



STATE OF ALASKA DEPARTMENT OF HEALTH

House Finance Committee Budget Overview

Heidi Hedberg, Commissioner – Designee

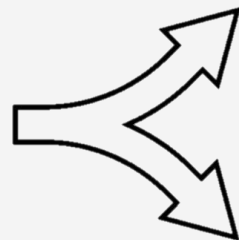
Emily Ricci, Deputy Commissioner

Dr. Anne Zink, Chief Medical Officer

Josephine Stern, Assistant Commissioner

Tuesday, February 14, 2023





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



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)



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

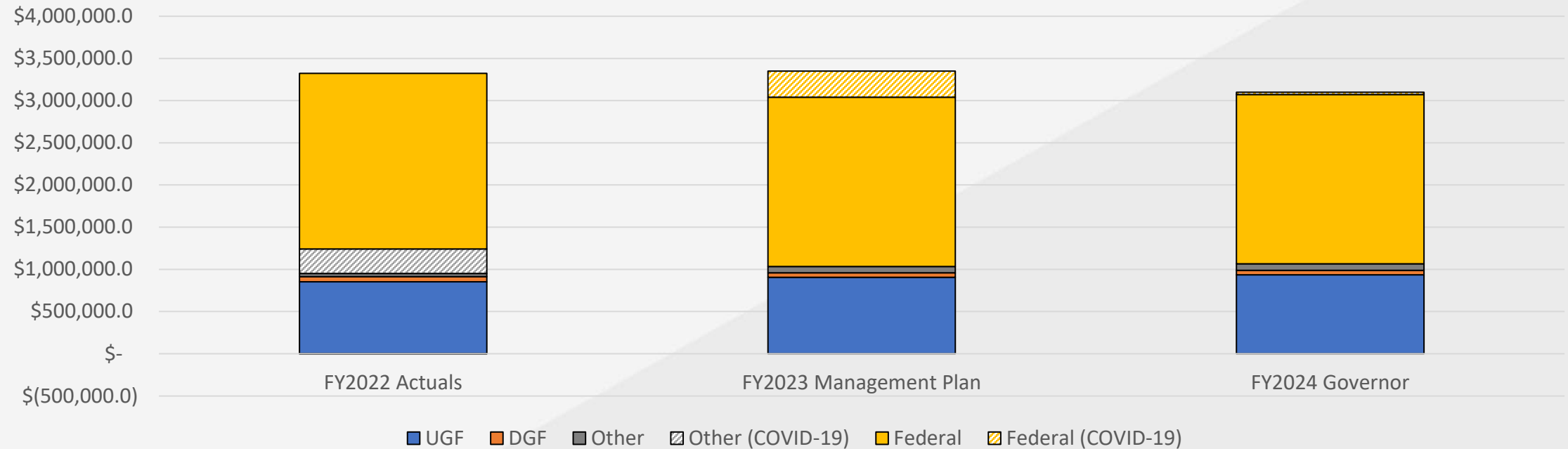
- Budget
- Revenue & Finance
- Human Resources
- Information Technology Services
- Grants & Contracts
- Medicaid, Allocations and Audit Services

Chief Data Officer
Acting: David Levy

- Data Surveillance
- HIE
- Medicaid Systems Oversight and Management



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



	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
UGF	\$ 853,200.4	\$ 906,446.1	\$ 935,486.2
DGF	\$ 61,756.6	\$ 53,549.4	\$ 53,665.0
Other	\$ 35,337.6	\$ 73,932.2	\$ 75,499.4
Other (COVID-19)	\$ 290,198.7	\$ -	\$ -
Federal	\$ 2,083,507.4	\$ 2,005,460.3	\$ 2,008,144.5
Federal (COVID-19)	\$ (3,822.5)	\$ 310,345.0	\$ 25,000.0
Total	\$ 3,320,178.2	\$ 3,349,733.0	\$ 3,097,795.1

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



Medicaid Services

Mission: To provide health coverage to Alaskans in need

- 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%



Medicaid Services

Cost Drivers

- Federal regulation/encounter rates
- Inflationary adjustments
- Increased utilization rates
- Rate adjustments
- Suspended eligibility redeterminations
- Enrollment growth
- Reimbursement rate increases

Cost Containment

- Tribal reclaiming
- Pharmacy initiatives
- Subrogation
- Cost avoidance
- Medicaid Program Integrity efforts
- Case management programs



Medicaid Services

FY2024 Governor (shown in thousands):

- \$2,600.0 UGF – Extend Postpartum Medicaid Coverage
 - Extend coverage from 60-days to 12-months to address maternal morbidity and mortality. Improve health outcomes including chronic disease prevention, reduce maternal morbidity, improve maternal mental health, and other areas
- \$18,132.6 UGF – Medicaid Utilization and Inflation
 - Increased utilization, inflation, and other Centers for Medicare and Medicaid (CMS) plan changes due to cost drivers



Unwinding of Continuous Enrollment of Medicaid

✓ Beginning March 2020, states were required to maintain eligibility status for Medicaid beneficiaries

✓ Starting April 1, 2023 Alaska will begin Medicaid eligibility redeterminations

✓ 12 months to complete redeterminations for all active Medicaid cases

✓ Redetermination Plans are submitted to CMS by February 15th

✓ DOH working with stakeholders to maximize public communication starting in February



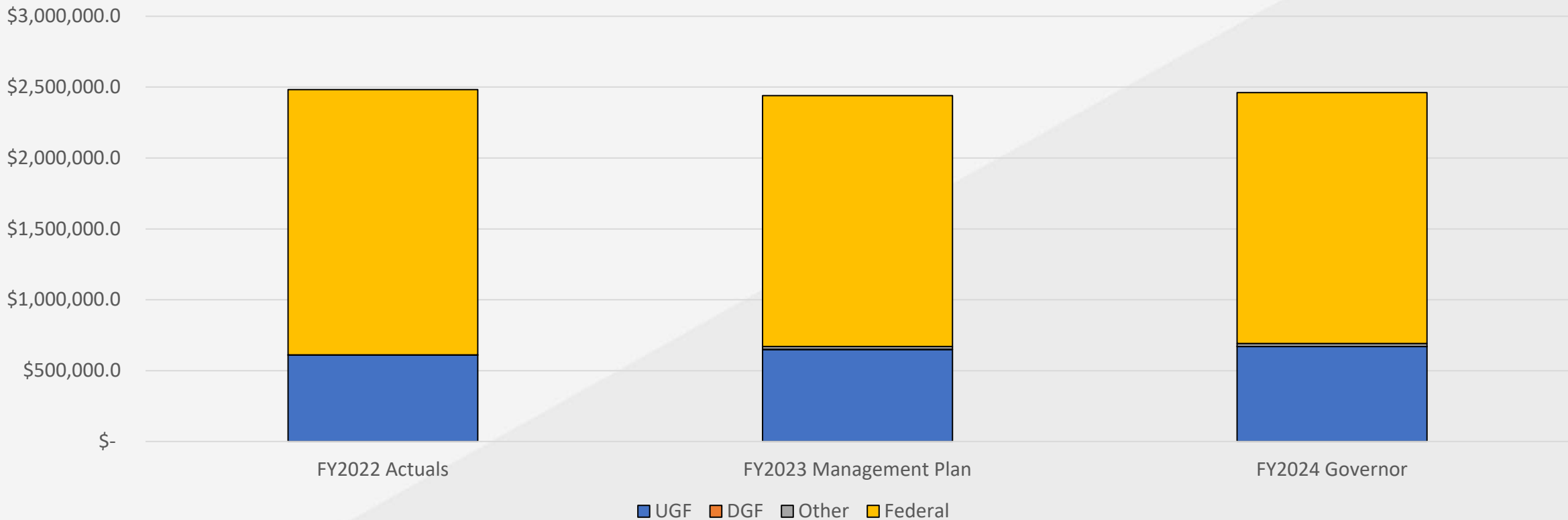
Phase Down of FFCRA Temporary FMAP Increase

Jan 1, 2023 - March 31, 2023:	6.2%
April 1, 2023 – June 30, 2023:	5.0%
July 1, 2023 – September 30, 2023:	2.5%
October 1 – December 31, 2023:	1.5%



Medicaid Services Operating Budget Comparison FY2022-FY2024

(in thousands)



	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
UGF	\$ 610,565.0	\$ 649,867.4	\$ 670,600.0
DGF	\$ 97.5	\$ 429.8	\$ 429.8
Other	\$ 1,591.2	\$ 20,714.1	\$ 20,714.1
Federal	\$ 1,870,817.9	\$ 1,769,063.4	\$ 1,769,213.4
Total	\$ 2,483,071.6	\$ 2,440,074.7	\$ 2,460,957.3



Division of Public Assistance

Mission: Promote 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



Division of Public Assistance: Backlog

Causes:

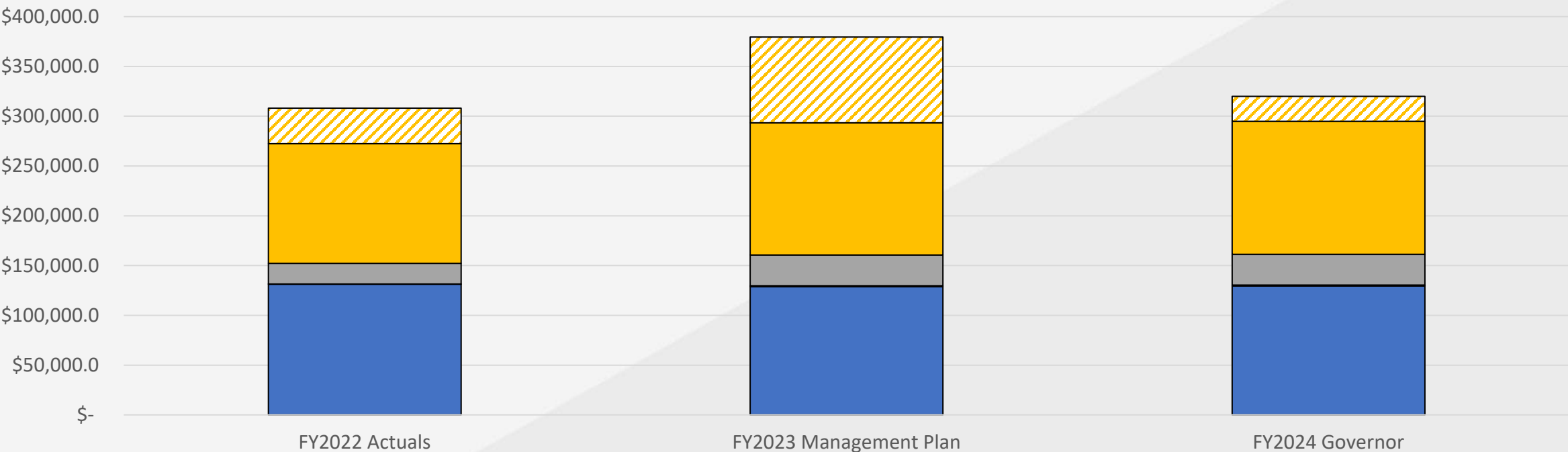
- IT systems – 40-year legacy system
- Pandemic – manual processing of benefits
- Cyber attack in May 2021
- Open enrollment for Federally Facilitated Marketplace

Mitigation:

- Recruiting and onboarding permanent eligibility technicians and long-term non-permanent positions
- Programmers for Eligibility Information System (EIS)
- Temporary staffing contract for the Virtual Call Center
- Crisis Communication
- Security evaluations and guards for DPA offices
- \$1,331.9 – 20 Long-term Non-Permanent Positions to Support Application Processing (FY23-FY24)
- \$1,560.5 – 10 Full-time Positions Invest in Line of Business Information Technology



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



	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
UGF	\$ 131,345.4	\$ 129,002.6	\$ 129,610.4
DGF	\$ 112.3	\$ 814.7	\$ 814.7
Other	\$ 20,731.5	\$ 30,840.4	\$ 30,880.4
Federal	\$ 120,325.9	\$ 132,661.1	\$ 133,631.4
Federal (COVID-19)	\$ 35,553.0	\$ 86,153.0	\$ 25,000.0
Total	\$ 308,068.1	\$ 379,471.8	\$ 319,936.9

* Includes Senior Benefits Payment Program



Division of Public Health

Mission: Protect and promote the health of Alaskans

- Positions: 430 full time
- Operating through nine units
 - Chronic Disease Prevention and Health Promotion
 - Epidemiology
 - Health Analytics and Vital Records
 - State Public Health Laboratories
 - Public Health Administrative Services
 - Public Health Nursing
 - Rural and Community Health Systems
 - State Medical Examiner
 - Women, Children, and Family Health



Healthy Families Initiative

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

- Four-year statewide investments in the health and well-being of Alaskan families
- Proposed \$9.9m (UGF) in the FY2024 operating budget for Health Families Initiative activities within DOH:
 - Postpartum Medicaid extension
 - Office of Health Savings
 - TB and Congenital Syphilis mitigation



Healthy Beginnings



Health Care Access



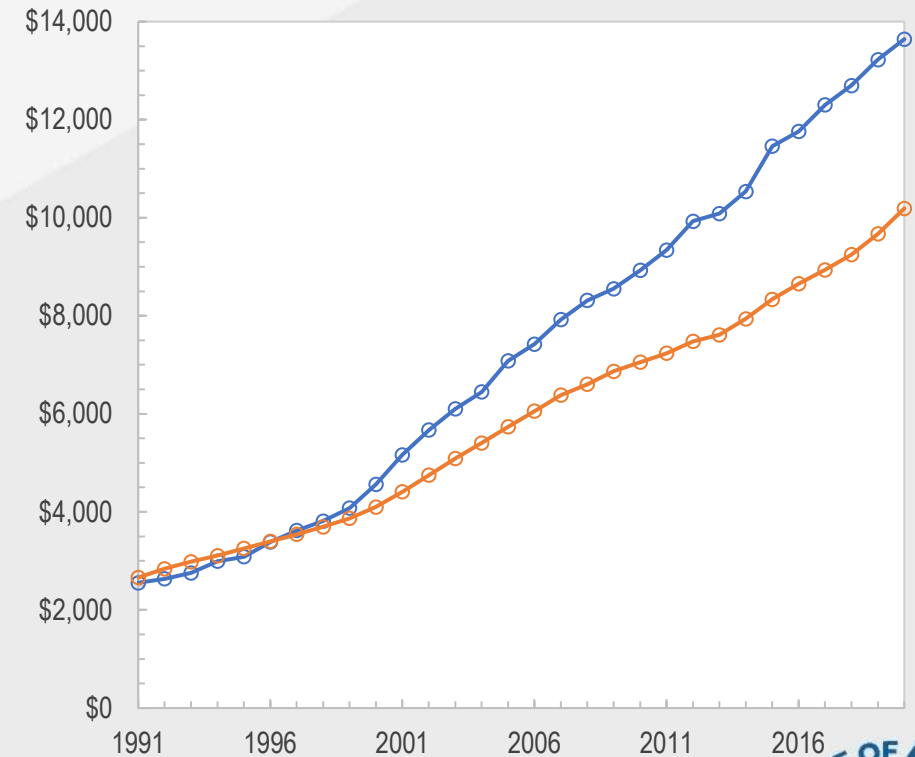
Healthy Communities



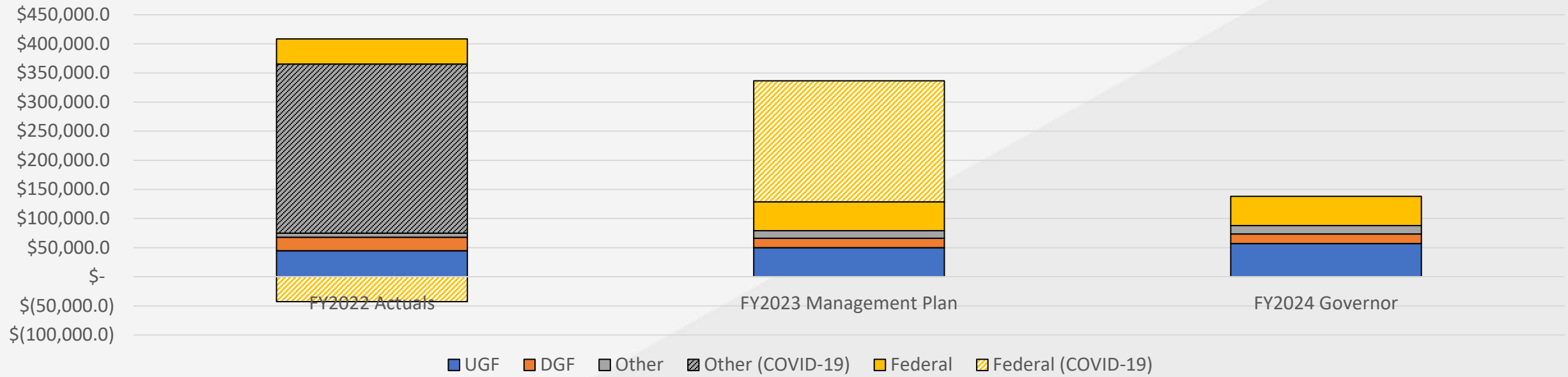
Healthy Families Initiative: Office of Health Savings

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

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



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



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

- In FY2022, there was an adjustment for expenditures previously coded as Federal (COVID-19) to a reimbursable services agreement with the Department of Military and Veterans Affairs involving funds from the Federal Emergency Management Agency (FEMA) for the public health emergency.
- 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).



Contact Information

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