

ALASKA STATE LEGISLATURE
HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES STANDING COMMITTEE

January 27, 2005

3:03 p.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Tom Anderson
Representative Lesil McGuire
Representative Paul Seaton
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

Representative Vic Kohring

COMMITTEE CALENDAR

OVERVIEW: BRING THE KIDS HOME INITIATIVE

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

BILL HOGAN, Director
Division of Behavioral Health
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Presented an overview the Bring the Kids Home Initiative.

JEFF JESSE, Executive Director
Alaska Mental Health Trust Authority
Anchorage, Alaska

POSITION STATEMENT: Presented an overview of the Trust's partnership in the Bring the Kids Home Initiative.

CHARLES FAGERSTROM
Residential and Extended Services Development
Alaska Native Tribal Health Consortium
Anchorage, Alaska

POSITION STATEMENT: Presented an overview of the Consortium's partnership in the Bring the Kids Home Initiative.

JOEL GILBERTSON, Commissioner
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Answered questions regarding the Bring the Kids Home Initiative

ACTION NARRATIVE

CHAIR PEGGY WILSON called the House Health, Education and Social Services Standing Committee meeting to order at [3:03:58 PM](#). Representatives Wilson, Seaton, Cissna, and Gardner were present at the call to order. Representatives Anderson and McGuire arrived as the meeting was in progress.

OVERVIEW: BRING THE KIDS HOME INITIATIVE

[3:05:09 PM](#)

BILL HOGAN, Director, Division of Behavioral Health, Department of Health and Social Services, reaffirmed the division's commitment to ensure that kids with serious emotional disturbance, substance abuse problems, fetal alcohol spectrum disorder, developmental disabilities, and traumatic brain injury are able to stay with their families and be treated in Alaska.

MR. HOGAN explained that over the past six years there has been a marked increase in the number of kids going to out-of-state psychiatric treatment centers. Alaskan children are being treated at up to 50 different facilities spread throughout the Lower 48. Referring to a chart, he pointed out that in 1998 there were few children in out-of-state placement. There was a marked increase in fiscal year (FY) 2000 and it has risen steadily since then. Referring to a second chart, he showed that the length of days that a child spends in a treatment center has increased by about two months; he stated that this is a significant problem. His third chart showed a sharp increase in the amount of money spent on out-of-state residential psychiatric treatment centers (RPTC) as compared to treatment centers in general.

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MR. HOGAN stated that last fiscal year the state spent nearly \$50 million on residential psychiatric treatment for children in Outside placements. The typical Medicaid match for the treatment is 40-42 percent state general fund (GF) dollars; the rest is from federal Medicaid. He calculated that the state GF spent \$18-20 million for the Medicaid match.

MR. HOGAN suggested that the marked increase in number of kids sent to Outside RPTCs is partially due to the start of Denali Kid

Care in 2000; due to this program, a number of children with mental health problems became newly eligible for Medicaid. He stated another possible reason for the increases:

We really have not had a very adequate ... care coordination or gate keeping mechanism, ... we really have not done a good job of making sure that kids stay in-state if there are in-state options, nor have we been very aggressive in monitoring their care out of state. So, in many instances, kids have languished, sometimes ... over two years, in these placements. And ... the most obvious thing is that we really have not had in-state capacity, not only at this level of care, but at all levels of care.

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MR. HOGAN explained that the division envisions a comprehensive system of care for children and families that focuses on prevention, early intervention, treatment, and recovery. He emphasized that the division wants to have that system built on the principles of keeping kids in their own communities and in their own homes, if at all possible, noting that nearly 40 percent of the children in out-of-state placements are Alaska Natives. He told the committee that the state won't be able to solve this problem without basic core services in villages and in hub communities. The division is working to develop a solution with the help of several partners: The Alaska Mental Health Trust Authority, the Alaska Mental Health Board, The Advisory Board on Alcohol and Drug Abuse, the Governor's Council on Disabilities, all of the Native health organizations, including Alaska Native Tribal Health Consortium, consumers, family members, and advocates.

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MR. HOGAN said,

When you look at the number of kids in out-of-state placement, only about 75-80 of those kids at any one time are "custody kids": kids in the custody of the Office of Children's Service or the Division of Juvenile Justice. [The division] wants to build on what they already have in place. They have regional placement teams, ... an out-of-state placement committee, and we want to use that structure to ensure that we're exploring all in-state options before a child goes out. [The division wants] to make sure that we include in [the] system of care many more services on the front end of care, [meaning] things like in-home intervention, wrap-around services similar to the Alaska Youth Initiative program that we used to have in Alaska. [The division wants] to expand school-based services, respite and crisis respite options, a crisis

nursery. [The division wants] to enhance [the] treatment foster care program, ... develop some small group homes, ... a multidimensional home for kids who may be coming out of the juvenile justice system, ... enhance the residential treatment options that are already available for kids in custody, ... and certainly we want to develop some residential psychiatric treatment center capacity in Alaska.

MR. HOGAN clarified that he is not suggesting that because there are more than 400 Alaskan children in out-of-state RPTCs, the state needs 400 RPTC beds in Alaska. The division's emphasis is on the lower levels of community-based care; however the state does need to have some RPTC capacity and is in the process of determining how many beds are needed and where they should be located. The division's goal is for there to be no Alaskan kids in out-of-state centers by 2015.

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MR. HOGAN referred to a pie chart handout which demonstrated that by FY 2006 the division expects to reduce number of kids in out of state placement by 50; by FY 2010 there would be further increase in in-state care; by 2015 all kids would be in Alaska. He explained that the division has developed some performance indicators to ensure that it is making progress toward this goal: there must be a shift to children staying in-state rather than going out of state; there must be a funding shift to ensure that the Medicaid dollars are staying in-state; the division needs to ensure that kids are not staying in treatment centers longer than necessary; there must be increased service capacity at all treatment levels; there must be a reduction in recidivism; and the division must monitor client and family satisfaction.

MR. HOGAN said that the division anticipates an increase of funds of \$5 million for this initiative in FY 2006 and FY 2007; about \$2.2 million will be from the Alaska Mental Health Trust Authority and about \$2.8 million from Medicaid. The General Fund (GF) increase will be going to the Medicaid match. He emphasized that the division is not asking for additional pure GF dollars.

MR. HOGAN stated that the number of children sent out of state to RPTCs seem to be stabilizing at about 400 and that the state is beginning to bring kids back in a deliberate and planned way. To illustrate this he described the Anchorage Five Kid Project, which returns kids from Outside centers home to Alaska. This project is being replicated in Fairbanks.

MR. HOGAN concluded his presentation by saying that the division would like to build a system of care to focus resources and efforts on the "front end" of care; to develop a system that ensures that kids are ultimately self-sufficient as adults; to make sure the faith-based and voluntary organizations are included in the effort; to ensure that the system is cost-

effective and efficient; and to make sure there is community input in the project.

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JEFF JESSE, Executive Director, Alaska Mental Health Trust Authority stated that the trust selected the Bring the Kids Home Initiative as one of its four main areas of concentration. He remarked that the trust assembled a workgroup to pull together various stakeholders and has worked very closely with the department on the initiative. He said, "We know that what we don't want is to build a bunch of inpatient beds in the State of Alaska. This is the 'Bring the Kids Home', not 'Bring the Kids to Anchorage', not 'Bring the Kids to other institutional ... settings in the state'." He noted that a disproportionate number of the kids that are placed out of state are Alaska Natives, and the fact that the Alaska Native Tribal Health Consortium is involved in this project is another example that this is truly a collaborative process.

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CHARLES FAGERSTROM, Residential and Extended Services Development, Alaska Native Tribal Health Consortium in Anchorage, Alaska reiterated the "need to respond and not have a knee-jerk reaction, and look at the whole continuum of care." He said that in the last few weeks he facilitated a meeting amongst all of the tribal health programs in order to respond to the RPTC need in the state. The workgroup participants agreed on the importance of looking at the whole spectrum of care, particularly the "front end" of care. He said that he has an aggressive four-month schedule of tribal meetings with behavioral health providers during which the health providers will articulate the plan for bringing kids back to Alaska for treatment; they will be looking for ways to "get kids back home and keep them home in the least restrictive and most culturally appropriate setting. "

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CHAIR WILSON asked if any preventative measures can be taken.

MR. HOGAN explained that most diagnoses are affective psychoses, which includes serious diagnoses such as major depression or bipolar disorder with psychotic features. Regarding prevention, he said that it's important to work with the kids, families, and communities to focus on resiliency; building strengths and assets, and reducing risk factors.

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REPRESENTATIVE SEATON asked if the state was taking care of all of the needs within the state prior to 1998; he wanted clarification regarding whether the increase of children being

sent out of state was due to a growth in population or if there was a shift from in state to out-of-state treatment.

MR. HOGAN responded that he wouldn't suggest that prior to 1998 the state was meeting all the needs of every child; he said that there is probably some general population growth in state. He stated, "The prevalence rate nationally is about 10-15 percent of all kids have a serious emotional disturbance, and that's ... fairly typical for our state as well." He said that he is not sure why there has been such a tremendous increase. He offered to research the topic for the committee.

REPRESENTATIVE SEATON commented that he would appreciate the information as it would establish the baseline and help determine the factors that are contributing to the problem. He then asked if any facility construction had been slowed down under the certificate of need (CON) program.

MR. HOGAN answered that he didn't know of any such problems. He noted that the department had received two applications and one letter of intent under the CON program. He emphasized that the department wants to be deliberate and make sure that the "right kind of capacity in the right geographic locations" is being built. He deferred further questioning to the department commissioner.

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JOEL GILBERTSON, Commissioner, Department of Health and Social Services, stated that House Bill 511, which was passed last session, required a CON review for RPTC projects. He emphasized that in-state RPTC capacity is "a piece of the service array that we do need to develop as part of that continuum of care." He stated that he does not believe projects are being slowed down [by the CON process]. He said:

There are some other extraneous issues going on right now, including litigation against the state, around the [CON] Program generally that has delayed the application of some of the [CON] statute to some of the pending applications. We have had dialogue with both of the parties who have completed applications before the state; to the best of my knowledge both of them are satisfied with the process that we are engaged in right now to get those projects reviewed. We are expediting promulgation of regulations even in the next couple of weeks we'll have the regulations on the street for new [CON] standards for these projects. So I think that the review process is moving forward, the parties who are developing them are all planning, if approved, to have projects up and running sometime next calendar year. So these projects still have some time delay before they even come online. ... Each of these pieces

of this service array, this continuum of care, they have to come in a concerted fashion and with some deliberation. It's not putting one ahead of the other. That "gate keeping" system, that ability of doing care coordination, the ability of getting service capacity available in-state, needs to be done in an organized fashion, and RPTC-capacity building is a part of that, but it has to come online in an orderly fashion with the other supportive services around it. I don't think the projects are slowed down. ... And the parties that we are working with right now in applications are satisfied with the process.

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REPRESENTATIVE SEATON asked for clarification on the moratorium on the issuance of CON.

COMMISSIONER GILBERTSON replied that to some extent, the moratorium is a "legal fiction." He continued:

The moratorium is merely a public acknowledgement by the department because we do believe in transparency; we want all parties affected by [CON] to be aware of the process that's underway. We have made the administrative decision to delay final decision-making on [CON] applications until new standards are promulgated.... House Bill 511 ... did include intent language ... [which] required two things by the department: one was the convening of a task force to look at various aspects of [CON], and to involve parties that are affected by [CON] and for them to provide input on how we can adopt regulations to streamline the process and to make it least burdensome upon the providers who have to participate with the [CON] program, which is a statute. And the second portion of the intent language that is attached to that legislation by the legislature was that the department would move expeditiously to adopt new standards of review for the [CON] program. We took that intent language seriously in the interim. We convened that task force in August of last year. We invited all participants, all entities that are affected by [CON] in the state of Alaska. ... Slightly over 20 took us up on the offer and participated in the facilitated session in Anchorage. We also began a process ... to adopt those new standards. We procured the services of an entity, Information Insights, to do a first round of drafting standards. ... These standards apply much broader than just [RPTC]; this is all aspects of [CON] from in-patient hospital services to imaging services, various services across the state that are regulated by [CON]. ... One of the requests that came from the task

force meeting ... was a request from the actual entities in state, that the state put those standards out for public comment even before they're ready to go into regulation. We put them out for public comment in September. At the request of some providers we extended the comment period through the end of November of last year. That comment period finished, we received about 90 pages of good comments from providers. During that time there were ... some other issues that arose ... there was a need for us to announce that we were not going to issue any additional [CON] until these standards were being adopted those regulation. It was the intention of the department ... to update the standards, and we certainly felt that, as we were getting ready to put the new standards out ... for public comment and to get them implemented, it didn't make a lot of sense to start rushing CON decisions through the process while you're changing the standards. So we worked with all the parties affected, we met with organizations who had applications pending before the department, we explained the process. To the best of my knowledge they were completely satisfied with the process.

COMMISSIONER GILBERTSON said, in order to speed up the application process, "We carved out the [RPTC] portion of that regulatory package and we're putting them out on an expedited basis out for public comment in the next few weeks." He said that the regulations will be finalized as soon as the public comment period wraps up, and the Department of Law and the Lieutenant Governor sign off on them. At that point the department will either award or deny CON for RPTC.

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REPRESENTATIVE MCGUIRE noted that it might be helpful to have a formal presentation on the results of the task force.

COMMISSIONER GILBERTSON agreed that it would be a good idea. He commented that the task force was very productive; the department received a number of comments and therefore will be changing a number of aspects of the CON process through regulation. He said that it was the department's initial intent to put out one large regulatory package and promulgate those regulations that adopted both the standards and the process change, but because of the need to move these RPTC reviews faster the department split up the package. He said, "We've not yet put out for public comment, we put them as the second package to go out, the actual standard changes and the process changes for non-RPTC care." He noted that he'd sent all legislators summaries of the task force meeting and the transcript is available as well.

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REPRESENTATIVE ANDERSON stated, "I think that members of the committee should be privy to the fact that ... there's the litigation and there's the entities that you mentioned, Cornell and NorthStar, that are interested in this." He voiced concern that a few businesses are ready to build treatment centers in Anchorage but are frustrated by slow issuance of CON, which he believes the department could issue much sooner if they so chose.

COMMISSIONER GILBERTSON reiterated that he does not think the projects are being slowed down by the CON process. He said that he has met informally with "the affected parties" to discuss the process for getting the regulations out for public comment. He said that both Cornell and Northstar have expressed to him that they are satisfied with the expedited process for getting the regulations out for public comment. He said that the department will be making a decision on the CON applications as soon as possible.

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REPRESENTATIVE CISSNA emphasized the need for preventative work with children and their families, and asked what the state is doing about this.

COMMISSIONER GILBERTSON stated his belief in the importance of preventative measures as well, and then deferred to Hr. Hogan.

MR. HOGAN said that the department is integrating mental health and substance abuse services throughout the state because it recognizes that many kids and adults have both problems and co-occurring disorders. He said that the department will reframe the governor's substance abuse initiative as a behavioral health initiative and the funds will go to community agencies that teach 11-12 year old kids skills such as: coping and problem-solving skills, conflict resolution, and anger management. He said that the department is also planning a multimedia education campaign that will be built around assets.

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REPRESENTATIVE CISSNA posited that parents need help managing the behaviors of their children and learning to be proper advocates.

MR. HOGAN agreed; he said that he thinks that faith-based or voluntary organizations could offer basic parenting-skills classes.

REPRESENTATIVE ANDERSON asked if there is a potential for an alcohol tax.

MR. HOGAN answered that he is not sure. In response to Representative Seaton, he clarified that by the year 2015, no kids will be in out-of-state facilities and instead will be in an array of facilities within Alaska. The exact number of beds in each type of facility is flexible. He explained that Level 2-4 refers to residential facilities that are primarily licensed through the Office of Children's Services and funded through Medicaid; these are usually small facilities with between 5-8 beds. Level 5 refers to the RPTCs.

REPRESENTATIVE SEATON asked if about half of the kids coming back to Alaska would be in some kind of residential center.

MR. HOGAN agreed, and said, "There will be some kids, no matter what we do, that need to, unfortunately, go into out-of-home placements."

Due to technical difficulties, the committee took an at-ease from 3:55 p.m. to 4:02 p.m.

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REPRESENTATIVE SEATON asked what percentage of the kids currently in out-of-state treatment centers have fetal alcohol syndrome.

MR. HOGAN stated that [the department] can get that information to him later.

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CHAIR WILSON added that the committee is focusing on how alcohol-related issues affect the state as a whole, and she requested that the department provide committee members with information regarding how many of the kids in out-of-state treatment centers have been impacted in any way by alcohol use by family members.

REPRESENTATIVE ANDERSON asked that the department also record instances where "there is something applicable that alcohol isn't related to but we may think it is."

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at [4:06:52 PM](#).