care Services Projects

Regulations
Projects

Durable Medical Equipment (DME)

Orthopedics & Prosthetics

Personal Care Services

Dental Services

Senate Bill 74

1115 Waiver

1915(k) State Plan Option

Telemedicine

Tribal Transportation

Emergency Care Improvement

Tribal Federal Medical Assistance Percentage(FMAP)

Prescription Drug Monitoring



Alaska Medicaid Reimbursement Methodologies

- **Physicians/Dentists** - Reimbursement is based on Resource-Based Relative Value Scale (RBRVS) set by the American Medical Association
- **Mid-level Practitioners** – Reimbursement is at 85% of Resource-Based Relative Value Scale (RBRVS)
- **Hospices** – Reimbursement based on rates established by Centers for Medicare and Medicaid Services (CMS).



Alaska Medicaid Reimbursement Methodologies (Continued)

- Prescription Drug Rates –

- Drugs

- Reimbursement is set at the National Average Drug Acquisition Cost (NADAC), as calculated and supplied by the Centers for Medicare and Medicaid Services.

- Dispensing Fee

- Cost-based reimbursement

- Federally Qualified Health Centers, Rural Health Clinics, and Tribal Health Clinics - Reimbursement is an encounter rate established by Centers for Medicare and Medicaid Services (CMS).
- Laboratory Services – Reimbursed at Medicare fee schedule rates.



Alaska Medicaid Reimbursement Methodologies (Continued)

Cost Based Rates

Inpatient Acute Care Hospitals

Skilled Nursing Facilities

Inpatient Psychiatric Hospitals

Outpatient Hospitals

Outpatient Dialysis Clinics

Behavioral Health Services

Home and Community-Based Waiver Service

Personal Care Services

Birthing Centers



QUESTIONS?
Thank You

