



# STATE OF ALASKA DEPARTMENT OF HEALTH

*Senate Health and Social Services Finance Subcommittee  
Budget Overview*

*Heidi Hedberg, Commissioner – Designee  
Emily Ricci, Deputy Commissioner  
Josephine Stern, Assistant Commissioner*

Monday, February 27, 2023

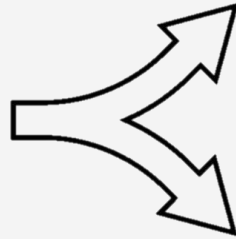


# Mission: To promote and protect the health and well-being of Alaskans.

- Positions: 1,453 full time
- 10 appropriations operating as 6 divisions and Medicaid
  - Medicaid
  - Division of Behavioral Health
  - Division of Health Care Services
  - Division of Senior and Disabilities Services
  - Division of Public Assistance (including Senior Benefits Payment Program)
  - Division of Public Health
  - Departmental Support Services (includes Human Services Community Matching Grant and Community Initiative Matching Grants)



## Reorganization of DHSS



**AK | DFCS**  
ALASKA DEPARTMENT OF  
FAMILY AND COMMUNITY  
SERVICES

- ✓ Commissioner's Office
- ✓ Finance & Management Services
- ✓ Health Care Services
- ✓ Behavioral Health
- ✓ Senior & Disabilities Services
- ✓ Public Assistance
- ✓ Public Health

- ✓ Commissioner's Office
- ✓ Finance & Management Services
- ✓ Alaska Psychiatric Institute
- ✓ Juvenile Justice
- ✓ Alaska Pioneer Homes
- ✓ Office of Children's Services





## Department of Health Commissioner Heidi Hedberg

**Chief Medical Officer**  
*Anne Zink M.D.*

### **PUBLIC HEALTH** *Acting Director: Christy Lawton*

- Chronic Disease Prevention & Health Promotion
- Epidemiology
- Health Analytics and Vital Records
- Office of Substance Misuse & Addiction Prevention
- Public Health Nursing
- Rural & Community Health Systems
- State Medical Examiner's Office
- State Public Health Laboratories
- Women's, Children's & Family Health
- Alaska Council on Emergency Medical Services
- Alaska Vaccine Assessment Council
- Child Fatality Review Committee
- Maternal and Child Death Review Committee
- SHARP Advisory Council

**Deputy Commissioner**  
*Emily Ricci*

- Medicaid Director
- Medicaid Program Integrity

### **BEHAVIORAL HEALTH** *Acting Director: Farina Brown*

- BH Administration
- Prevention, Early Intervention, and Alcohol Safety Action Program
- Treatment and Recovery
- Medicaid Provider Assistance Services
- AK AIMS, Risk and Research Management
- Alaska Mental Health Board
- Advisory Board on Alcoholism and Drug Abuse
- Suicide Prevention Council

### **SENIOR & DISABILITIES SVC** *Acting Director: Tony Newman*

- Senior and Disabilities Community Based Grants
- Early Intervention/ Infant Learning Programs
- Senior and Disabilities Services Administration
- General Relief/Temporary Assisted Living
- Governor's Council on Disabilities and Special Education
- Alaska Commission on Aging

### **HEALTH CARE SERVICES** *Director: Renee Gayhart*

- Catastrophic and Chronic Illness Assistance
- Health Facilities Licensing and Certification
- Residential Licensing
- Medical Assistance Administration
- Medical Care Advisory Committee
- Pharmacy/Therapeutics Comm.

### **Commissioner's Staff**

- Legislative Liaison
- Medicaid State Plan
- Office of Rate Review
- Policy Advisors
- Public Information
- Regulations
- Department Reorganization Liaison
- Tribal Liaison

### **PUBLIC ASSISTANCE** *Director: Deb Etheridge*

- Alaska Temporary Assistance Program
- Adult Public Assistance
- Child Care Benefits
- General Relief Assistance
- Tribal Assistance Programs
- Permanent Fund Dividend Hold Harmless
- Energy Assistance Program
- Public Assistance Administration
- Public Assistance Field Services
- Fraud Investigation
- Quality Control
- Work Services
- Women, Infants and Children
- Senior Benefits Payment Program

**Assistant Commissioner**  
**FINANCE & MANAGEMENT SVC**  
*Josie Stern*

- Budget
- Revenue & Finance
- Human Resources
- Information Technology Services
- Grants & Contracts
- Medicaid, Allocations and Audit Services

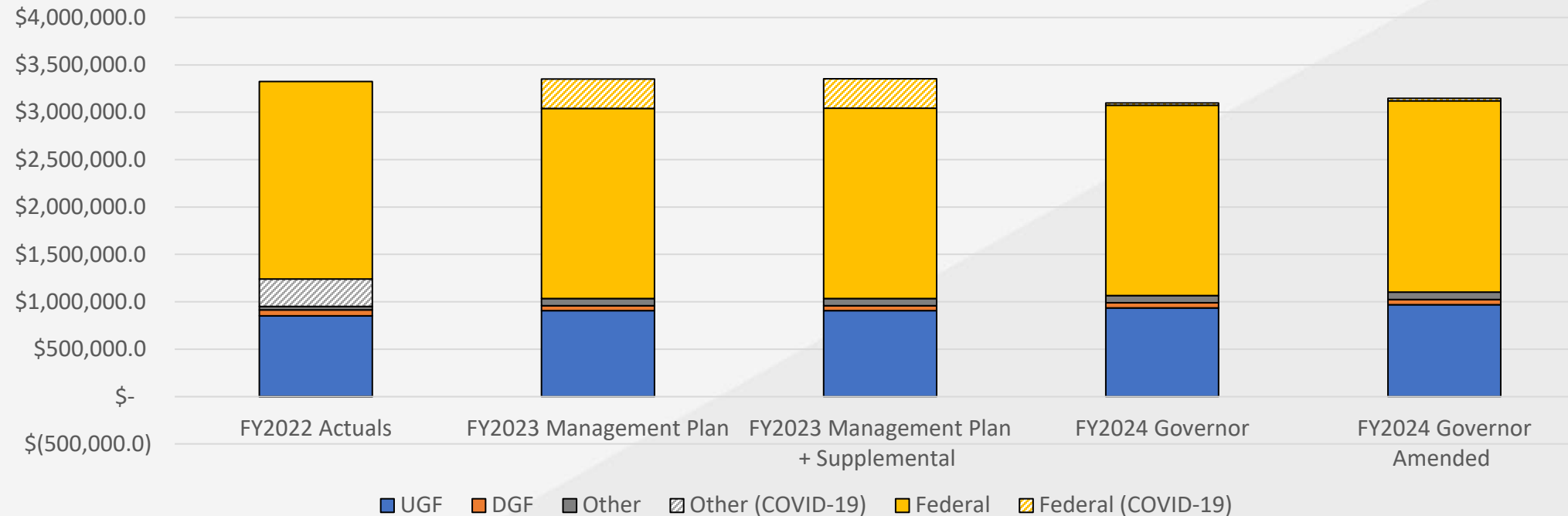
**Chief Data Officer**  
*Acting: David Levy*

- Data Surveillance
- HIE
- Medicaid Systems Oversight and Management

Updated 1/17/23



## Department of Health\* Operating Budget Comparison FY2022-FY2024 (in thousands)



	FY2022 Actuals	FY2023 Management Plan	FY2023 Management Plan + Supplemental	FY2024 Governor	FY2024 Governor Amended
UGF	\$ 853,200.4	\$ 906,446.1	\$ 906,446.1	\$ 935,486.2	\$ 970,348.5
DGF	\$ 61,756.6	\$ 53,549.4	\$ 53,549.4	\$ 53,665.0	\$ 54,234.1
Other	\$ 35,337.6	\$ 73,932.2	\$ 73,932.2	\$ 75,499.4	\$ 78,664.4
Other (COVID-19)	\$ 290,198.7	\$ -	\$ -	\$ -	\$ -
Federal	\$ 2,083,507.4	\$ 2,005,460.3	\$ 2,009,193.3	\$ 2,008,144.5	\$ 2,017,448.9
Federal (COVID-19)	\$ (3,822.5)	\$ 310,345.0	\$ 310,345.0	\$ 25,000.0	\$ 25,000.0
<b>Total</b>	<b>\$ 3,320,178.2</b>	<b>\$ 3,349,733.0</b>	<b>\$ 3,353,466.0</b>	<b>\$ 3,097,795.1</b>	<b>\$ 3,145,695.9</b>

\* Excludes Departmental Support Services, Human Services Community Matching Grant, and Community Initiative Matching Grants



## Department of Health COVID Funds FY2022-FY2024 (in thousands)

Division	Fund	FY2022 Final Authorized	Funds Spent in FY2022	Amount Carried to FY2023	FY2024 Governor
Behavioral Health	1265 COVID	\$7,744.0	\$107.6	\$7,636.4	
Public Assistance	1265 COVID	\$121,706.0	\$35,553.0	\$86,153.0	\$25,000.0
Public Health	1265 COVID	\$215,745.0	\$36,200.3	\$179,544.7	
Public Health	1269 CSLFRF	\$40,000.0	\$11,870.2	\$28,129.8	
Senior and Disabilities Services	1265 COVID	\$12,045.0	\$3,163.9	\$8,881.1	
<b>Total</b>		<b>\$397,240.0</b>	<b>\$86,895.0</b>	<b>\$310,345.0</b>	<b>\$25,000.0</b>



## Medicaid Services

Medicaid is an open-ended mandatory formula grant program – the spending is controlled by eligibility and benefit criteria as outlined in state regulation and federally approved state Medicaid plan

Unduplicated Enrollees: 262,114 as of January 2023

Blended Federal Medical Assistance Percentage (FMAP): 72-73%

### **December 15 FY2024 Governor (shown in thousands):**

- \$2,600.0 UGF – Extend Postpartum Medicaid Coverage
- \$18,132.6 UGF – Medicaid Utilization and Inflation

### **February 14 FY2023 Governor Amend Supplemental (shown in thousands):**

- \$3,088.7 UGF – Transfer from Medicaid Services to Public Assistance for Medicaid Eligibility Redeterminations and Application Processing
- \$69.8 UGF – Ratification of FY2016 negative account balance from Single Audit State of Alaska FY21

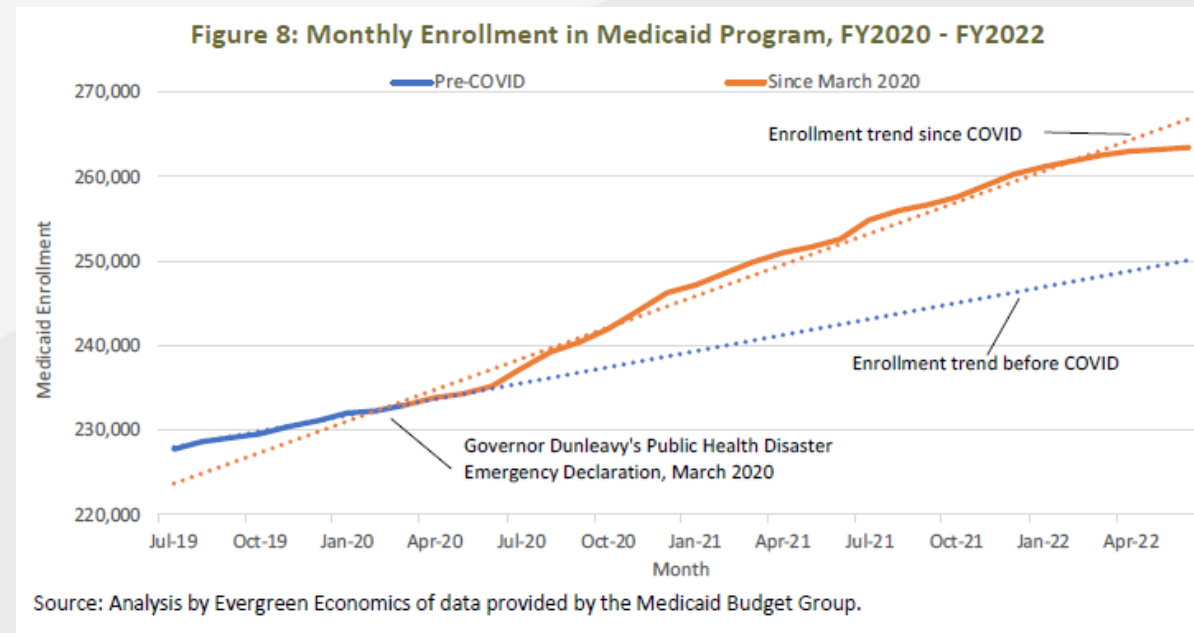
### **February 14 FY2024 Governor Amend (shown in thousands):**

- \$24,388.0 UGF – Medicaid Increases from eFMAP Stepdown and Rate Rebasing



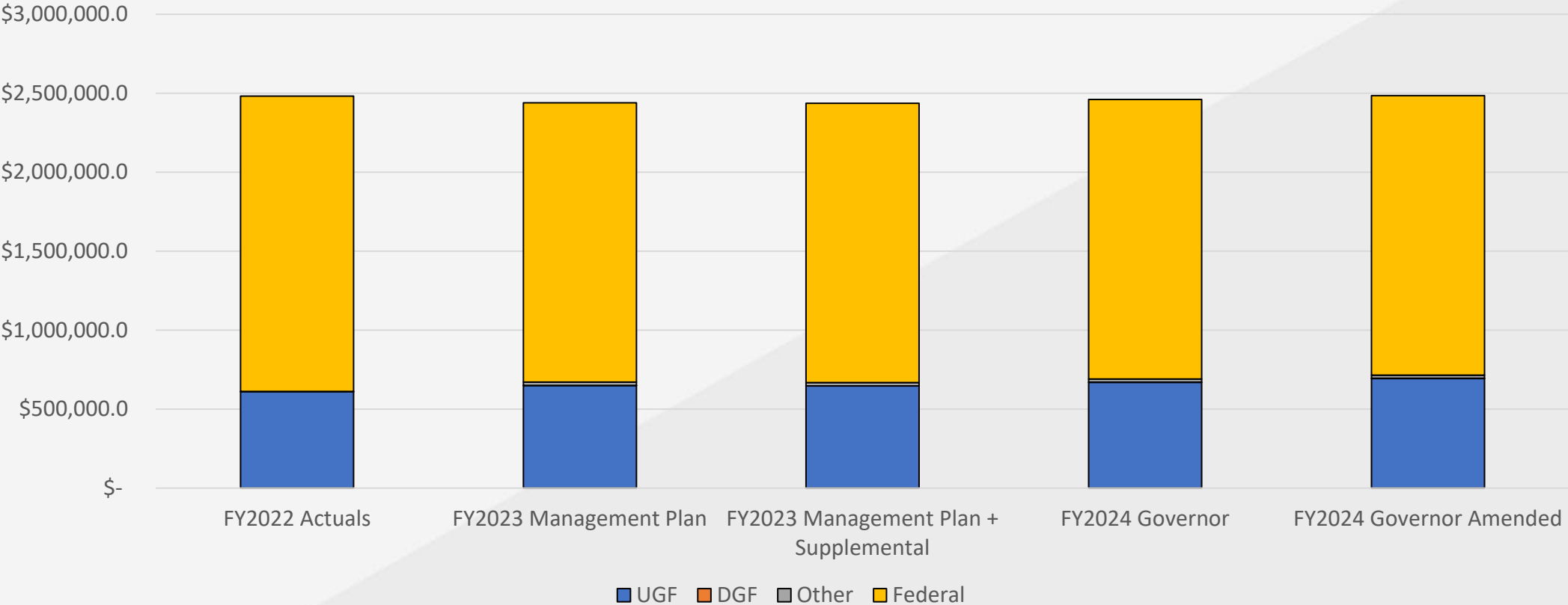
## Unwinding of Continuous Enrollment for Medicaid

- ✓ Consolidated Appropriations Act of 2023, passed in late December 2022, established the end of continuous enrollment and phase-down of enhanced federal funding
- ✓ Starting April 1, Alaska will begin Medicaid eligibility redeterminations
- ✓ Redeterminations must be completed by June 31, 2023





# Medicaid Services Operating Budget Comparison FY2022-FY2024 (in thousands)



	FY2022 Actuals	FY2023 Management Plan	FY2023 Management Plan + Supplemental	FY2024 Governor	FY2024 Governor Amended
UGF	\$ 610,565.0	\$ 649,867.4	\$ 646,778.7	\$ 670,600.0	\$ 694,988.0
DGF	\$ 97.5	\$ 429.8	\$ 429.8	\$ 429.8	\$ 429.8
Other	\$ 1,591.2	\$ 20,714.1	\$ 20,714.1	\$ 20,714.1	\$ 20,714.1
Federal	\$ 1,870,817.9	\$ 1,769,063.4	\$ 1,769,063.4	\$ 1,769,213.4	\$ 1,769,213.4
Total	\$ 2,483,071.6	\$ 2,440,074.7	\$ 2,436,986.0	\$ 2,460,957.3	\$ 2,485,345.3



# Division of Health Care Services

- Manage health care coverage for Alaskans in need
- Positions: 118 full time
- Operating through ten units
  - Medicaid Operations
  - Pharmacy and Ancillary Services
  - Tribal Health Program
  - Systems and Analysis
  - Accounting and Recovery
  - Health Facilities Licensing and Certification
  - Residential Licensing
  - Background Check
  - Quality Assurance
  - Clinical Review Team

**FY2024 Governor Amend:**  
\$774.2 – Increase  
Recoveries and Rebates  
- \$387.1 GF Match  
- \$387.1 Fed



## Tribal Reclaiming

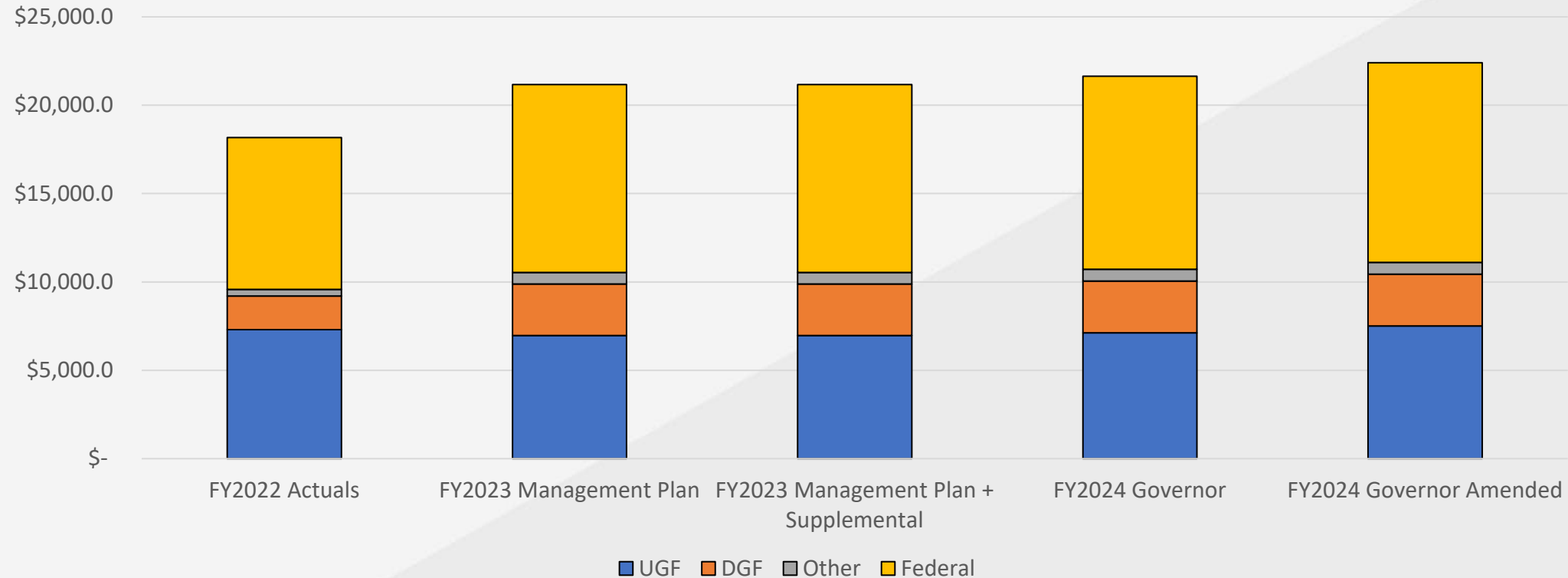
State Fiscal Year (SFY)	State GF Savings (Transportation)	State GF Savings (Other Services)	Total State GF Savings
SFY2017	\$10,589,538	\$24,192,302	\$34,781,840
SFY2018	\$15,901,959	\$29,285,001	\$45,186,960
SFY2019	\$26,922,884	\$45,724,251	\$72,647,135
SFY2020	\$35,998,891	\$59,119,442	\$95,118,333
SFY2021	\$15,532,936	\$41,934,934	\$57,467,871
SFY2022	\$16,302,909	\$58,109,421	\$74,412,331
<b>TOTAL</b>	<b>\$121,249,117</b>	<b>\$258,365,351</b>	<b>\$379,614,470</b>

State Health Official (SHO) letter 16-002 established tribal reclaiming

- 7,029 Care Coordination Agreements
- 537 Providers
- 13 Tribal Health Organizations Participating in Tribal Reclaiming



## Health Care Services Operating Budget Comparison FY2022-FY2024 (in thousands)



	FY2022 Actuals	FY2023 Management Plan	FY2023 Management Plan + Supplemental	FY2024 Governor	FY2024 Governor Amended
UGF	\$ 7,300.4	\$ 6,972.2	\$ 6,972.2	\$ 7,120.6	\$ 7,507.7
DGF	\$ 1,898.4	\$ 2,905.8	\$ 2,905.8	\$ 2,934.7	\$ 2,934.7
Other	\$ 379.4	\$ 652.5	\$ 652.5	\$ 658.1	\$ 658.1
Federal	\$ 8,585.6	\$ 10,635.2	\$ 10,635.2	\$ 10,920.7	\$ 11,307.8
Federal (COVID-19)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 18,163.8</b>	<b>\$ 21,165.7</b>	<b>\$ 21,165.7</b>	<b>\$ 21,634.1</b>	<b>\$ 22,408.3</b>



# Division of Senior and Disabilities Services

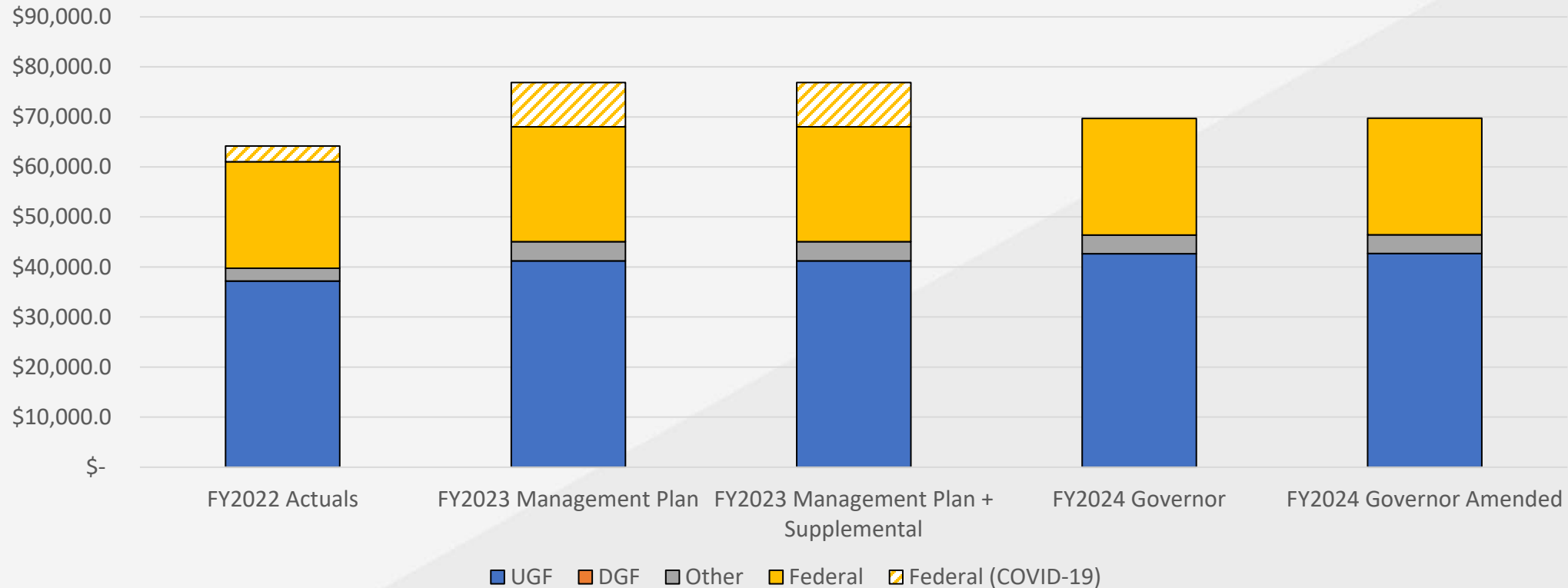
- Promote the independence of Alaskan seniors and persons with physical and developmental disabilities
- Positions: 172 full time
- Operating through 14 units
  - Adult Protective Services
  - Assessment Review
  - Review Unit
  - Central Application Processing
  - Central Intake
  - Early Intervention / Infant Learning Program
  - Grant Services
  - Intellectual and Developmental Disabilities Unit
  - Nursing Unit
  - Policy and Program Development
  - Provider Certification and Compliance
  - Quality Assurance / Fair Hearing
  - Research and Analysis
  - Training

**FY2024 Governor:**  
\$1,498.2 – Senior and Disabilities  
Community Based Grants and the  
Centers for Independent Living





## Senior and Disabilities Services Operating Budget Comparison FY2022- FY2024 (in thousands)



	FY2022 Actuals	FY2023 Management Plan	FY2023 Management Plan + Supplemental	FY2024 Governor	FY2024 Governor Amended
UGF	\$ 37,192.6	\$ 41,228.9	\$ 41,228.9	\$ 42,643.9	\$ 42,693.9
DGF	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 2,554.6	\$ 3,831.3	\$ 3,831.3	\$ 3,725.3	\$ 3,725.3
Federal	\$ 21,284.7	\$ 22,941.1	\$ 22,941.1	\$ 23,315.8	\$ 23,315.8
Federal (COVID-19)	\$ 3,163.9	\$ 8,881.1	\$ 8,881.1	\$ -	\$ -
<b>Total</b>	<b>\$ 64,195.8</b>	<b>\$ 76,882.4</b>	<b>\$ 76,882.4</b>	<b>\$ 69,685.0</b>	<b>\$ 69,735.0</b>



# Division of Public Assistance

- Provide self-sufficiency and provide for basic living expenses to Alaskans in need
- Positions: 459 full time
- Operates 18 public assistance programs including the following programs:
  - Adult Public Assistance
  - Child Care
  - Family Nutrition
  - SNAP Benefits
  - General Relief Assistance
  - Heating Assistance
  - Medicaid Eligibility
  - Senior Benefits
  - Temporary Assistance



## Investments in Public Assistance

### December 15 FY2024 Governor (shown in thousands):

- \$1,331.9 -\$679.2 Fed, \$652.7 GF Match – 20 Positions to Support Application Processing (FY23-FY24)

### • February 14 FY2023 Governor Amend Supplemental (shown in thousands):

- \$3,088.7 UGF - Transfer from Medicaid Services to Public Assistance for Medicaid Eligibility Redeterminations and Application Processing
- \$3,733.0 Fed - Medicaid Eligibility Redeterminations and Application Processing

### • February 14 FY2024 Governor Amend (shown in thousands):

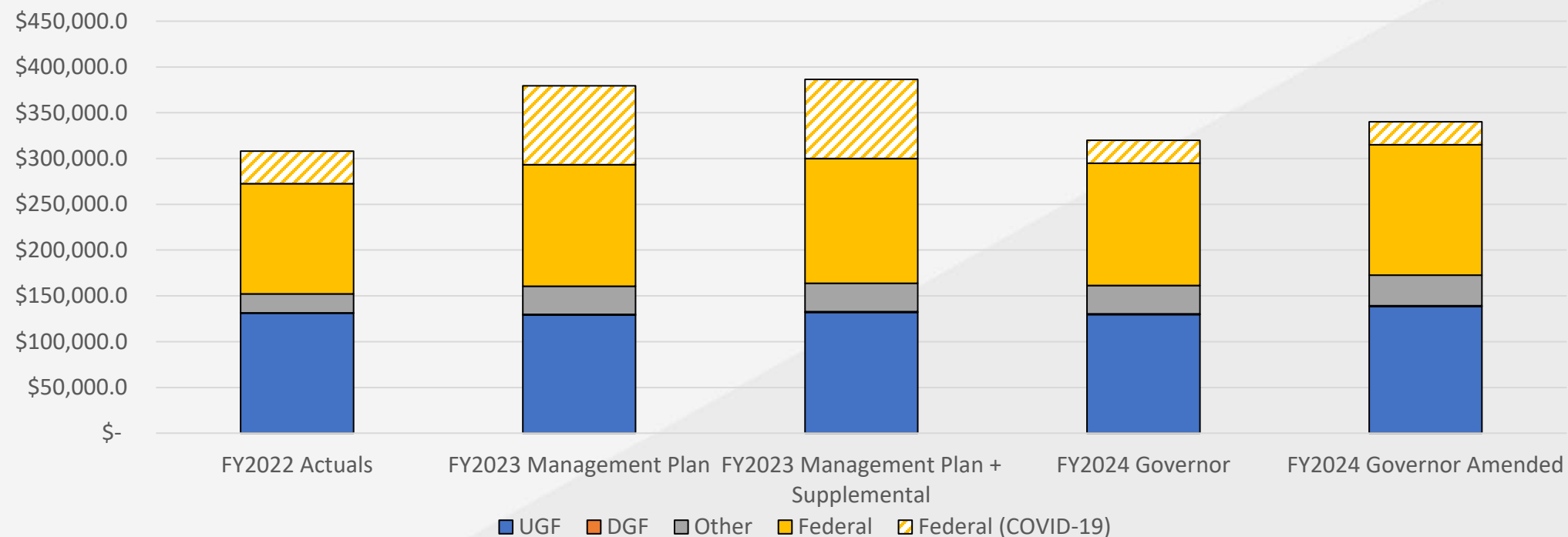
- \$17,834.5 - \$8,917.3 Fed, \$8,917.2 GF Match – Medicaid Eligibility Redeterminations and Application Processing (FY24-FY25)

### • February 14 FY2024 Governor Amend Capital (shown in thousands):

- \$54,234.2 - \$30,152.7 Fed, \$17,181.5 GF Match, \$6,900.0 Reappropriation from Medicaid – Full Mainframe System Replacement



## Division of Public Assistance\* Operating Budget Comparison FY2022-FY2024 (in thousands)



	FY2022 Actuals	FY2023 Management Plan	FY2023 Management Plan + Supplemental	FY2024 Governor	FY2024 Governor Amended
<b>UGF</b>	\$ 131,345.4	\$ 129,002.6	\$ 132,091.3	\$ 129,610.4	\$ 138,527.6
<b>DGF</b>	\$ 112.3	\$ 814.7	\$ 814.7	\$ 814.7	\$ 814.7
<b>Other</b>	\$ 20,731.5	\$ 30,840.4	\$ 30,840.4	\$ 30,880.4	\$ 33,295.4
<b>Federal</b>	\$ 120,325.9	\$ 132,661.1	\$ 136,394.1	\$ 133,631.4	\$ 142,548.7
<b>Federal (COVID-19)</b>	\$ 35,553.0	\$ 86,153.0	\$ 86,153.0	\$ 25,000.0	\$ 25,000.0
<b>Total</b>	\$ 308,068.1	\$ 379,471.8	\$ 386,293.5	\$ 319,936.9	\$ 340,186.4

\* Includes Senior Benefits Payment Program



## Healthy Families Initiative

**Strong families are the foundation of a healthy society and a vibrant economy.**

- 4-year statewide investments in the health and wellbeing of Alaskan families
- Governor Dunleavy proposed \$9.9M (UGF) in his FY2024 operating budget for Healthy Families activities within DOH:
  - ✓ Postpartum Medicaid extension
  - ✓ Office of Health Savings
  - ✓ TB and congenital syphilis mitigation

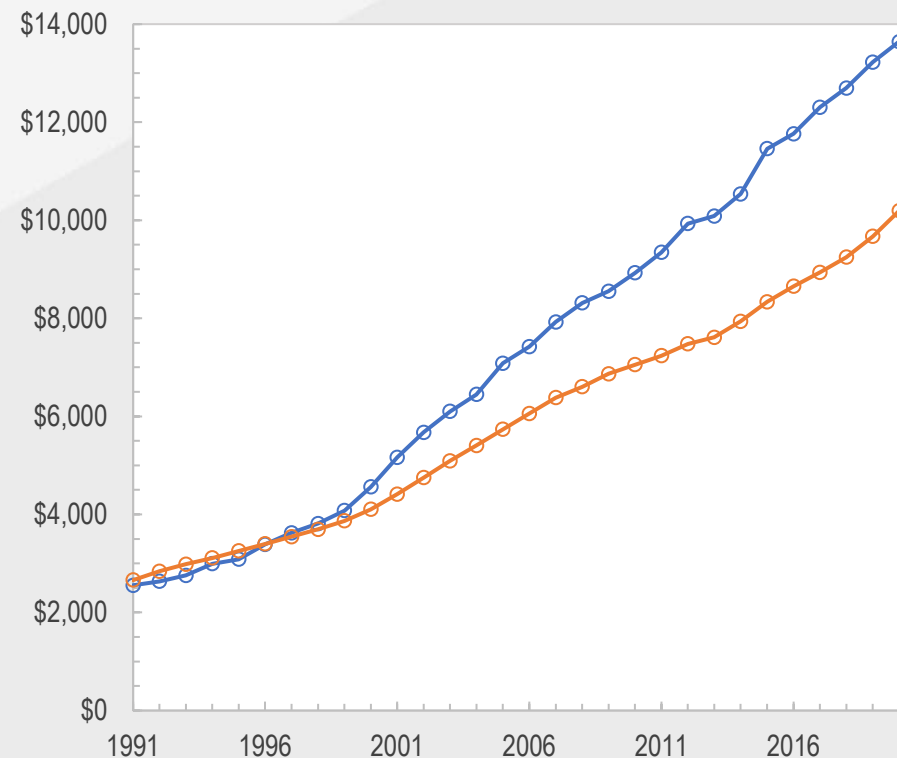




## Healthy Families Initiative: Office of Health Savings

- Reducing health care costs while improving the health of Alaskans
- Positioned within DOH Commissioner's Office
  - ✓ Initial savings focused on Medicaid program
  - ✓ Innovative payment models
  - ✓ Pharmacy costs and improved access to critical medications

**Health Care Expenditures per Capita,  
Alaska vs. United States (1991-2020)**



# Contact Information

Finance and Management Services

Josephine Stern

Assistant Commissioner

[Josephine.stern@alaska.gov](mailto:Josephine.stern@alaska.gov)

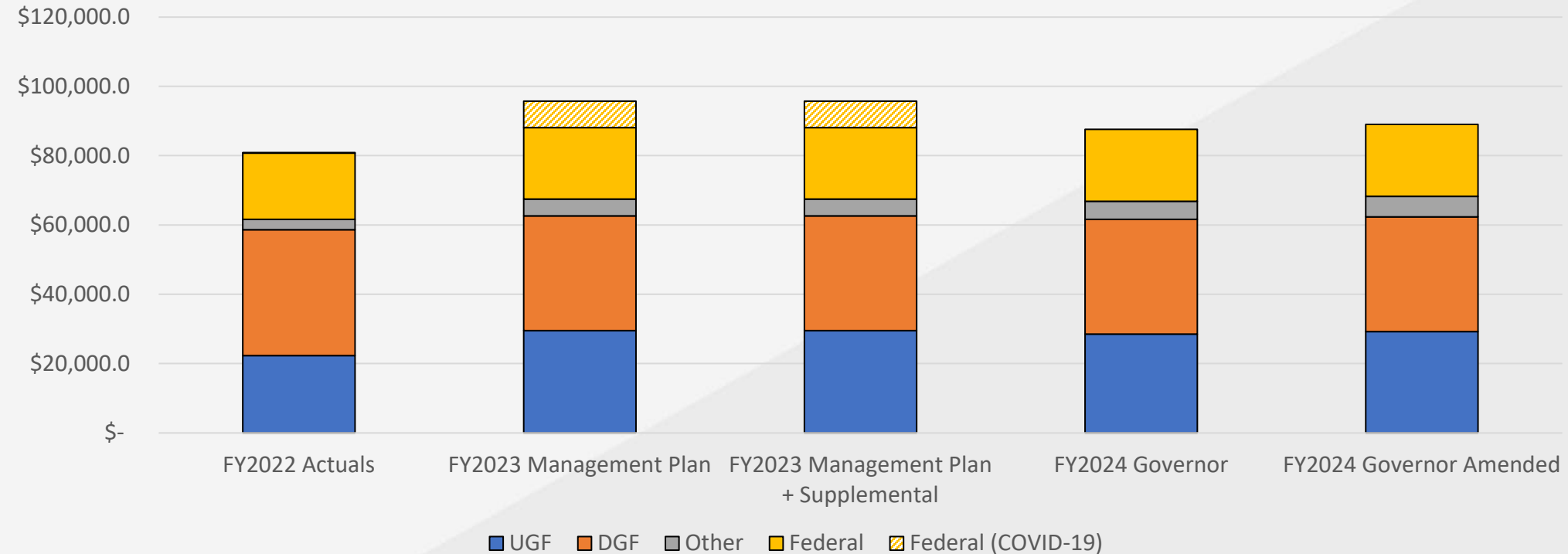
907-465-3030



# Appendix



## Division of Behavioral Health\* Operating Budget Comparison FY2022-FY2024 (in thousands)

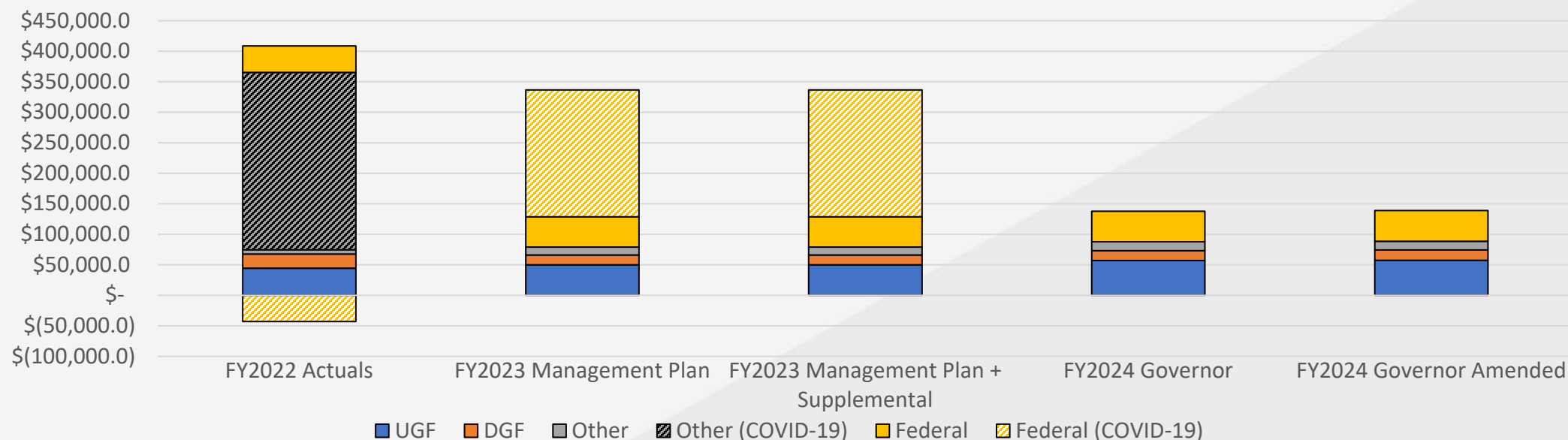


	FY2022 Actuals	FY2023 Management Plan	FY2023 Management Plan + Supplemental	FY2024 Governor	FY2024 Governor Amended
UGF	\$ 22,273.4	\$ 29,526.5	\$ 29,526.5	\$ 28,526.1	\$ 29,193.1
DGF	\$ 36,358.0	\$ 33,101.1	\$ 33,101.1	\$ 33,112.0	\$ 33,112.0
Other	\$ 2,970.5	\$ 4,851.8	\$ 4,851.8	\$ 5,191.7	\$ 5,941.7
Federal	\$ 19,156.8	\$ 20,617.5	\$ 20,617.5	\$ 20,776.9	\$ 20,776.9
Federal (COVID-19)	\$ 107.6	\$ 7,636.4	\$ 7,636.4	\$ -	\$ -
<b>Total</b>	<b>\$ 80,866.3</b>	<b>\$ 95,733.3</b>	<b>\$ 95,733.3</b>	<b>\$ 87,606.7</b>	<b>\$ 89,023.7</b>

\* Excludes Designated Evaluation and Treatment



## Division of Public Health Operating Budget Comparison FY2022-FY2024 (in thousands)



	FY2022 Actuals	FY2023 Management Plan	FY2023 Management Plan + Supplemental	FY2024 Governor	FY2024 Governor Amended
UGF	\$ 44,523.6	\$ 49,848.5	\$ 49,848.5	\$ 56,985.2	\$ 57,438.2
DGF	\$ 23,290.4	\$ 16,298.0	\$ 16,298.0	\$ 16,373.8	\$ 16,942.9
Other	\$ 7,110.4	\$ 13,042.1	\$ 13,042.1	\$ 14,329.8	\$ 14,329.8
Other (COVID-19)	\$ 290,198.7	\$ -	\$ -	\$ -	\$ -
Federal	\$ 43,336.5	\$ 49,542.0	\$ 49,542.0	\$ 50,286.3	\$ 50,286.3
Federal (COVID-19)	\$ (42,647.0)	\$ 207,674.5	\$ 207,674.5	\$ -	\$ -
<b>Total</b>	<b>\$ 365,812.6</b>	<b>\$ 336,405.1</b>	<b>\$ 336,405.1</b>	<b>\$ 137,975.1</b>	<b>\$ 138,997.2</b>

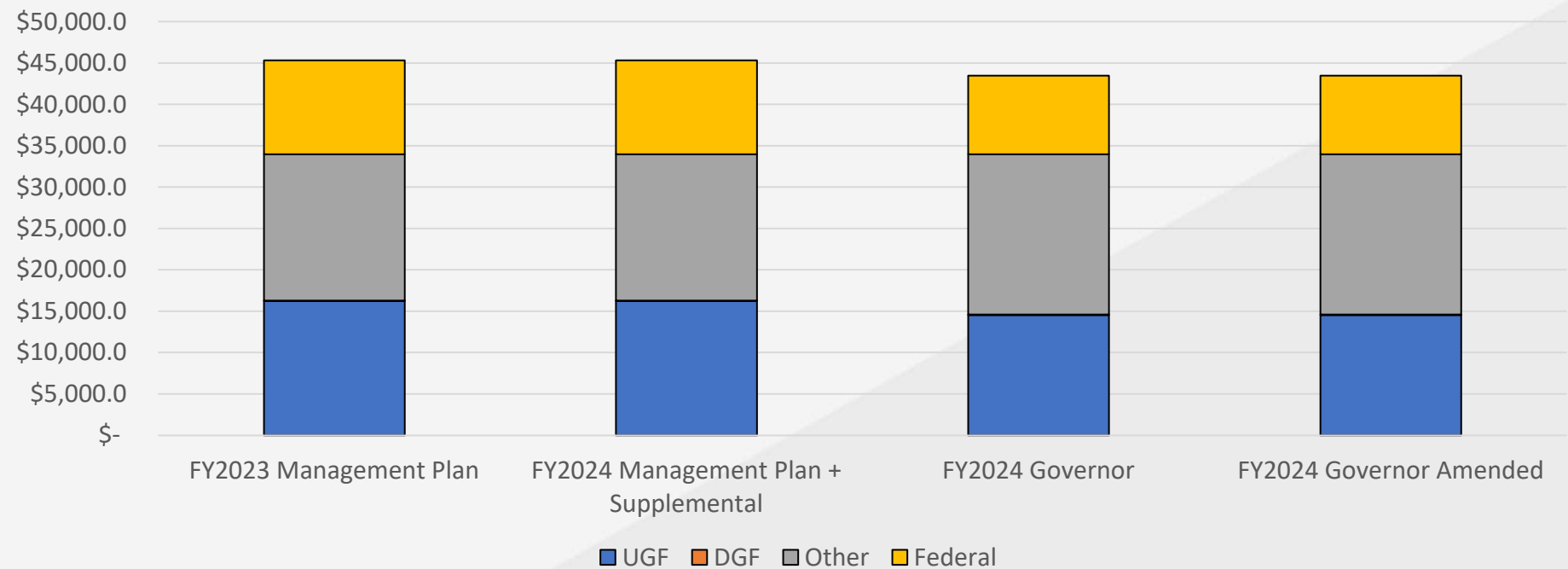
\* In FY2022, there was an adjustment for expenditures previously coded as Federal (COVID-19) to an RSA with DMVA involving funds from the Federal Emergency Management Agency (FEMA) for the public health emergency related to testing, nurses, staffing, et cetera.

DGF reduction from FY2022 Actuals to FY2023 and FY2024 primarily relates to Vaccine Assessment Fund, which does not require further appropriation. See AS 18.09.230(b).





# Departmental Support Services\* Operating Budget Comparison FY2023-FY2024 (in thousands)



	FY2023 Management Plan	FY2024 Management Plan + Supplemental	FY2024 Governor	FY2024 Governor Amended
UGF	\$ 16,250.2	\$ 16,250.2	\$ 14,551.2	\$ 14,551.2
DGF	\$ 42.4	\$ 42.4	\$ 42.4	\$ 42.4
Other	\$ 17,690.5	\$ 17,690.5	\$ 19,391.2	\$ 19,391.2
Federal	\$ 11,353.4	\$ 11,353.4	\$ 9,492.8	\$ 9,492.8
Federal (COVID-19)	\$ -	\$ -	\$ -	\$ -
Total	\$ 45,336.5	\$ 45,336.5	\$ 43,477.6	\$ 43,477.6



\* Includes Human Services Community Matching Grant and Community Initiative Matching Grants