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**2018 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Subcommittee

**TO:** HB 286 / HB 285

**OFFERED BY:** Representative Gara

**DEPARTMENT:** Health and Social Services

**ADD INTENT:** It is the intent of the legislature that the Department review fund sources in all allocations and reduce excess receipt authority where the department believes the collection of receipts is not achievable.

**2018 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Subcommittee

**TO:** HB 286 / HB 285

**OFFERED BY:** Representative Gara

**DEPARTMENT:** Health & Social Services

**PART A**

**APPROPRIATION:** Public Assistance

**ALLOCATION:** Women, Infants and Children

**DELETE:** \$1,000.0 Statutory Designated Program Receipts (code 1108) Other  
and  
\$750.0 Federal Receipts (code 1002)

**EXPLANATION:** Delete excess receipt authority (rebates for baby formula, etc..) and excess federal authority for this 100% federally funded program.

**PART B**

**APPROPRIATION:** Public Assistance

**ALLOCATION:** Energy Assistance Program

**DELETE:** \$2,500.0 Federal Receipts (code 1002)

**EXPLANATION:** Delete excess receipt authority. The legislature previously reduced the general fund appropriation. The Department is not able to qualify for these additional federal receipts.

**2018 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Subcommittee

**TO:** HB 286 / HB 285

**OFFERED BY:** Representative Gara

**DEPARTMENT:** Health & Social Services

**APPROPRIATION:** Public Assistance

**ALLOCATION:** Senior Benefits Payment Program

**DELETE:** \$19,986.1 UGF (code 1004)

**ADD INTENT:** It is the intent of the legislature to fully fund the Senior Benefits Payment Program upon reauthorization by the legislature during the 2018 session.

**EXPLANATION:** Funding to extend the Senior Benefits Payment Program (estimated at \$19,986.1 UGF) is expected to be provided, but requires passage of HB236/SB170. Therefore, funding is deferred to the fiscal notes associated with the legislation. These funds cannot be provided in the operating budget until a new Senior Benefits bill has passed both houses, as the current statute expires this year. A reauthorization bill has already passed the House.

**2018 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Subcommittee

**TO:** HB 285 (Mental Health Budget)

**OFFERED BY:** Representative Gara

**DEPARTMENT:** Health & Social Services

**DELETE DEPARTMENT LEVEL INTENT:** At the discretion of the Commissioner of the Department of Health and Social Services, up to \$25,000,000 may be transferred between all appropriations in the Department of Health and Social Services.

**EXPLANATION:** This language is already in the operating budget. To avoid any confusion that the Department has \$50 million (\$25 million twice) in authority to transfer money between appropriations, the subcommittee recommends deleting this duplicative authority from the Mental Health Budget.

In FY2018 the department is projecting shortfalls in the General Relief /Temporary Assisted Living Program, Alaska Pioneer Homes, and Alaska Psychiatric Institute components. The Department has opted not to request supplementals for these projected shortfalls by exercising the authority to transfer general funds from another division. Projections indicate general funds will be available in other areas of the department due to some divisions experiencing a higher vacancy and turnover rate than usual.

The Department will continue in FY 19 and beyond to have no control over the number of Alaskans needing various statutorily-required services. The \$25 million in transfer authority remaining in the operating budget, which represents less than 1% of their budget, enables the Department to meet this demand without needlessly increasing their base budget or making supplemental requests.

**2018 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Subcommittee

**TO:** HB 286 / HB 285

**OFFERED BY:** Representative Gara

**DEPARTMENT:** Health & Social Services

**APPROPRIATION:** Medicaid Services

**ALLOCATION:** Behavioral Health Medicaid Services

**ADD:** \$159.0 GF/Match UGF (code 1003) 1-time funding

**EXPLANATION:**

Funding will be used to match \$159.0 in existing MHTAAR to conduct a study to determine whether Alaska needs a **forensic** hospital, or facilities apart from API for forensic services.

Unlike most states, Alaska does not have a “forensic” hospital, although it does have a 10-bed “medium security” forensic unit located within the Alaska Psychiatric Institute (API).

The study being requested is part of an effort to see if patients served by API can be served better. Studies culminating in 2005 recommended a 140-bed facility at API, including 40 forensic beds; however, API was built with a capacity for 80 patients, and only 10 forensic beds.

Moving API’s current 10 forensic beds to another location would free-up beds inside API that are desperately needed to address the waiting lists at API for court-ordered adult acute civil, involuntary admissions. Due to the lack of beds, almost all patients are being held in emergency departments around the state awaiting transfer.

**Forensic services** are mental health services specifically provided to justice-involved individuals (defendants). One of the more common forensic issues facing courts is whether a criminal defendant has the mental capacity to participate in his/her legal proceedings and whether the individual has the capacity to exercise his liberty to pursue his or her interests during the trial.

Populations who could be served by mental health services provided in a forensic hospital include:

- Pre-trial detainees held in correctional facilities who need competency (to stand trial) evaluations by API psychologists;
- Defendants found incompetent to stand trial and referred to API's forensic unit for "restoration to competency" in order to stand trial;
- Persons found incompetent to proceed to trial (known as "non-restorable" to competency) and civilly committed to API for treatment, as well as seriously mentally ill persons who are violent or convicted of sex offenses whose difficult behaviors create significant community discharge placement options.
- Inmates sentenced to correctional facilities in need of inpatient psychiatric care, including those who are found Guilty but Mentally Ill

This proposed feasibility study will estimate the potential number of forensic beds needed to adequately address these various, complex populations.

The study would be multifaceted in that it would involve the following considerations: populations and potential numbers of persons to be served in a forensic hospital; possible locations in Anchorage; accreditation concerns arising from the relocation; staffing issues; transportation needs; the cost of any identified facilities; and the retrofitting and operating cost comparisons between identified potential locations and facilities.

If this proposal is not funded the demands on API will continue and the "boarding" of psychiatric patients in hospital emergency departments across the State will continue.

**2018 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Subcommittee

**TO:** HB 286 / HB 285

**OFFERED BY:** Representative Gara

**DEPARTMENT:** Fund Transfers

**ADD LANGUAGE:** Upon the generation of \$6 million deposited into the Recidivism Reduction Fund in FY19, the next \$1.5 million above that shall be transferred to the Alcohol and Other Drug Treatment and Prevention Funding to give the state time to determine how to address future projected shortfalls in the Alcohol and Other Drug Treatment and Prevention Fund.

**EXPLANATION:** Currently, and in the past few fiscal years, appropriations from the Alcohol and Other Drug Treatment and Prevention Fund have exceeded revenue to the fund. The excess appropriations have been covered by a carry forward balance. At current appropriation levels, the carry forward balance will be exhausted in FY20.

**2018 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Subcommittee

**TO:** HB 286 / HB 285

**OFFERED BY:** Representative Gara

**DEPARTMENT:** Health & Social Services

**APPROPRIATION:** Division of Behavioral Health

**ALLOCATION:** Behavioral Health Administration

**ADD:** \$1,900.0 Alaska Comprehensive Health Insurance (ACHI) Funds DGF  
(code 1240) IncT (FY19-21)

**APPROPRIATION:** Medicaid Services

**ALLOCATION:** Health Care Medicaid Services

**ADD:** \$1,900.0 Federal Receipts (code 1002) IncT (FY19-21)

**EXPLANATION:**

In recent years, Alaska has not claimed all of the federal Disproportionate Share Hospitals (DSH) funding to which it is entitled due to a lack of matching funds and federal receipt authority. With a commitment of \$1.9 million in Alaska Comprehensive Health Insurance (ACHI) funds in SFY2019, the State would be able to leverage an additional \$1.9 million of federal DSH funds.

Currently, there is a major gap in the Alaska Psychiatric Institute's (API) ability to admit patients, due to its limited capacity of 80 beds. Although API is claiming all of the DSH funding to which it, as Alaska's only public psychiatric hospital, is currently entitled, the State could claim a portion of its unused DSH funds to support *other* hospitals and community behavioral health programs that are especially impacted by the lack of treatment beds at API.

Specifically, these additional funds would enhance the capacities of the State's three existing DSH-funded hospital-based mental health treatment programs and provide new financial support to approximately three other hospitals impacted by the lack of treatment beds at API.



These hospitals have been working hard to provide and maintain safe environments for patients who are court-ordered to psychiatric evaluation and treatment at API (or one of the other two Designated Evaluation and Treatment hospitals). Many of these patients are being held for days and sometimes longer in their hospitals' emergency departments awaiting transfer to API.

Services provided would depend on what the hospital and, in some cases, the local community behavioral health center determines makes the most sense for their hospital/community, ranging from physician (including psychiatric) and social work services, additional security guards and substance use or mental health services (assessments, evaluations), to discharge planning and converting emergency rooms to safe rooms, etc., all geared towards providing more appropriate services for the mentally ill and relieving the stress and pressures on emergency departments.

While two other existing hospitals have approved Certificates of Need to expand services to provide treatment for people who would qualify for API admission, these new services will not be online until early 2019 and 2020, and ultimately are not anticipated to meet the existing need. Further, the Department of Health & Social Services has submitted the Section 1115 Behavioral Health Medicaid Waiver application to the Centers for Medicare and Medicaid Services (CMS) which will help increase access to community-based behavioral health services. Service implementation will take multiple years and although it is anticipated to begin in 2020, it will be based on negotiations with and approval by CMS.

This enhanced DSH funding approach would enable the State to help address a demonstrated crisis in the provision of adequate and appropriate hospital-level care for Alaskans experiencing a mental health crisis.

Without additional resources there will continue to be expensive uncompensated care at medical facilities for patients they hold, waiting for API admission.

2018 Legislature - Operating Budget  
Transaction Detail - House Structure

Numbers and Language  
Transaction Number: 345791

Agency: Department of Health and Social Services

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
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Children's Services

Children's Services Management

GA 4 2/14 Establish Children's Services Safety Officer Inc 158.6 113.4 30.0 8.4 6.8 0.0 0.0 0.0 1 0 0

Recently the Office of Children's Services (OCS) has received an increase in threats to employees and Occupational Safety & Health Administration (OSHA) complaints. OCS Management and Human Resources do all they can to address obvious safety issues and respond to OSHA complaints as they arise, but neither group has the resources to proactively address the issue or the requisite expertise to implement best practices. A dedicated, full-time safety officer who is an expert in workplace safety can help us eliminate or mitigate risks in a cost effective manner. He or she can:  
Work with each of OCS' approximately 25 office locations to ensure safety plans are up to date and that all staff are aware of what to do in the event of an emergency in each specific office.

Develop and deliver initial hire safety training to all new employees. Provide periodic refresher training to existing employees.

Investigate formal and informal safety complaints and represent the division in administrative proceedings.

Provide litigation support to the Department of Law when OCS is sued for workplace safety issues.

Participate in Labor-Management Committee meetings. These meetings give front-line employees and their union representatives a voice in OCS safety issues. Giving them such a voice can help management address safety issues at the lowest (and lowest cost) levels possible. They also give employees outlets for safety concerns, which can result in fewer costly formal complaints to agencies like OSHA and AKOSH

Identify cost effective solutions to safety problems. For instance, inexpensive technology and free administrative fixes can often solve safety problems that would otherwise necessitate building remodels. Experienced safety professionals can readily identify such low or no-cost fixes.

Partner with outside agencies to ensure our workers have adequate resources in the most remote locations. For instance, the position can liaise with local law enforcement agencies and Tribes to make sure our workers have adequate resources and safety plans in rural communities with no SOA offices. Currently, our employees may be stuck with nowhere to seek shelter and safety in the event of a violent threat in such a village.

Coordinate with other SOA Departments who may have resources in remote locations such as office space to sleep in or vehicles to borrow. One of our current problems involves employees being stuck outside in sub-zero temperatures when rides from non-SOA personnel fall through.

Coordinate with Human Resources to ensure accountability with regard to workplace safety.

Be a culture-change champion. It's all too often that we hear senior personnel say "this is what you signed up for" when confronted by an employee about a safety threat. This is likely the biggest barrier to a culture of workplace safety at OCS. This position is our most effective option to tear down that barrier.

FY2019 Governor: \$11,710.5  
FY2019 Total Amendments: \$158.6  
FY2019 Total: \$11,869.1  
1002 Fed Rpts (Fed) 47.6  
1004 Gen Fund (UGF) 111.0

# 2018 Legislature - Operating Budget Transaction Detail - House Structure

Numbers and Language  
Transaction Number: 345791

## Agency: Department of Health and Social Services

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	THP
	158.6	113.4	30.0	8.4	6.8	0.0	0.0	0.0	1	0	0
	158.6	113.4	30.0	8.4	6.8	0.0	0.0	0.0	1	0	0
	158.6	113.4	30.0	8.4	6.8	0.0	0.0	0.0	1	0	0
	158.6	113.4	30.0	8.4	6.8	0.0	0.0	0.0	1	0	0
	158.6	113.4	30.0	8.4	6.8	0.0	0.0	0.0	1	0	0

Children's Services (continued)  
Children's Services Management (continued)  
(continued)

\*\*\* Allocation Total \*\*\*  
\*\*\* Appropriation Total \*\*\*  
\*\*\* Agency Total \*\*\*  
\*\*\* All Agencies Total \*\*\*

2018 Legislature - Operating Budget  
Transaction Detail - House Structure

Numbers and Language  
Transaction Number: 345790

Agency: Department of Health and Social Services

Trans Type	Expenditure	Total	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Inc		201.0	0.0	0.0	201.0	0.0	0.0	0.0	0.0	0	0	0
GA 5 2/14 Security Guards for Kenai and Fairbanks Security guards are needed at Kenai and Fairbanks field offices to respond to child protection workers concern for safety. Recent threats and incidents has led to a growing concern for workers safety. Security guards will be used to prevent crime, maintain security, assist clients and employees, and lead safety meetings and drills.												
Currently, the Office of Children's Services maintains security guards in Anchorage, Wasilla, and Juneau. There are no guards in Fairbanks and Kenai at this time.												
The Office of Children's Services has been involved in an active Occupational Safety and Health Association (OSHA) complaint as it relates to worker safety in one of these offices. These efforts for the security guards are a part of our efforts to better comply with OSHA standards for worker safety.												
FY2019 Governor: \$62,834.6 FY2019 Total Amendments: \$201.0 FY2019 Total: \$63,035.6 1002 Fed Rcpts (Fed) 72.0 1004 Gen Fund (UGF) 129.0												
* *												
** Allocation Total **												
*** Appropriation Total ***												
*** Agency Total ***												
***** All Agencies Total *****												
		201.0	0.0	0.0	201.0	0.0	0.0	0.0	0.0	0	0	0
		201.0	0.0	0.0	201.0	0.0	0.0	0.0	0.0	0	0	0
		201.0	0.0	0.0	201.0	0.0	0.0	0.0	0.0	0	0	0
		201.0	0.0	0.0	201.0	0.0	0.0	0.0	0.0	0	0	0
		201.0	0.0	0.0	201.0	0.0	0.0	0.0	0.0	0	0	0

## 2018 Legislature - Operating Budget Transaction Detail - House Structure

Numbers and Language  
Transaction Number: 345794

Agency: Department of Health and Social Services

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
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### Public Assistance

#### Public Assistance Field Services

GA 6 2/14 New Positions to Address Increased Caseloads

Although the eligibility technician to recipient ratio shows the need for 57 additional eligibility technicians to successfully complete the application backlog, and to timely work the incoming items, there have been some efficiencies gained through business process redesign efforts. Staff is currently completing 80% of applications the same day they are assigned to work them. This request is for 41 positions as there have been efficiencies gained.

Starting in FY2014 the division's application backlog has steadily increased. This increase is mostly attributed to the following: the introduction of modified adjusted gross income Medicaid, introduction of new eligibility information system which resulted in the need for staff to calculate modified adjusted gross income Medicaid eligibility using a manual budget sheet, loss of staff productivity due to training on the new system, staff continuing to work in both the new and legacy eligibility systems as all programs are not on the new system, consistent increase in customers applying for services, reductions in funding which impacted the ability of division to consistently utilize overtime, and the elimination of nonpermanent staff which were funded by the Mental Health Trust.

While the majority of public assistance program case levels have remained relatively steady over the last five years, there has been an increase in Medicaid, and Supplemental Nutrition Assistance Program, formerly Food Stamps, cases. Medicaid cases have increased by approximately 43,000 and Supplemental Nutrition Assistance Program by approximately 7,500 between FY2012 and FY2017. The division receives approximately 11,000 applications a month, 8,000 of those are for Medicaid or Supplemental Nutrition Assistance Program.

During FY2013 the average monthly caseload for an eligibility technician was 569 while FY2017 was 676. This is an increase of 18.80 percent. In FY2019 we expect the caseload to be higher with an increasing backlog.

FY2019 Governor: \$49,069.7  
FY2019 Total Amendments: \$4,428.7  
FY2019 Total: \$53,498.4  
1002 Fed Rcpts (Fed) 2,214.4  
1003 G/F Match (UGF) 2,214.3

**	4,428.7	4,265.4	10.0	100.0	53.3	0.0	0.0	0.0	41	0	0
** Allocation Total	4,428.7	4,265.4	10.0	100.0	53.3	0.0	0.0	0.0	41	0	0
*** Appropriation Total	4,428.7	4,265.4	10.0	100.0	53.3	0.0	0.0	0.0	41	0	0
**** Agency Total	4,428.7	4,265.4	10.0	100.0	53.3	0.0	0.0	0.0	41	0	0
***** All Agencies Total	4,428.7	4,265.4	10.0	100.0	53.3	0.0	0.0	0.0	41	0	0

**2018 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Subcommittee

**TO:** HB 286 / HB 285

**OFFERED BY:** Representative Gara

**DEPARTMENT:** Health and Social Services

**APPROPRIATION:** Public Assistance

**ALLOCATION:** Public Assistance Field Services

**ADD IncT (FY19-FY21):** \$2,214.4 Federal Receipts (code 1002)  
\$2,214.3 GF/Match (code 1003) UGF

**ADD POSITIONS:** 41 PFT (funded FY19-21)

**EXPLANATION:** This amendment replaces the Governor's amendment GA6 2/14 to add funding and 41 PFT to address the department's application backlog, which has steadily increased since FY14. It now exceeds 20,000 applications from Alaskans for Public Assistance. This temporary increment (FY19-FY21) will remove the funding from the base budget in FY22 and will allow the legislature an opportunity to evaluate the effectiveness of the increment.

Testimony indicates new staff require close to a year of training to independently process applications properly. The current effort to use funds to pay overtime to relatively low-paid state employees is leading to a 40% burn-out rate for benefit workers within the first year, which wastes state money.





February 16, 2018

Representative Les Gara  
Chair, House Health & Social Services Finance Subcommittee  
State Capitol, Room 511  
Juneau, AK 99801

Dear Representative Gara,

Please accept this letter of support for a proposed budget amendment of \$1.9 million for SFY 2019 to allow the State of Alaska to claim additional DSH funds from the federal government. These funds would be used to provide services to Alaskans with acute and serious mental health needs

Alaska currently claims all of the DSH funding to which API, as Alaska's only public psychiatric hospital, is entitled. Providing additional funding to API through a DSH increment is not possible. DHSS proposes to claim a portion of the State's unused DSH funds to support the hospitals and community behavioral health programs most impacted by the lack of an adequate number of treatment beds at API.

API's lack of beds has severely overtaxed hospital emergency departments, which are holding patients who are court-ordered for psychiatric evaluation and treatment for days or longer. One hospital recently reported holding ten patients awaiting transfer to API in a 16-bed emergency department.

With a commitment of \$1.9 million in UGF in SFY2019, the state could enhance DSH funded services by approximately \$3.7 million. This would enable the Legislature to quickly enhance the current capabilities and capacities of the State's three existing, over-taxed, DSH-funded, hospital-based mental health treatment programs and provide new financial support to approximately three other hospitals whose emergency department operations and staff have been impacted by the lack of treatment beds at API.

These hospitals have been working hard to maintain a safe and caring environment for patients, but the situation has reached a critical point. Additional funding could pay for services to support patients and relieve stress on the health care system.

Services would depend on what the hospital, and in some cases the community behavioral health center and the hospital together, determines makes the most sense for the community. They could include additional physician and social work services, additional security guards, substance use or mental health services (assessments,