



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of
Health and Social Services

FINANCE AND MANAGEMENT SERVICES
Juneau Office

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March 26, 2021

The Honorable Neal Foster
House Finance Co-Chair
Alaska State Legislature
State Capitol Room 505
Juneau, AK 99801

The Honorable Kelly Merrick
House Finance Co-Chair
Alaska State Legislature
State Capitol Room 511
Juneau, AK 99801

Dear Representative Foster and Representative Merrick:

The Department of Health and Social Services received the following question from the House Finance Committee, Department of Health and Social Services Department Overview presentation on 3/17/2021:

Is \$1,000,000.00 per bed per year normal for state run facilities like the Alaska Psychiatric Institute? Is there national data that is available that shows average cost per bed per year? How does this compare to private hospitals?

Below is information on psychiatric hospital costs from the Western Psychiatric State Hospital Association. The staffed bed cost is based on available beds and the licensed bed cost is by all licensed beds.

Hospital Name	Total Operating Costs	Total Licensed Beds	Total Staffed Beds	Cost per Licensed Bed	Cost per Staffed Bed
Alaska Psychiatric Institute	\$ 45,594,300.00	80	60	\$ 569,928.75	\$ 759,905.00
Arizona State Hospital	\$ 75,000,000.00	302	259	\$ 248,344.37	\$ 289,575.29
CA- Atascadero	\$ 291,456,877.00	1275	1203	\$ 228,593.63	\$ 242,275.04
CA- Coalinga	\$ 295,631,000.00	1450	1450	\$ 203,883.45	\$ 203,883.45
CA- Metro	\$ 263,947,324.00	1106	1106	\$ 238,650.38	\$ 238,650.38
CA- Napa	\$ 337,778,000.00	1427	1293	\$ 236,704.98	\$ 261,235.89
Hawaii State Hospital	\$ 77,946,272.00	202	202	\$ 385,872.63	\$ 385,872.63
ID- North	\$ 10,047,000.00	55	60	\$ 182,672.73	\$ 167,450.00
ID- South	\$ 26,930,000.00	135	135	\$ 199,481.48	\$ 199,481.48
Montana State Hospital	\$ 47,221,496.00	270	270	\$ 174,894.43	\$ 174,894.43
NV Northern	\$ 8,334,569.00	50	30	\$ 166,691.38	\$ 277,818.97
NV Southern	\$ 46,247,415.00	274	166	\$ 168,786.19	\$ 278,598.89
New Mexico State Hospital	\$ 57,479,900.00	409	354	\$ 140,537.65	\$ 162,372.60
ND State Hospital	\$ 33,107,741.00	213	210	\$ 155,435.40	\$ 157,655.91
Oregon State Hospital	\$ 335,849,786.00	708	702	\$ 474,364.10	\$ 478,418.50
SD State Hospital	\$ 54,620,381.00	242	242	\$ 225,704.05	\$ 225,704.05
UT State Hospital	\$ 70,317,600.00	384	348	\$ 183,118.75	\$ 202,062.07
WA- Eastern	\$ 106,147,000.00	317	317	\$ 334,848.58	\$ 334,848.58
WA- Western	\$ 316,864,900.00	857	857	\$ 369,737.34	\$ 369,737.34
WY State Hospital		183	103	\$1195.00 per Bed/Day or \$436,175.00 per Bed/Year	

Regarding Behavioral Health Grants and the 1115 Waiver there are concerns by Alaska Association of Homes for Children that rates do not meet costs and the waiver doesn't allow providers the flexibility to provide services for children. Please indicate how the department intends to meet the concerns of the organization.

Please see attached letter to the Alaska Association of Homes for Children that addresses these issues.

Has the number of kids in foster care increased or leveled off? What has been the trend the past three years? Did COVID impact?

Below is a comparison regarding the number of children in foster care on December 31st for CY2017, CY2018, CY2019, and CY2020. This demonstrates that the number of children in foster care on December 31st dropped just slightly over the previous year but was still higher than CY2017 and CY2018.

CY2017	2,792
CY2018	2,896
CY2019	3,103
CY2020	3,068

There were fewer removals from the home and fewer discharges out of foster care in FY2020 in comparison with the three prior years as a result of COVID-19.

COVID-19 impacted Office of Children's Services staff ability to safely respond to screened in protective services reports, and in the initial months of COVID, only higher priority reports were screened in for investigation and assessment. Outlying communities with limited healthcare infrastructure prohibited access to Office of Children's Services (OCS) staff to investigate reports of harm and consult caseworker visits. OCS resolved those travel restrictions by coordinating with Tribal communities, ICWA staff, and law enforcement to assess the situation and sometimes assist with virtual investigations, assessments, and caseworker visits.

What is the federal match to the \$415.0 General Fund Match increase?

The Office of Children's Services designates Maintenance of Effort (MOE) funds as general fund match even though there is no required federal match since they are designated to meet the MOE and cannot be used for any other purpose. By designating the funds as general fund match rather than general fund, it becomes clear to any grantees and contractors that they cannot use the funds to leverage their own federal dollars since the same general funds cannot be leveraged for two purposes.

If you have additional questions, please contact me at 465-1630.

Sincerely,



Sylvan Robb
Assistant Commissioner

cc: Kelly Cunningham, Fiscal Analyst, Legislative Finance
Miles Baker, Legislative Director, Office of the Governor
Josephine Stern, Office of Management and Budget
Adam Crum, Commissioner
Anne Zink, Chief Medical Officer
Albert Wall, Deputy Commissioner
Clinton Lasley, Deputy Commissioner
Kim Guay, Director of Office of Children's Services
Scott York, Director of Alaska Psychiatric Institute
Gennifer Moreau-Johnson, Director of Behavioral Health
Marian Sweet, Deputy Director of Finance and Management Services
Janelle Earls, Budget Manager
Suzanne Cunningham, Legislative Liaison

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Department of Health and Social Services

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THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

January 27th, 2021

Dear Sir or Madam,

Thank you for taking the time to contact the Division of Behavioral Health with your concerns regarding the 1115 children's residential regulations and rates under the 1115 Demonstration Waiver. We appreciate hearing from you and welcome the opportunity to respond to your concerns. First, I would like to say thank you for the Association's sixteen member organizations for the important work that you do. The dedicated service to Alaskan children, youth, and their families performed by each member organization represents an opportunity to positively change the trajectory for the child, their family, and the community. Like the Association, the Department of Health and Social Services (DHSS) is committed to improving and transforming the behavioral health continuum of care to ensure each generation of Alaskans has the greatest access to care. We very much appreciate this opportunity to partner with the Association to meet that goal.

In your letter, you open with your reservations about the inability to provide public comment on the children's residential services. The addition of children's residential was in response to public commentary. The Division responded to the provided feedback about the absence by making the revision and adding the service into the 1115 Behavioral Health regulations. At that time, providers expressed concerns to the Division who then provided an opportunity for said providers to engage in a workgroup starting in November 2020.

As stated in your letter, two key concerns were noted as potential barriers to services based on eligibility requirements and rates. The Division listened to the concerns presented and have

started the process to correct the regulatory language, including required hours of service, which the workgroup aptly identified as problematic. Additionally, written guidance will be made available for clarity between children's residential treatment levels I and II, as well as active engagement with the administrative services organization. The Division is extremely satisfied with the information and next steps that resulted from the open collaboration and communication afforded through the workgroup.

Regarding rates, thank you for the rate comparison information. As stated in public comment for the behavioral health regulations, the Division is committed to reviewing rates periodically throughout the course of the demonstration. At this time, however, we are not reassessing the rates, but appreciate the information provided. What is necessary for the state to receive approval for a rate change is a cost analysis for the services you provide. This level of detailed cost information will better help to inform our reassessment as the current rates for the 1115 children's residential treatment levels I and II are *higher* than the rate reimbursed for BRS. While we do understand your point about staff ratios, this is a licensing requirement, and outside of the purview of the Division.

As most of you know, the state has been engaged with providers over the years around the proposed removal of several state plan services. The exact list of services to be deleted was noticed with the 1115 Demonstration application in January 2018. Following the approval of the state's 1115 Demonstration application; the Division continued to alert providers of the pending changes, including the identification of Comprehensive Community Support Services (CCSS) and Recipient Support Services (RSS) in the SUD Implementation Plan released in March 2019.

Communication with providers regarding the full list of services set for deletion remained an ongoing topic during monthly Alaska Behavioral Health Association (ABHA) meetings in March and October 2019. Communication remained ongoing in a variety of forums including the Division's participation in the face-to-face spring ABHA meetings in March 2020, as well as ongoing communications about the service deletion during the monthly ABHA calls. To give

providers dedicated time to address concerns about the sunset services, the Division hosted a listening session in September 2020. One month later, the Division again addressed the sunset services and answered questions during the ABHA fall membership meeting in October 2020 which was held virtually.

In response to the feedback from providers, a request for an extension from CMS to delay deletion of the sunset services until March 31st, 2021 was made. The extension, approved by CMS in November 2020, allows the state to continue to meet the obligation to CMS to submit the required state plan amendment, while giving providers additional time to prepare and transition.

We understand the difficulty with transition, particularly during these challenging times; however, the Division remains committed to working with our behavioral health providers to support them through this period of change.

We appreciate your collaboration as we journey through behavioral health reform.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gennifer', followed by a long horizontal flourish.

Gennifer Moreau-Johnson
Director