

**SENATE CS FOR CS FOR HOUSE BILL NO. 312(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 3/21/08**

**Referred: Today's Calendar**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act making appropriations for the operating and capital expenses of the state's**  
2 **integrated comprehensive mental health program; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)



		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
	<b>Allocations</b>	<b>Items</b>	<b>Funds</b>	<b>Funds</b>

3 **Education Commission**

4 Program Administration & 200,000  
 5 Operations

6 \* \* \* \* \* \* \* \* \* \*  
 7 \* \* \* \* \* **Department of Health and Social Services** \* \* \* \* \*  
 8 \* \* \* \* \* \* \* \* \* \*

9 No money appropriated in this appropriation may be expended for an abortion that is not a  
 10 mandatory service required under AS 47.07.030(a). The money appropriated for Health and  
 11 Social Services may be expended only for mandatory services required under Title XIX of the  
 12 Social Security Act and for optional services offered by the state under the state plan for  
 13 medical assistance that has been approved by the United States Department of Health and  
 14 Human Services. This statement is a statement of the purpose of the appropriation and is  
 15 neither merely descriptive language nor a statement of legislative intent.

16 It is the intent of the legislature that the Department continues to aggressively pursue  
 17 Medicaid cost containment initiatives. Efforts should continue where the Department  
 18 believes additional cost containment is possible including further efforts to contain travel  
 19 expenses. The Department must continue efforts imposing regulations controlling and  
 20 materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be  
 21 continued utilizing existing resources to impose regulations screening applicants for  
 22 Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state  
 23 services. The department must address the entire matrix of optional Medicaid services,  
 24 reimbursement rates and eligibility requirements that are the basis of the Medicaid growth  
 25 algorithm. This work is to utilize the results of the Medicaid Assessment and Planning  
 26 analysis. The legislature requests that by January 2009 the Department be prepared to present  
 27 projections of future Medicaid funding requirements under our existing statute and regulations  
 28 and be prepared to present and evaluate the consequences of viable policy alternatives that  
 29 could be implemented to lower growth rates and reducing projections of future costs.

30 It is the intent of the legislature that the Department of Health and Social Services eliminate  
 31 the requirement for narrative and financial quarterly reports for all grant recipients whose  
 32 grants are \$50,000 or less. This is an unnecessary burden and is not a requirement of the  
 33 federal grants.

	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
	<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
			<b>Funds</b>
1			
2			
3	It is the intent of the legislature that the Department of Health and Social Services make a		
4	single "upfront" payment for any grant award that is \$50,000 or less and includes a signature		
5	of the grantee certifying compliance with the terms of the grant with their approved		
6	application. Signature of the grantee would also certify that if a final report certifying		
7	completion of the grant requirements is not filed, future grants will not be considered for that		
8	grantee until all requirements of prior grants are completed satisfactorily. In the event a		
9	grantee is deemed ineligible for a future grant consideration due to improper filing of final		
10	reports, the grantee will be informed about the department's procedures for future		
11	consideration of grant eligibility. The department will establish procedures to consider		
12	retroactivity for specific grant consideration or express that the retroactivity cannot be		
13	considered for certain grants during the selection process.		
14	<b>Alaska Pioneer Homes</b>	<b>13,431,500</b>	<b>13,431,500</b>
15	It is the intent of the legislature that the Department maintain regulations requiring all		
16	residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state		
17	subsidy being provided for their care from the State Payment Assistance program.		
18	It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall		
19	complete any forms to determine eligibility for supplemental program funding, such as		
20	Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant		
21	is not able to complete the forms him/herself, or if relatives or guardians of the applicant are		
22	not able to complete the forms, Department of Health and Social Services staff may complete		
23	the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility		
24	per AS 47.25.120.		
25	Alaska Pioneer Homes	64,300	
26	Management		
27	Pioneer Homes	13,367,200	
28	<b>Behavioral Health</b>	<b>114,166,100</b>	<b>90,872,600</b>
29	Alcohol Safety Action	335,500	
30	Program (ASAP)		
31	Behavioral Health Medicaid	44,066,900	
32	Services		
33	Behavioral Health Grants	23,597,100	

1	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
2	<b>Allocations</b>	<b>Items</b>	<b>Funds Funds</b>

3 It is the intent of the legislature that the department continue developing policies and  
4 procedures surrounding the awarding of recurring grants to assure that applicants are regularly  
5 evaluated on their performance in achieving outcomes consistent with the expectations and  
6 missions of the Department related to their specific grant. The recipient's specific  
7 performance should be measured and incorporated into the decision whether to continue  
8 awarding grants. Performance measurement should be standardized, accurate, objective and  
9 fair, recognizing and compensating for differences among grant recipients including acuity of  
10 services provided, client base, geographic location and other factors necessary and appropriate  
11 to reconcile and compare grant recipient performances across the array of providers and  
12 services involved.

13 It is the intent of the legislature that the \$1,000.0 increment in the FY 09 budget for  
14 Community Prevention & Early Intervention for Behavioral Health Programs be used to  
15 provide statewide community based youth development programs.

16 It is the intent of the legislature that the \$2,000.0 increment in the FY 09 budget for  
17 Behavioral Health Grants be used to provide additional base funding for existing core services  
18 of current behavioral health grantees who have demonstrated successful outcomes  
19 documented in accordance with the department's performance based evaluation procedures,  
20 with an emphasis on increasing substance abuse treatment capacity for adolescents and adults.

21 Behavioral Health	4,421,200
22 Administration	

23 It is the intent of the legislature that the \$200.0 increment in the FY09 budget for the Suicide  
24 Prevention Strategy and Implementation Plan be dedicated to developing a best practices,  
25 evidence based multi-dimensional strategy and implementation plan to reduce the rates of  
26 suicide in targeted rural regions of the state with the highest current rate of suicide. The  
27 strategy and plan must specifically propose the means to reduce the rate of suicide and  
28 address various dimensions of the issue including differing age and social demographics of at-  
29 risk populations as well as implementation alternatives available in the targeted regions. The  
30 plan must be developed in coordination with stakeholders and relevant resources in the  
31 targeted regions. The Suicide Prevention Strategy and Implementation Plan must be  
32 completed and available to the legislature no later than December 15, 2008.

33 It is the intent of the legislature that, in accordance with AS 37.05.315, \$333, 800 in general

1	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
2	<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
3		<b>Funds</b>	<b>Funds</b>
4	fund mental health funds be provided as a grant to the City of Bethel for the Bethel		
5	Community Patrols program.		
6	It is the intent of the legislature that by providing \$500,000 in general funds for the "Planning		
7	and Design for Clitheroe Center Replacement", there is no further obligation by the State for		
8	continued funding.		
9	Community Action Prevention	958,100	
10	& Intervention Grants		
11	Rural Services and Suicide	2,115,200	
12	Prevention		
13	Psychiatric Emergency	7,893,000	
14	Services		
15	Services to the Seriously	12,774,200	
16	Mentally Ill		
17	Designated Evaluation and	1,761,900	
18	Treatment		
19	Services for Severely	10,702,200	
20	Emotionally Disturbed Youth		
21	Alaska Psychiatric Institute	5,411,700	
22	Suicide Prevention Council	129,100	
23	<b>Children's Services</b>	<b>12,213,200</b>	<b>11,983,200</b>
24	Children's Medicaid Services	4,185,600	<b>230,000</b>
25	Children's Services	68,100	
26	Management		
27	Front Line Social Workers	148,600	
28	Family Preservation	150,000	
29	Foster Care Augmented Rate	500,000	
30	Foster Care Special Need	747,900	
31	Residential Child Care	1,956,300	
32	Infant Learning Program	4,456,700	
33	Grants		
	<b>Adult Preventative Dental</b>	<b>1,400,000</b>	<b>1,400,000</b>

	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
	<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
			<b>Funds</b>
<b>3 Medicaid Services</b>			
4 It is the intent of the legislature that the Adult Preventative Dental Medicaid Services not over			
5 spend authority granted by authorizing statute and adjust benefits available to individual			
6 participants as necessary to maintain and conduct the program throughout the entire fiscal			
7 year.			
8 Adult Preventative Dental	1,400,000		
9 Medicaid Services			
<b>10 Juvenile Justice</b>		<b>949,300</b>	<b>749,600</b>
11 McLaughlin Youth Center	654,500		
12 Fairbanks Youth Facility	101,000		
13 Bethel Youth Facility	56,700		
14 Probation Services	137,100		
<b>15 Public Health</b>		<b>1,048,300</b>	<b>718,300</b>
16 Women, Children and Family	750,000		
17 Health			
18 Certification and Licensing	120,000		
19 Community Health Grants	98,300		
20 Health Planning and	80,000		
21 Infrastructure			
22 It is the intent of the legislature that, in accordance with AS 37.05.316, \$250,000 in general			
23 funds be provided as a grant to Anchorage Project Access.			
<b>24 Senior and Disabilities</b>		<b>14,546,100</b>	<b>13,793,400</b>
<b>25 Services</b>			<b>752,700</b>
26 It is the intent of the legislature that regulations related to the General Relief / Temporary			
27 Assisted Living program be reviewed and revised as needed to minimize the length of time			
28 that the state provides housing alternatives and assure the services are provided only to			
29 intended beneficiaries who are actually experiencing harm, abuse or neglect. The department			
30 should educate care coordinators and direct service providers about who should be referred			
31 and when they are correctly referred to the program in order that referring agents correctly			
32 match consumer needs with the program services intended by the department.			
33 General Relief/Temporary	740,300		

	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
	<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
	<b>Items</b>		
3        Assisted Living			
4        Senior and Disabilities	2,461,600		
5        Services Administration			
6        Senior Community Based	3,419,400		
7        Grants			
8        It is the intent of the legislature that the \$1,000.0 increment in the FY 09 budget for Senior			
9        Community Based Grants be used to invest in successful home and community based			
10       supports provided by grantees who have demonstrated successful outcomes documented in			
11       accordance with the department's performance based evaluation procedures.			
12       Community Developmental	7,924,800		
13       Disabilities Grants			
14 <b>Departmental Support Services</b>	<b>1,792,900</b>	<b>1,792,900</b>	
15       Commissioner's Office	105,000		

16       It is the intent of the legislature that the Department of Health and Social Services complete  
17       the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid  
18       providers:

19       1. Develop regulations addressing the use of extrapolation methodology following an audit of  
20       Medicaid providers that clearly defines the difference between actual overpayment of funds to  
21       a provider and ministerial omission or clerical billing error that does not result in  
22       overpayment to the provider. The extrapolation methodology will also define percentage of  
23       "safe harbor" overpayment rates for which extrapolation methodology will be applied.

24       2. Develop training standards and definitions regarding ministerial and billing errors versus  
25       overpayments. Include the use of those standards and definitions in the State's audit contracts.  
26       All audits initiated after the effective date of this intent and resulting in findings of  
27       overpayment will be calculated under the Department's new regulations governing  
28       overpayment standards and extrapolation methodology.

29       It is the intent of the legislature that the department develops a ten year funding source and  
30       use of funds projection for the entire department.

31       It is the intent of the legislature that the department continue working on implementing a  
32       provider rate rebasing process and specific funding recommendations for both Medicaid and  
33       non-Medicaid providers to be completed and available to the legislature no later than

	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
	<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
	<b>Items</b>		
1			
2			
3	December 15, 2008.		
4	Administrative Support	494,400	
5	Services		
6	Information Technology	843,500	
7	Services		
8	HSS State Facilities Rent	350,000	
9	<b>Boards and Commissions</b>	<b>1,792,700</b>	<b>470,800</b>
10	AK Mental Health & Alcohol	854,400	
11	& Drug Abuse Boards		
12	Commission on Aging	193,600	
13	Governor's Council on	744,700	
14	Disabilities and Special		
15	Education		
16	*****	*****	
17	***** <b>Department of Law</b> *****		
18	*****	*****	
19	<b>Civil Division</b>	<b>81,700</b>	<b>81,700</b>
20	Human Services and Child	81,700	
21	Protection		
22	*****	*****	
23	***** <b>Department of Natural Resources</b> *****		
24	*****	*****	
25	<b>Resource Development</b>	<b>1,691,600</b>	<b>1,691,600</b>
26	Mental Health Trust Lands	1,691,600	
27	Administration		
28	*****	*****	
29	***** <b>Department of Revenue</b> *****		
30	*****	*****	
31	<b>Alaska Mental Health Trust</b>	<b>2,499,600</b>	<b>2,499,600</b>
32	<b>Authority</b>		
33	Mental Health Trust	2,499,600	

1	Appropriation	General	Other
2	Allocations	Items	Funds
3	Operations		
4	*****	*****	
5	***** <b>University of Alaska</b> *****		
6	*****	*****	
7	It is the intent of the legislature that the University of Alaska submit a report by the last day of		
8	each calendar quarter to the Legislative Budget & Audit Committee which describes in detail		
9	the movement of funds and positions between allocations as well as reimbursable services		
10	agreements between University appropriations.		
11	<b>Statewide Programs and</b>	<b>390,000</b>	<b>390,000</b>
12	<b>Services</b>		
13	Statewide Services	390,000	
14	<b>University of Alaska Anchorage</b>	<b>1,488,300</b>	<b>295,800</b>
15	Anchorage Campus	1,488,300	
16	<b>University of Alaska Fairbanks</b>	<b>40,000</b>	<b>40,000</b>
17	Fairbanks Campus	40,000	
18	*****	*****	
19	***** <b>Alaska Court System</b> *****		
20	*****	*****	
21	<b>Alaska Court System</b>	<b>1,577,700</b>	<b>589,900</b>
22	Trial Courts	1,577,700	
23	(SECTION 2 OF THIS ACT BEGINS ON PAGE 11)		

1 \* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of  
2 this Act.

3	Funding Source	Amount
4	<b>Department of Administration</b>	
5	1037 General Fund / Mental Health	1,815,200
6	1092 Mental Health Trust Authority Authorized	138,800
7	Receipts	
8	*** Total Agency Funding ***	\$1,954,000
9	<b>Department of Corrections</b>	
10	1037 General Fund / Mental Health	6,667,000
11	1092 Mental Health Trust Authority Authorized	458,000
12	Receipts	
13	*** Total Agency Funding ***	\$7,125,000
14	<b>Department of Education and Early Development</b>	
15	1037 General Fund / Mental Health	39,800
16	1092 Mental Health Trust Authority Authorized	500,000
17	Receipts	
18	*** Total Agency Funding ***	\$539,800
19	<b>Department of Health and Social Services</b>	
20	1037 General Fund / Mental Health	133,812,300
21	1092 Mental Health Trust Authority Authorized	8,615,500
22	Receipts	
23	1180 Alcohol and Other Drug Abuse Treatment &	18,912,300
24	Prevention Fund	
25	*** Total Agency Funding ***	\$161,340,100
26	<b>Department of Law</b>	
27	1037 General Fund / Mental Health	81,700
28	*** Total Agency Funding ***	\$81,700
29	<b>Department of Natural Resources</b>	
30	1092 Mental Health Trust Authority Authorized	1,691,600
31	Receipts	

1	*** Total Agency Funding ***	\$1,691,600
2	<b>Department of Revenue</b>	
3	1094 Mental Health Trust Administration	2,499,600
4	*** Total Agency Funding ***	\$2,499,600
5	<b>University of Alaska</b>	
6	1037 General Fund / Mental Health	295,800
7	1092 Mental Health Trust Authority Authorized	1,622,500
8	Receipts	
9	*** Total Agency Funding ***	\$1,918,300
10	<b>Alaska Court System</b>	
11	1037 General Fund / Mental Health	589,900
12	1092 Mental Health Trust Authority Authorized	987,800
13	Receipts	
14	*** Total Agency Funding ***	\$1,577,700
15	* * * * * Total Budget * * * * *	\$178,727,800
16	(SECTION 3 OF THIS ACT BEGINS ON PAGE 13)	

1 \* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of  
2 this Act.

3	Funding Source	Amount
4	<b>General Funds</b>	
5	1037 General Fund / Mental Health	143,301,700
6	***Total General Funds***	\$143,301,700
7	<b>Federal Funds</b>	
8	***Total Federal Funds***	\$0
9	<b>Other Non-Duplicated Funds</b>	
10	1092 Mental Health Trust Authority Authorized	14,014,200
11	Receipts	
12	1094 Mental Health Trust Administration	2,499,600
13	1180 Alcohol and Other Drug Abuse Treatment &	18,912,300
14	Prevention Fund	
15	***Total Other Non-Duplicated Funds***	\$35,426,100
16	<b>Duplicated Funds</b>	
17	***Total Duplicated Funds***	\$0

18 (SECTION 4 OF THIS ACT BEGINS ON PAGE 14)

1 \* **Sec. 4.** The following appropriation items are for capital projects and grants from the  
 2 general fund or other funds as set out in section 5 of this Act by funding source to the  
 3 agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise  
 4 noted.

	Appropriation	General	Other
	Allocations	Items	Funds
	*****	*****	
	***** <b>Department of Health and Social Services</b> *****		
	*****	*****	

10	MH Essential Program	250,000	250,000
11	Equipment (HD 1-40)		

12 (SECTION 5 OF THIS ACT BEGINS ON PAGE 15)

1 \* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of  
2 this Act.

3	Funding Source	Amount
4	<b>Department of Health and Social Services</b>	
5	1037 General Fund / Mental Health	250,000
6	*** Total Agency Funding ***	\$250,000
7	* * * * * Total Budget * * * * *	\$250,000

8 (SECTION 6 OF THIS ACT BEGINS ON PAGE 16)

1 \* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of  
2 this Act.

3	Funding Source	Amount
4	<b>General Funds</b>	
5	1037 General Fund / Mental Health	250,000
6	***Total General Funds***	\$250,000
7	<b>Federal Funds</b>	
8	***Total Federal Funds***	\$0
9	<b>Other Non-Duplicated Funds</b>	
10	***Total Other Non-Duplicated Funds***	\$0
11	<b>Duplicated Funds</b>	
12	***Total Duplicated Funds***	\$0

13 (SECTION 7 OF THIS ACT BEGINS ON PAGE 17)

1     \* **Sec. 7. PURPOSE.** In accordance with AS 37.14.003 and 37.14.005, the appropriations  
2 made by this Act are for the state's integrated comprehensive mental health program.

3     \* **Sec. 8. NONGENERAL FUND RECEIPTS.** (a) Alaska Mental Health Trust Authority  
4 authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the  
5 amounts appropriated by this Act are appropriated conditioned upon compliance with the  
6 program review provisions of AS 37.07.080(h).

7           (b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or  
8 administration receipts (AS 37.14.036) fall short of the estimates appropriated in this Act, the  
9 affected appropriation is reduced by the amount of the shortfall in receipts.

10    \* **Sec. 9. SALARY AND BENEFIT ADJUSTMENTS.** (a) The appropriations made in sec.  
11 1 of this Act include amounts for salary and benefit adjustments for public officials, officers,  
12 and employees of the executive branch, Alaska Court System employees, employees of the  
13 legislature, and legislators and to implement the terms for the fiscal year ending June 30,  
14 2009, of the following collective bargaining agreements:

- 15           (1) Alaska Public Employees Association, for the confidential unit;  
16           (2) Alaska State Employees Association, for the general government unit;  
17           (3) Public Employees Local 71, for the labor, trades and crafts unit;  
18           (4) Alaska Correctional Officers Association, representing correctional  
19 officers;  
20           (5) Teachers' Education Association of Mt. Edgecumbe;  
21           (6) Alaska Public Employees Association, for the supervisory unit;  
22           (7) Alaska Vocational Technical Center Teachers' Association - National  
23 Education Association, for the employees of the Alaska Vocational Technical Center.

24           (b) The operating budget appropriations made to the University of Alaska in sec. 1 of  
25 this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30,  
26 2009, for university employees who are not members of a collective bargaining unit and for  
27 implementing the monetary terms of the collective bargaining agreements including the terms  
28 of the agreement providing for the health benefit plan for university employees represented by  
29 the following entities:

- 30           (1) Alaska Higher Education Crafts and Trades Employees;  
31           (2) Alaska Community Colleges' Federation of Teachers;

1 (3) United Academics;

2 (4) United Academics-Adjuncts.

3 (c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified  
4 by the membership of the respective collective bargaining unit, the appropriations made by  
5 this Act that are applicable to that collective bargaining unit's agreement are reduced  
6 proportionately by the amount for that collective bargaining agreement, and the corresponding  
7 funding source amounts are reduced accordingly.

8 (d) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as  
9 described in (a) and (b) of this section are for the benefit of the state's integrated  
10 comprehensive mental health program only and do not necessarily affect every group of  
11 noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

12 \* **Sec. 10.** **CONDITIONAL EFFECT.** The appropriations in the amount of \$192,700 made  
13 in sec. 1 of this Act relating to nonunion employee salaries and benefits are contingent on  
14 passage by the Twenty-Fifth Alaska State Legislature and enactment into law in 2008 of a  
15 version of HB 417 or SB 297.

16 \* **Sec. 11.** This Act takes effect July 1, 2008.