

CONFERENCE CS FOR HOUSE BILL NO. 312
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE CONFERENCE COMMITTEE

Offered: 4/10/08

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)

1	Appropriation	General	Other
2	Allocations	Items	Funds
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.

	Appropriation	General	Other
	Allocations	Items	Funds Funds

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 It is the intent of the legislature that the department continues to evaluate an asset test in
15 Denali KidCare and other Child Care Benefits programs' eligibility criteria that includes the
16 value of assets leased and not owned by the applicant. The department should report to the
17 legislature, no later than January 20, 2009, possible asset test structures, their projected
18 consequences on program participants and any necessary changes to statute, regulation or
19 Alaska's Medicaid State Plan. The report should identify any federal restrictions on asset tests
20 and any potential consequence of an asset test on the availability of federal funding.

	Alaska Pioneer Homes	13,431,500	13,431,500
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22 It is the intent of the legislature that the Department maintain regulations requiring all
23 residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state
24 subsidy being provided for their care from the State Payment Assistance program.

25 It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall
26 complete any forms to determine eligibility for supplemental program funding, such as
27 Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant
28 is not able to complete the forms him/herself, or if relatives or guardians of the applicant are
29 not able to complete the forms, Department of Health and Social Services staff may complete
30 the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility
31 per AS 47.25.120.

	Alaska Pioneer Homes	64,300	
	Management		

	Appropriation	General	Other
	Allocations	Funds	Funds
Pioneer Homes	13,367,200		
Behavioral Health	111,541,100	88,447,600	23,093,500
Alcohol Safety Action Program (ASAP)	335,500		
Behavioral Health Medicaid Services	44,066,900		
Behavioral Health Grants	22,222,100		

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

It is the intent of the legislature that the \$750,000 increment in the FY09 budget for behavioral health grants be used exclusively to provide additional base funding for existing core services of current grantee providers of adolescent and adult substance abuse intervention or treatment services, who have demonstrated successful outcomes documented in accordance with the Department's performance based evaluation procedures. The Department should continue work on implementing a provider rate rebasing process and specific funding recommendations for both Medicaid and non-Medicaid providers to be completed and available to the legislature no later than December 15, 2008.

It is the intent of the legislature that the \$750,000 increment in the FY 09 budget for Behavioral Health Grants be used to provide additional base funding for existing core services of current behavioral health grantees who have demonstrated successful outcomes documented in accordance with the department's performance based evaluation procedures, with an emphasis on increasing substance abuse treatment capacity for adolescents and adults.

It is the intent of the legislature that the \$500,000 increment in the FY 09 budget for

	Appropriation	General	Other
	Allocations	Items	Funds
Community Prevention & Early Intervention for Behavioral Health Programs be used to provide statewide community based youth development programs.			
Behavioral Health	4,221,200		
Administration			
It is the intent of the legislature that the \$200,000 increment in the FY09 budget for the Suicide Prevention Strategy and Implementation Plan be dedicated to developing a best practices, evidence based multi-dimensional strategy and implementation plan to reduce the rates of suicide in targeted rural regions of the state with the highest current rate of suicide. The strategy and plan must specifically propose the means to reduce the rate of suicide and address various dimensions of the issue including differing age and social demographics of at-risk populations as well as implementation alternatives available in the targeted regions. The plan must be developed in coordination with stakeholders and relevant resources in the targeted regions. The Suicide Prevention Strategy and Implementation Plan must be completed and available to the legislature no later than December 15, 2008.			
It is the intent of the legislature that by providing \$500,000 in general funds for the "Planning and Design for Clitheroe Center Replacement", there is no further obligation by the State for continued funding.			
It is the intent of the legislature that, in accordance with AS 37.05.315, \$333,800 in general fund mental health funds be provided as a grant to the City of Bethel or other community entity for the Bethel Community Patrols program.			
Community Action	958,100		
Prevention & Intervention			
Grants			
Rural Services and Suicide	2,115,200		
Prevention			
Psychiatric Emergency	7,893,000		
Services			
Services to the Seriously	12,474,200		
Mentally Ill			
Designated Evaluation and	1,761,900		
Treatment			

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Services for Severely	9,952,200		
4	Emotionally Disturbed			
5	Youth			
6	Alaska Psychiatric	5,411,700		
7	Institute			
8	Suicide Prevention Council	129,100		
9	Children's Services		12,213,200	11,983,200
10	Children's Medicaid	4,185,600		
11	Services			
12	Children's Services	68,100		
13	Management			
14	Front Line Social Workers	148,600		
15	Family Preservation	150,000		
16	Foster Care Augmented Rate	500,000		
17	Foster Care Special Need	747,900		
18	Residential Child Care	1,956,300		
19	Infant Learning Program	4,456,700		
20	Grants			
21	Adult Preventative Dental		1,400,000	1,400,000
22	Medicaid Services			
23	It is the intent of the legislature that the Adult Preventative Dental Medicaid Services not over			
24	spend authority granted by authorizing statute and adjust benefits available to individual			
25	participants as necessary to maintain and conduct the program throughout the entire fiscal			
26	year.			
27	Adult Preventative Dental	1,400,000		
28	Medicaid Services			
29	Juvenile Justice		949,300	749,600
30	McLaughlin Youth Center	654,500		
31	Fairbanks Youth Facility	101,000		
32	Bethel Youth Facility	56,700		
33	Probation Services	137,100		

		Appropriation	General	Other
		Allocations	Items	Funds
			Funds	Funds
3	Public Health		1,048,300	718,300
4	Women, Children and Family	750,000		
5	Health			
6	Certification and Licensing	120,000		
7	Community Health Grants	98,300		
8	It is the intent of the legislature that \$1,000,000 be made available for direct services provided			
9	by primary care community health centers operating as federal 330 facilities through a			
10	competitive grant process under 7 AAC 78.			
11	Health Planning and	80,000		
12	Infrastructure			
13	It is the intent of the legislature that, in accordance with AS 37.05.316, \$250,000 in general			
14	funds be provided as a grant to Anchorage Project Access.			
15	Senior and Disabilities		14,546,100	13,793,400
16	Services			752,700
17	It is the intent of the legislature that regulations related to the General Relief / Temporary			
18	Assisted Living program be reviewed and revised as needed to minimize the length of time			
19	that the state provides housing alternatives and assure the services are provided only to			
20	intended beneficiaries who are actually experiencing harm, abuse or neglect. The department			
21	should educate care coordinators and direct service providers about who should be referred			
22	and when they are correctly referred to the program in order that referring agents correctly			
23	match consumer needs with the program services intended by the department.			
24	General Relief/Temporary	740,300		
25	Assisted Living			
26	Senior and Disabilities	2,461,600		
27	Services Administration			
28	Senior Community Based	3,419,400		
29	Grants			
30	It is the intent of the legislature that the \$1,000,000 increment in the FY 09 budget for Senior			
31	Community Based Grants be used to invest in successful home and community based			
32	supports provided by grantees who have demonstrated successful outcomes documented in			
33	accordance with the department's performance based evaluation procedures.			

	Appropriation	General	Other	
	Allocations	Items	Funds	Funds
1				
2				
3	Community Developmental	7,924,800		
4	Disabilities Grants			
5	Departmental Support	1,792,900	1,792,900	
6	Services			
7	Commissioner's Office	105,000		
8	It is the intent of the legislature that the Department of Health and Social Services complete			
9	the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid			
10	providers:			
11	1. Develop regulations addressing the use of extrapolation methodology following an audit of			
12	Medicaid providers that clearly defines the difference between actual overpayment of funds to			
13	a provider and ministerial omission or clerical billing error that does not result in			
14	overpayment to the provider. The extrapolation methodology will also define percentage of			
15	"safe harbor" overpayment rates for which extrapolation methodology will be applied.			
16	2. Develop training standards and definitions regarding ministerial and billing errors versus			
17	overpayments. Include the use of those standards and definitions in the State's audit contracts.			
18	All audits initiated after the effective date of this intent and resulting in findings of			
19	overpayment will be calculated under the Department's new regulations governing			
20	overpayment standards and extrapolation methodology.			
21	It is the intent of the legislature that the department develops a ten year funding source and			
22	use of funds projection for the entire department.			
23	It is the intent of the legislature that the department continue working on implementing a			
24	provider rate rebasing process and specific funding recommendations for both Medicaid and			
25	non-Medicaid providers to be completed and available to the legislature no later than			
26	December 15, 2008.			
27	Administrative Support	494,400		
28	Services			
29	Information Technology	843,500		
30	Services			
31	HSS State Facilities Rent	350,000		
32	Boards and Commissions	1,792,700	470,800	1,321,900
33	AK Mental Health & Alcohol	854,400		

	Appropriation	General	Other
	Allocations	Funds	Funds
	Items		
1			
2			
3	& Drug Abuse Boards		
4	Commission on Aging	193,600	
5	Governor's Council on	744,700	
6	Disabilities and Special		
7	Education		
8	*****	*****	
9	***** Department of Law *****		
10	*****	*****	
11	Civil Division	81,700	81,700
12	Human Services and Child	81,700	
13	Protection		
14	*****	*****	
15	***** Department of Natural Resources *****		
16	*****	*****	
17	Resource Development	1,691,600	1,691,600
18	Mental Health Trust Lands	1,691,600	
19	Administration		
20	*****	*****	
21	***** Department of Revenue *****		
22	*****	*****	
23	Alaska Mental Health Trust	2,499,600	2,499,600
24	Authority		
25	Mental Health Trust	2,499,600	
26	Operations		
27	*****	*****	
28	***** University of Alaska *****		
29	*****	*****	

30 It is the intent of the legislature that the University of Alaska submit a report by the last day of
31 each calendar quarter to the Legislative Budget & Audit Committee which describes in detail
32 the movement of funds and positions between allocations as well as reimbursable services
33 agreements between University appropriations.

		Appropriation	General	Other
		Allocations	Items	Funds
				Funds
1				
2				
3	Statewide Programs and		390,000	390,000
4	Services			
5	Statewide Services	390,000		
6	University of Alaska		1,488,300	1,192,500
7	Anchorage			
8	Anchorage Campus	1,488,300		
9	University of Alaska		40,000	40,000
10	Fairbanks			
11	Fairbanks Campus	40,000		
12		*****	*****	
13		*****	Alaska Court System	*****
14		*****	*****	
15	Alaska Court System		1,577,700	589,900
16	Trial Courts	1,577,700		987,800
17				

(SECTION 2 OF THIS ACT BEGINS ON PAGE 12)

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 **Department of Administration**

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 **Department of Corrections**

10 1037 General Fund / Mental Health 6,667,000

11 1092 Mental Health Trust Authority Authorized 358,000

12 Receipts

13 *** Total Agency Funding *** \$7,025,000

14 **Department of Education and Early Development**

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 **Department of Health and Social Services**

20 1037 General Fund / Mental Health 131,387,300

21 1092 Mental Health Trust Authority Authorized 8,415,500

22 Receipts

23 1180 Alcohol and Other Drug Abuse Treatment & 18,912,300

24 Prevention Fund

25 *** Total Agency Funding *** \$158,715,100

26 **Department of Law**

27 1037 General Fund / Mental Health 81,700

28 *** Total Agency Funding *** \$81,700

29 **Department of Natural Resources**

30 1092 Mental Health Trust Authority Authorized 1,691,600

31 Receipts

1	*** Total Agency Funding ***	\$1,691,600
2	Department of Revenue	
3	1094 Mental Health Trust Administration	2,499,600
4	*** Total Agency Funding ***	\$2,499,600
5	University of Alaska	
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	Alaska Court System	
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 * * * * *	\$176,002,800
16	(SECTION 3 OF THIS ACT BEGINS ON PAGE 14)	

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	General Funds	
5	1037 General Fund / Mental Health	140,876,700
6	***Total General Funds***	\$140,876,700
7	Federal Funds	
8	***Total Federal Funds***	\$0
9	Other Non-Duplicated Funds	
10	1092 Mental Health Trust Authority Authorized	13,714,200
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***	\$35,126,100
16	Duplicated Funds	
17	***Total Duplicated Funds***	\$0

18 (SECTION 4 OF THIS ACT BEGINS ON PAGE 15)

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

	*****	*****	
	***** Department of Health and Social Services *****		
	*****	*****	

10 MH Essential Program	250,000	250,000	
11 Equipment (HD 1-40)			
12 MH Home Modification and	500,000	250,000	250,000
13 Upgrades to Retain Housing			
14 (HD 1-40)			
15 MH Treatment and Recovery	750,000	250,000	500,000
16 Based Special Needs			
17 Housing (HD 1-40)			

	*****	*****	
	***** Department of Natural Resources *****		
	*****	*****	

21 Mental Health Trust	350,000		350,000
22 Facilities Maintenance (HD			
23 1-40)			
24 Mental Health Trust Land	650,000		650,000
25 Development (HD 1-40)			

	*****	*****	
	***** Department of Revenue *****		
	*****	*****	

Alaska Housing Finance			
30 Corporation			
31 AHFC Beneficiary and	1,750,000		1,750,000

1		Appropriation	General	Other
2		Allocations	Items	Funds
3	Special Needs Housing (HD			
4	1-40)			
5	AHFC Emergency Assistance	200,000		200,000
6	Grants for Mental Health			
7	Trust Beneficiaries (HD			
8	1-40)			
9	AHFC Homeless Assistance	8,000,000	500,000	7,500,000
10	Program (HD 1-40)			
11	*****		*****	
12	***** Department of Transportation/Public Facilities *****			
13	*****		*****	
14	Coordinated Transportation	1,100,000	800,000	300,000
15	and Vehicles (HD 1-40)			
16	(SECTION 5 OF THIS ACT BEGINS ON PAGE 17)			

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 **Department of Health and Social Services**

5 1037 General Fund / Mental Health 750,000

6 1092 Mental Health Trust Authority Authorized Receipts 500,000

7 1139 Alaska Housing Finance Corporation Dividend 250,000

8 *** Total Agency Funding *** \$1,500,000

9 **Department of Natural Resources**

10 1092 Mental Health Trust Authority Authorized Receipts 1,000,000

11 *** Total Agency Funding *** \$1,000,000

12 **Department of Revenue**

13 1037 General Fund / Mental Health 500,000

14 1092 Mental Health Trust Authority Authorized Receipts 1,700,000

15 1108 Statutory Designated Program Receipts 2,500,000

16 1139 Alaska Housing Finance Corporation Dividend 5,250,000

17 *** Total Agency Funding *** \$9,950,000

18 **Department of Transportation/Public Facilities**

19 1037 General Fund / Mental Health 800,000

20 1092 Mental Health Trust Authority Authorized Receipts 300,000

21 *** Total Agency Funding *** \$1,100,000

22 * * * * * Total Budget * * * * * \$13,550,000

23 (SECTION 6 OF THIS ACT BEGINS ON PAGE 18)

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	General Funds	
5	1037 General Fund / Mental Health	2,050,000
6	***Total General Funds***	\$2,050,000
7	Federal Funds	
8	***Total Federal Funds***	\$0
9	Other Non-Duplicated Funds	
10	1092 Mental Health Trust Authority Authorized	3,500,000
11	Receipts	
12	1108 Statutory Designated Program Receipts	2,500,000
13	1139 Alaska Housing Finance Corporation Dividend	5,500,000
14	***Total Other Non-Duplicated Funds***	\$11,500,000
15	Duplicated Funds	
16	***Total Duplicated Funds***	\$0

17 (SECTION 7 OF THIS ACT BEGINS ON PAGE 19)

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.