FY19 RESPONSES TO LEGISLATIVE INTENT

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

In Compliance

Department of Health and Social Services
Operating Budget (CCS HB 286) and Mental Health (CCS HB 285)

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.

DHSS supports the legislative intent and has reviewed fund sources in all allocations in order to reduce excess receipt authority where the department anticipates unachievable receipt collection.

Legislative Fiscal Analyst Comment: There were no decrements removing uncollectible receipt authority in the FY20 budget submittal.

Department of Health and Social Services
Operating Budget (CCS HB 286)

At the discretion of the Commissioner of the Department of Health and Social Services, up to $20,000,000 may be transferred between all appropriations in the Department of Health and Social Services, except that no transfer may be made from the Medicaid Services appropriation.

It is the intent of the legislature that the Department of Health and Social Services submit a report of transfers between appropriations that occurred during the fiscal year ending June 30, 2019, to the Legislative Finance Division by September 30, 2019.

DHSS supports the legislative intent and will provide a report to the Legislative Finance Division by the prescribed date.

It is the intent of the legislature that the operating budgets for the fiscal years ending June 30, 2020, and June 30, 2021, be prepared to reflect the actual or anticipated transfers between appropriations for the fiscal year ending June 30, 2019.

DHSS supports the legislative intent and will be prepared to reflect the actual or anticipated transfers between appropriations for the fiscal year ending June 30, 2019.

It is the intent of the legislature that the Department of Health and Social Services submit a report to the co-chairs of the Finance Committees and the Legislative Finance Division by November 15 of 2019 and 2020 on 1) disbursement and use of federal Disproportionate Share Hospital (DSH) dollars by community and regional hospitals, 2) the annual amount of federal DSH funds which the state is not claiming, and 3) future strategies for claiming those funds,

including the possibility of hospitals matching those funds, to improve outcomes for patients, providers and the public.

The Department has been working toward distributing the federal Disproportionate Share Hospital (DSH) funding to hospitals in support of hospital based mental health care by contacting each non-tribal hospital in order to solicit interest in the Disproportionate Share Hospital (DSH) Program. Eleven (11) expressed interest in participating in the program, however, only seven (7) were determined to be eligible, representing an estimated amount of just over $4.0 million in reimbursements.

Unfortunately, not all hospitals were able to participate in the program as a result of the federal regulations governing DSH funds which are quite onerous and complex. For example, DSH funds may only be used for uncompensated patient care for Medicaid eligible services and not any other needs of hospitals such as construction, equipment purchases or security. Federal rules also prohibit tribal hospitals from participating. In order to determine if a hospital is eligible, the federal government requires that a series of calculations be made for each hospital. Many hospitals reported record-high profits in the qualifying year while at the same time, Medicaid Expansion has significantly reduced the level of uncompensated care for the facilities. In short, many hospitals could not meet the federally required good faith claim that their hospital required the funds given their level of uncompensated care.

Currently, the DSH Agreements are in final review with the Department of Law and will be sent to Hospitals for review and signature in the coming days. Preliminary analyses show that the next year's DSH program will be much larger because many hospitals are showing profit declines for the subsequent qualifying year's DSH program. As a result, we anticipate that several of the larger previously disqualified hospitals will be able to participate in the second year of this 2-year appropriation.

Public Assistance
Operating Budget (CCS HB 286)

It is the intent of the legislature to fully fund the Senior Benefits Payment Program upon reauthorization during the 2018 legislative session.

The Senior Benefits Payment Program was reauthorized under a single appropriation through HB236 (Chapter 8, SLA 2018). The legislature fully funded the program in FY2020 at $125 monthly payments, and extended the program through FY2024. Additionally, intent language provided if benefits to seniors are prorated as a result of budget constraints, the amount appropriated will be used for the sole purpose of paying benefits.

Legislative Fiscal Analyst Comment: Current regulations for the Senior Benefits Payment Program include language that instructs the division to reduce benefit payments for the highest income/lowest benefit tier to remain within the appropriated budget. In FY18, the lowest benefit tier payment was reduced from $125.00/month to $76.00/month. The (December 15th) FY20 Governor's request includes an increase of $4,057.9 UGF to restore $125.00 monthly payments to approximately 4,873 beneficiaries.

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Public Assistance/ Public Assistance Field Services
Operating Budget (CCS HB 286)

It is the intent of the legislature that the Division of Public Assistance pursue opportunities to work with Code for America to develop a single on-line application for public assistance programs, including Medicaid, Adult Public Assistance, and the Supplemental Nutrition and Assistance Program, and report back to the legislature on its progress by November 15, 2018 and again on November 15, 2019.

The Division of Public Assistance has continued working with Code for America. After they travelled to Alaska and met with DHSS staff, partner agencies, clients, and Fee agents, Code for America agreed to work on two projects for Alaska: Fee Agent Portal and Client Portal.

Fee Agent Portal – A Fee Agent is an individual that lives in a rural area (where there is not a DPA office) who is contracted to help clients apply for benefits. They help the client complete the application, ensure needed verification is included, explain the programs, and conduct the interview, and send all the information to the Division for processing. Currently, processing is paper-based, but Code for America is developing a portal that allows the fee agent to complete paperwork online, submit verification by taking a picture with their phone and uploading to send to the Division; and will allow clients to apply for Supplemental Nutrition Assistance Program (SNAP) and Medicaid through the same portal. The Fee Agent will travel to Alaska in October and will test in the Fairbanks area.

Client Portal – Code for America also agreed to help the Division improve their client portal to allow clients to check their case status (including when we expect to work their case), receive electronic notices, report changes, and upload verification online.

Senior and Disabilities Services/ Senior and Disabilities Services Administration
Operating Budget (CCS HB 286) and Mental Health (CCS HB 285)

It is the intent of the legislature that the Department of Health & Social Services re-examine service delivery models to ensure eligible senior and disabled populations receive appropriate services irrespective of where they live in Alaska. The Department of Health and Social Services shall submit a report to co-chairs of the Finance Committees and the Legislative Finance Division on the status of the service no later than February 15, 2019.

The Governor's Council on Special Education and Developmental Disabilities, in partnership with the Division of Senior and Disabilities Services (SDS), applied for and received a federal Administration on Community Living grant, "Living Well on the Last Frontier". The overarching goal of the grant is to increase the community integration, health, safety, independence, and well-being of individuals with developmental disabilities. The grant will be operationalized through four distinct measurable objectives. One of the outcomes expected is to achieve a new Direct Service Provider (DSP) type called "Community Engagement Facilitators" to provide help especially in rural areas.

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In addition to the "Living Well on the Last Frontier" grant, the SDS applied for and received a federal Administration on Community Living "Dementia Caregiver Grant". SDS, in partnership with the Anchorage Aging and Disability Resource Center (ADRC), the Alzheimer's Resource Agency, the Alaska Mental Health Trust (AMHT) and key stakeholders will pilot a broad effort to make Alaska's No Wrong Door System more dementia-capable. The goal of this project is to improve supports for caregivers so that individuals with dementia can remain in their homes longer and experience a better quality of life. One of the anticipated outcomes of the grant is that the Department will gain better information about individuals with dementia who are not eligible for Medicaid services and the burden their caregivers experience; this information can be used to improve eligibility criteria for these individuals and their caregivers to reduce burnout and extend care at home. The main goal for this grant is to support caregivers so that individuals with dementia defer entrance to nursing homes and instead remain in their homes and experience a better quality of life. An additional goal is the development of a sustainability plan that expands the project statewide and applies the lessons learned to individuals eligible for Medicaid Home and Community-Based services.

It is the intent of the legislature that the State of Alaska proceed expeditiously to establish companion services under Section 1915(c) of the Social Security Act to complement and support the services provided through the Medicare/Medicaid waiver programs. The Department of Health and Social Services shall submit a report to co-chairs of the Finance Committees and the Legislative Finance Division on the status of the service no later than January 31, 2019.

Senior and Disabilities Services (SDS) will provide a report to the legislature by January 31, 2019 on the status of adding companion care as a Medicaid Waiver service. As of November 1, SDS has met with a stakeholder group from Alaska Association of Developmental Disabilities Providers, consisting of Medicaid waiver services providers and advocacy organizations to discuss the development of companion care as a new waiver service. After receiving the stakeholder group feedback, the Division developed a draft concept paper for Adult Companion Services that contains the structure for the new service: a proposed service description, the settings in which companion care can be provided, the limitations of the service, the eligibility types that can receive the service, and the types of providers who can provide the service, along with a proposed framework for regulatory and waiver amendments as well as necessary system changes across DHSS Divisions. The draft concept paper has been shared with the stakeholder group and they are currently reviewing and will provide feedback to the State.

It is the intent of the legislature that funding for day habilitation be sufficient to provide up to 624 hours annually per recipient. The request for additional day habilitation over the annual "soft cap" of 624 hours may be approved to avoid institutional care or for the safety of Medicaid recipients.

The Division of Senior and Disabilities Services confirms that funding for day habilitation is sufficient in FY19 to provide up to 624 hours annually per recipient.

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Per a legal settlement on changes to the service of day habilitation, SDS is working to 1) develop additional training and outreach to work with care coordinators to better assist their clients in articulating why they need day habilitation over 12 hours per week, and 2) develop more detailed standards (through the regulatory process) that define these terms: a) health and safety; and b) risk of institutionalization.

Until that work is complete, SDS may approve requests for more than 624 hours of day habilitation annually to avoid institutional care or for the health and safety of Medicaid recipients. SDS has offered informal guidance and suggestions to care coordinators to consider when seeking additional day habilitation hours in a support plan or amendment. SDS is also developing a training for care coordinators that is specific to day habilitation, in addition to existing trainings that include guidance on day habilitation.

Departmental Support Services/ Commissioner's Office
Operating Budget (CCS HB 286) and Mental Health (CCS HB 285)

It is the intent of the legislature that the department work with Tribal Health Organizations for care coordination agreements with non-tribal providers in order to increase valid referrals for Indian Health Service eligible recipients to maximize the 100% FMAP. It is further the intent of the legislature that the department clearly outline requirements for 100% FMAP for services provided to an IHS beneficiary receiving Medicaid benefits thereby reducing general fund dependency by approximately $30 million.

The department will continue working with Tribal Health Organizations to obtain signed care coordination agreements (CCA) with non-tribal providers, to coordinate and assist with validation of referrals, and exchange of records between the two entities. Currently there are approximately 1,475 CCA's in place and we continue to add more each quarter as additional providers come on board such as pharmacies, behavioral health providers and home and community based waiver providers are added The Department has a clear outline to track these three essential components, which are required to claim 100% FMAP for services provided to American Indian/Alaskan Native (AI/AN) recipients receiving Medicaid eligible services through a non-tribal provider, thereby reducing general fund dependency by an additional approximate amount of $20 million.

Medicaid Services
Operating Budget (CCS HB 286) and Mental Health (CCS HB 285)

It is the intent of the legislature that the department work with the Legislative Finance Division to prepare a template for reports to be delivered to the co-chairs of the finance committees and the Legislative Finance Division related to actual Medicaid expenditures and projections for the remainder of FY19 on October 15th, January 15th, March 15th, and June 15th. It is further the intent that the template provide FY20 expenditure projections.

The department is collaborating with Legislative Finance in developing and implementing a report to provide the quarterly updates requested. DHSS met with legislative finance in early October on the agreed report format and is in the process of implementation.

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It is the intent of the legislature that the department significantly increase its efforts to reduce the state share of Medicaid service costs by managing Medicaid utilization to index with the national average per enrollee cost. In doing so, the department should take into consideration a multiplier to the national average to account for a reasonably higher cost of health care in Alaska.

The department will continue to prioritize Medicaid Reform and Redesign to contain the cost of health care.