



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of
Health and Social Services

FINANCE AND MANAGEMENT SERVICES
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May 3, 2022

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

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

Dear Representatives Merrick and Foster:

The Department of Health and Social Services received the following questions from Representatives Carpenter and Ortiz during the House Finance Committee meeting on May 3, 2022, regarding capital projects being reappropriated to the Department of Health.

Please provide information on all Department of Health and Social Services capital projects that began more than a decade ago and are being reappropriated to the Department of Health. Specifically provide the remaining funding by fund source and an explanation of why the projects are still ongoing.

There are nine projects being reappropriated to the Department of Health that began in 2013 or earlier. These projects show a total of \$2,379.6 unobligated general fund and \$7,024.6 unobligated federal fund. As was mentioned during the hearing, the department is in the process of conducting an analysis and clean-up of these projects. As of now, the department appears to have over collected \$1,793.3 in federal revenue.

During the conversion from the state's former accounting system, Alaska State Accounting System (AKSAS), to the current accounting system, Integrated Resource Information System (IRIS) several projects had errors introduced into the accounting system. All nine of the projects in question have not been reappropriated in the past because they are either overspent (actual expenses exceed revenue collected) or the revenue was over collected (revenue collected exceeds actual expenses). Unfortunately, resolving each of these circumstances requires research by skilled accountants who can follow the accounting trail to determine with confidence where these expenses or revenue appropriately belong. Until this is completed, the department lacks the certainty needed regarding these amounts to allow the projects to be reappropriated. Please see the attached Capital Appropriation Status Report for the nine projects in question. The problematic amounts have been highlighted.

The department is working diligently to resolve these issues which will allow any unspent general funds to be reappropriated. The Department of Health and Social Services has 72 active capital projects; the majority of which are accurately reflected in the accounting system and are being actively worked.

There are two projects without questioned issues.

- Scope Change: Planning, Design, and Construction of the Alaska Center for Treatment (61062) – IRIS AR Type H427
 - This project has been reappropriated to the Salvation Army in Anchorage for the Clithroe Center. It is not closed because there is an encumbrance that needs to clear first.
- Sec. 43(b) Statewide electronic health information exchange system (48632) – IRIS AR Type H445
 - This project has not been reappropriated because the Health Information Exchange is an ongoing project and these funds are needed for continued operations.

What is status of the Medicaid Management Information System? What percentage complete is that project?

The Medicaid Management Information System is complete. Again, the project will be available to reappropriate as soon as the department is certain of the correct amount available.

If you have additional questions, please contact me at 907-465-1630.

Sincerely,



Sylvan Robb
Assistant Commissioner

cc: Kelly Cunningham, Fiscal Analyst, Legislative Finance
Akis Gialopsos, 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
Marian Sweet, Assistant Commissioner, Dept. of Family and Community Services
Torrey Jacobson, Deputy Director of Finance and Management Services
Janelle Earls, Budget Manager
Matt Davidson, Legislative Liaison

Log 9390/2022

Capital Appropriation Status Report (1634)

Selected Departments Only -- Department of Health

State Improvements to Health Information Gateway (52386)											Health (6)	
IRIS AR Type: H367											Health (6)	
1201711833											Health (6)	
Orig. Year: 2013 Term Year: 2023 Contact: Amy Burke (907) 465-1624											Health (6)	
Fund	IRIS Rev Type / OMB Fund Code	Balance Forward	Revenue Collected	Estimated Revenues*	Original Budget	Budget Reserve	Current Budget	Actual Expenses	Encumbrances	Unobligated		
1004	5002 / 1002 Fed Rcpts (Fed)	0.00	1,065,980.36	2,211,279.64	3,277,260.00	0.00	3,277,260.00	1,262,403.94	746,651.75	1,268,204.31		
1004	6003 / 1003 G/F Match (UGF)	0.00	0.00	0.00	364,140.00	0.00	364,140.00	185,214.75	82,961.31	95,963.94		
Total:		0.00	1,065,980.36	2,211,279.64	3,641,400.00	0.00	3,641,400.00	1,447,618.69	829,613.06	1,364,168.25		
This project is ongoing. Interface activities are ongoing/outstanding and anticipated to be completed by 06/30/2023. The remaining authorization is needed for project completion. The term year will be extended to 2023.												
ABS project information from Final Begin: 7/1/2012 End: 6/30/2014 HD: Statewide (HD 1-40) Grant: Not Applicable												

Electronic Health Record Incentive Payments (51853)											Health (6)	
IRIS AR Type: H393											Health (6)	
1100508428											Health (6)	
Orig. Year: 2012 Term Year: 2023 Contact: Amy Burke (907) 465-1624											Health (6)	
Fund	IRIS Rev Type / OMB Fund Code	Balance Forward	Revenue Collected	Estimated Revenues*	Original Budget	Budget Reserve	Current Budget	Actual Expenses	Encumbrances	Unobligated		
1004	5002 / 1002 Fed Rcpts (Fed)	0.00	46,847,938.84	(788,953.84)	46,058,985.00	0.00	46,058,985.00	46,020,685.00	0.00	38,300.00		
This project is ongoing. Incentive payment audit activities are ongoing/outstanding and anticipated to be completed by 06/30/2023. The remaining authorization is needed for project completion. The term year will be extended to 2023.												
ABS project information from Final Begin: 7/1/2011 End: 6/30/2016 HD: Statewide (HD 1-40) Grant: Not Applicable												

Medicaid Management Information System Completion (41501)											Health (6)	
IRIS AR Type: H401											Health (6)	
1100508525											Health (6)	
Orig. Year: 2012 Term Year: 2023 Contact: Amy Burke (907) 465-1624											Health (6)	
Fund	IRIS Rev Type / OMB Fund Code	Balance Forward	Revenue Collected	Estimated Revenues*	Original Budget	Budget Reserve	Current Budget	Actual Expenses	Encumbrances	Unobligated		
1004	5002 / 1002 Fed Rcpts (Fed)	0.00	2,381,811.76	(101,391.76)	2,280,420.00	0.00	2,280,420.00	1,833,287.70	445,942.17	1,190.13		
1004	6003 / 1003 G/F Match (UGF)	0.00	0.00	0.00	1,003,380.00	0.00	453,501.50	401,962.44	51,539.06	0.00		
Total:		0.00	2,381,811.76	(101,391.76)	3,283,800.00	0.00	2,733,921.50	2,235,250.14	497,481.23	1,190.13		
This project is ongoing and anticipated to be completed by 06/30/2023. The remaining authorization is needed for project completion. The term year will be extended to 2023.												
ABS project information from Final Begin: 7/1/2011 End: 6/30/2016 HD: Statewide (HD 1-40) Grant: Not Applicable												

Senior and Disability Services System Upgrade (50917)											Health (6)	
IRIS AR Type: H402											Health (6)	
1100508528											Health (6)	
Orig. Year: 2012 Term Year: 2023 Contact: Amy Burke (907) 465-1624											Health (6)	
Fund	IRIS Rev Type / OMB Fund Code	Balance Forward	Revenue Collected	Estimated Revenues*	Original Budget	Budget Reserve	Current Budget	Actual Expenses	Encumbrances	Unobligated		
1004	5002 / 1002 Fed Rcpts (Fed)	0.00	9,382,605.81	2,767,394.19	12,150,000.00	0.00	12,150,000.00	9,692,642.85	49,688.18	2,407,668.97		
1004	6003 / 1003 G/F Match (UGF)	0.00	0.00	0.00	1,350,000.00	0.00	1,350,000.00	1,337,763.12	5,520.89	6,715.99		
Total:		0.00	9,382,605.81	2,767,394.19	13,500,000.00	0.00	13,500,000.00	11,030,405.97	55,209.07	2,414,384.96		
This project is ongoing. Upgrade and development activities are ongoing/outstanding and anticipated to be completed by 06/30/2023. The remaining authorization is needed for project completion. The term year will be extended to 2023.												
ABS project information from Final Begin: 7/1/2011 End: 6/30/2016 HD: Statewide (HD 1-40) Grant: Not Applicable												

Capital Appropriation Status Report (1634)

Selected Departments Only -- Department of Health

Scope Change: Planning, Design, and Construction of the Alaska Center for Treatment (61062)

IRIS AR Type: H427		1004316223	Orig. Year: 2010	Term Year: 2023	Contact: Amy Burke (907) 465-1624					Health (6)
Fund	IRIS Rev Type / OMB Fund Code	Balance Forward	Revenue Collected	Estimated Revenues*	Original Budget	Budget Reserve	Current Budget	Actual Expenses	Encumbrances	Unobligated
1004	6037 / 1037 GF/MH (UGF)	0.00	0.00	0.00	5,500,000.00	0.00	789,508.48	734,958.85	54,549.63	0.00

This project contains grant funds that are encumbered and will be expended upon receipt of billings from the recipient. The project is anticipated to be complete by 06/30/2023. The remaining authorization is needed for project completion. The term year will be extended to 2023.

ABS project information from Final Begin: 6/30/2016 End: 6/30/2020 HD: Anchorage Areawide (HD 12-28) Grant: Not Applicable

Sec. 40(a) Statewide electronic health information exchange system (48631)

IRIS AR Type: H444		0901508027	Orig. Year: 2010	Term Year: 2023	Contact: Amy Burke (907) 465-1624					Health (6)
Fund	IRIS Rev Type / OMB Fund Code	Balance Forward	Revenue Collected	Estimated Revenues*	Original Budget	Budget Reserve	Current Budget	Actual Expenses	Encumbrances	Unobligated
1004	5002 / 1002 Fed Rcpts (Fed)	0.00	646,052.91	(646,052.91)	0.00	0.00	0.00	0.00	0.00	0.00
1004	5212 / 1212 Fed ARRA (Fed)	0.00	23,073,565.29	873,934.71	23,947,500.00	0.00	23,947,500.00	23,519,438.27	246,889.49	181,172.24
Total:		0.00	23,719,618.20	227,881.80	23,947,500.00	0.00	23,947,500.00	23,519,438.27	246,889.49	181,172.24

This project is ongoing. Health Information Exchange activities are ongoing/outstanding and anticipated to be completed by 06/30/2023. The remaining authorization is needed for project completion. The term year will be extended to 2023. This federal authorization is associated with match in AR Type H445.

ABS project information from Final Begin: 7/1/2009 End: 6/30/2014 HD: Statewide (HD 1-40) Grant: Not Applicable

Sec. 43(b) Statewide electronic health information exchange system (48632)

IRIS AR Type: H445		0901508029	Orig. Year: 2010	Term Year: 2023	Contact: Amy Burke (907) 465-1624					Health (6)
Fund	IRIS Rev Type / OMB Fund Code	Balance Forward	Revenue Collected	Estimated Revenues*	Original Budget	Budget Reserve	Current Budget	Actual Expenses	Encumbrances	Unobligated
1004	6004 / 1004 Gen Fund (UGF)	0.00	0.00	0.00	2,727,500.00	0.00	2,727,500.00	2,196,370.39	27,835.10	503,294.51

This project is ongoing. Health Information Exchange activities are ongoing/outstanding and anticipated to be completed by 06/30/2023. The remaining authorization is needed for project completion. The term year will be extended to 2023. This authorization provides state match to the federal authorization in AR Type H444.

ABS project information from Final Begin: 7/1/2009 End: 6/30/2014 HD: Statewide (HD 1-40) Grant: Not Applicable

Capital Appropriation Status Report (1634)

Selected Departments Only -- Department of Health

Medicaid Management Information System Completion (41501)											
IRIS AR Type: H489		0703009518	Orig. Year: 2008	Term Year: 2023	Contact: Amy Burke (907) 465-1624						Health (6)
Fund	IRIS Rev Type / OMB Fund Code	Balance Forward	Revenue Collected	Estimated Revenues*	Original Budget	Budget Reserve	Current Budget	Actual Expenses	Encumbrances	Unobligated	
1004	5002 / 1002 Fed Rcpts (Fed)	0.00	17,299,432.49	2,319,667.51	19,619,100.00	0.00	19,619,100.00	16,569,074.09	674,335.31	2,375,690.60	
1004	6003 / 1003 G/F Match (UGF)	0.00	0.00	0.00	7,412,100.00	0.00	7,412,100.00	5,577,077.92	74,926.14	1,760,095.94	
Total:		0.00	17,299,432.49	2,319,667.51	27,031,200.00	0.00	27,031,200.00	22,146,152.01	749,261.45	4,135,786.54	

This project is ongoing. Activities are ongoing/outstanding and anticipated to be completed by 06/30/2023. The remaining authorization is needed for project completion. The term year will be extended to 2023.

ABS project information from FINAL Begin: 7/1/2007 End: 6/30/2012 HD: Statewide (HD 1-40) Grant: Not Applicable

Revenue Management and Cost Allocation System (41361)											
IRIS AR Type: H501		0608207403	Orig. Year: 2007	Term Year: 2023	Contact: Amy Burke (907) 465-1624						Health (6)
Fund	IRIS Rev Type / OMB Fund Code	Balance Forward	Revenue Collected	Estimated Revenues*	Original Budget	Budget Reserve	Current Budget	Actual Expenses	Encumbrances	Unobligated	
1004	5002 / 1002 Fed Rcpts (Fed)	0.00	213,123.81	763,076.19	976,200.00	0.00	976,200.00	219,665.58	4,200.00	752,334.42	
1004	6004 / 1004 Gen Fund (UGF)	0.00	0.00	0.00	390,800.00	0.00	390,800.00	369,516.96	7,800.00	13,483.04	
Total:		0.00	213,123.81	763,076.19	1,367,000.00	0.00	1,367,000.00	589,182.54	12,000.00	765,817.46	

This project is ongoing. Cap Plus integration activities are ongoing/outstanding and anticipated to be completed by 06/30/2023. The remaining authorization is needed for project completion. The term year will be extended to 2023.

ABS project information from Final Begin: 7/1/2006 End: 6/30/2011 HD: Statewide (HD 1-40) Grant: Not Applicable