

**ALASKA STATE LEGISLATURE**  
**JOINT MEETING**  
**HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES STANDING COMMITTEE**  
**SENATE HEALTH, EDUCATION AND SOCIAL SERVICES STANDING COMMITTEE**  
February 15, 2008  
1:37 p.m.

**MEMBERS PRESENT**

HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES

Representative Peggy Wilson, Chair  
Representative Berta Gardner

SENATE HEALTH, EDUCATION AND SOCIAL SERVICES

Senator Bettye Davis, Chair  
Senator Joe Thomas, Vice Chair  
Senator John Cowdery (via teleconference)  
Senator Kim Elton

**MEMBERS ABSENT**

HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES

Representative Bob Roses, Vice Chair  
Representative Anna Fairclough  
Representative Wes Keller  
Representative Paul Seaton  
Representative Sharon Cissna

SENATE HEALTH, EDUCATION AND SOCIAL SERVICES

Senator Fred Dyson

**COMMITTEE CALENDAR**

PRESENTATION: BRING THE KIDS HOME UPDATE

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

JEFF JESSEE, Chief Executive Officer  
Alaska Mental Health Trust Authority (AMHTA)

Department of Revenue (DOR)  
Anchorage, Alaska

**POSITION STATEMENT:** Presented the Bring the Kids Home Update.

BILL HERMAN, Senior Program Officer  
Alaska Mental Health Trust Authority (AMHTA)  
Department of Revenue (DOR)  
Anchorage, Alaska

**POSITION STATEMENT:** Participated in the presentation of the Bring the Kids Home Update.

BRITA BISHOP, Health Program Manager  
Office of the Commissioner  
Department of Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Participated in the presentation of the Bring the Kids Home Update.

KAREN SCHAFF, Director  
Adolescent Treatment Services  
Volunteers of America Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Participated in the presentation of the Bring the Kids Home Update.

DEE FOSTER, M. S.; Director  
Family Services  
Anchorage Community Mental Health Services, Inc.  
Anchorage, Alaska

**POSITION STATEMENT:** Participated in the presentation of the Bring the Kids Homes Update.

WALTER MAJOROS, Executive Director  
Juneau Youth Services, Inc.  
Juneau, Alaska

**POSITION STATEMENT:** Participated in the presentation of the Bring the Kids Home Update.

#### **ACTION NARRATIVE**

**CHAIR PEGGY WILSON** called the joint meeting of the House and Senate Health, Education and Social Services Standing Committees to order at [1:37:23 PM](#). Representative Wilson was present at the call to order. Representative Gardner arrived as the meeting was in progress. Senators Davis, Elton, Cowdery (via teleconference), and Thomas were present at the call to order.

Presentation: Bring the Kids Home Update

1:38:33 PM

Chair Wilson announced that the only order of business would be a presentation on the Bring the Kids Home Update.

1:39:16 PM

JEFF JESSEE, Chief Executive Officer, Alaska Mental Health Trust Authority (AMHTA), Department of Revenue, introduced the panel. He stated that he was proud to present one of the most successful collaborative efforts between the AMHTA, the DHSS, tribal health organizations, providers, and families. There was a broad base of involvement which led to the positive results from this partnership.

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BILL HERMAN, Senior Program Officer, Alaska Mental Health Trust Authority, Department of Revenue (DOR), informed the committees that there has been an increased use of out-of state residential psychiatric treatment centers in the last ten years. This trend was due to funding through Medicaid that directs funding streams to higher levels of care, rather than to out-patient and early intervention care. In fact, kids have been moving into higher levels of disease and care. The goal of the Bring the Kids Home Initiative is to reverse that trend and provide treatment for kids closer to, or in, their homes which will hasten recovery. An added benefit of providing treatment locally is to bring the money spent on care, estimated at \$40 million, back to Alaska. Mr. Herman illustrated that, since 1998, in-state treatment has remained level while out-of state referrals have increased to 749 kids.

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MR. JESSEE explained that the initiative was originated during the Murkowski administration when the AMHTA trustees were asked how to address the exponential growth in the use of out-of state residential psychiatric treatment centers. The AMHTA then began to work with the DHSS and developed strategies to invest in the local infrastructure that was needed to provide treatment in Alaska. Mr. Jessee pointed out that the state has leveraged the AMHTA to invest millions of dollars in the development of this infrastructure.

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BRITA BISHOP, Health Program Manager, Office of the Commissioner, Department of Social Services (DHSS), stated that, during FY 06 out-of state expenditures for residential care decreased from about \$40 million to about \$36 million. The number of kids who are placed outside has been decreasing, also. The drop in expenditures corresponds with the drop in the utilization of more expensive out-of state residential psychiatric treatment center (RPTC) care and the increase of in-state RPTC care. Projected utilization to FY 2013 is that the number of children treated out-of state will be reduced to 500 children. Ms. Bishop stated that the goal is to end the imitative at this time.

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MR. JESSEE referred to a chart showing the relative allocation of community investment, in-state RPTC expenditures, and out-of state RPTC expenditures. The chart showed a steady increase in community investment and declining in-state and out-of state RPTC care beginning in FY 05 and projected through FY 13. He stressed that savings must be reinvested in the infrastructure in Alaska to continue this trend. Mr. Jessee emphasized that sustaining the increments of money needed to support the program is a concern to legislators; however, one must understand that, at the same time, the state is reducing total expenses by reducing out-of state care. It is critical to understand that the reinvestment strategy is effective in saving money. Mr. Jessee further explained that, had the state initially built a continuum of care for kids and families, it would have been necessary for an enormous up-front investment in home based and community based services and facilities. He opined that a request for funding to build these facilities would not have been funded; therefore, it is necessary for Alaska to invest in RPTCs, in the short term, to bring, and keep, kids home. However, DHSS and AMHTA do not want to continue to focus on residential services because they are not the most successful, they are disruptive to families, and they are expensive. He concluded that future investments in home based and community based care will keep kids out of residential care.

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MS. BISHOP presented tracking and progress information that was determined by admissions and the number of clients served. Also, other indicators from grants and service agreement funding

pools reflect how money is utilized and its impacts. The Department of Behavioral Health (DBH) is also maintaining indicators of client satisfaction and functional improvement. The goal of tracking this information is to ensure that there is improvement in outcomes and that there is not a decline in the quality of service.

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MR. JESSEE pointed out that keeping a record of indicators is a core part of the strategy of this program. A highly sophisticated way to chart success and indicators will ensure that investors can see results, and that, when necessary, changes and improvements are made. He recalled the lesson of the Alaska Youth Initiative. This program was not properly managed or documented, and its funding was revoked. Mr. Jessee turned to FY 09 projects and explained that the purpose of the AMHTA funding is to accelerate the capacity of communities to expand facilities and to stabilize the investments. He reminded the committee of a troubled program in Valdez that was successfully revived by AMHTA money. In fact, through this initiative, trust money will support institutions, and the legislature can support community services. Mr. Jessee presented six primary strategies of the program's five year plan. The strategy to build a skilled behavioral health work force is particularly challenging. He then presented an activities and estimated budget that called for general fund mental health funding in excess of \$20 million over five years. He reiterated that the state must serve its citizens and that the reinvestment strategy will continue to be successful with a sufficient commitment from the legislature.

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MR. JESSEE continued to explain that the five year plan also includes workforce and capital development. He noted that the Denali Commission has contributed over \$6 million in capital funding for infrastructure projects, some of which will be supported by federal funds after completion.

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REPRESENTATIVE GARDNER asked whether the RPTC in Eklutna is for adult or kid residential care.

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MR. JESSEE said adolescent care.

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SENATOR THOMAS asked where the anticipated overall expense is shown in the presentation.

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MR. JESSEE directed the committee's attention to the report found in the committee packet that shows the projected total costs of the initiative by fiscal year.

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SENATOR THOMAS surmised that the presenters are anticipating costs in FY 13 to be less than the costs projected for FY 06.

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MR. JESSEE agreed, and added that inflation and rate adjustments will impact the projections. He opined that this initiative will not save money, but is designed to change where investments are made.

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SENATOR THOMAS stated his agreement with the goal of spending more of the mental health budget in-state and building the economy.

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REPRESENTATIVE GARDNER asked whether the plan is also designed to change outcomes.

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MR. JESSEE said yes.

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CHAIR WILSON stated that the plan is designed to save kids.

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KAREN SCHAFF, Director, Adolescent Treatment Services, Volunteers of America Alaska, informed the committee that her organization is involved in the Assertive Continuing Care program, which is an evidence based practice designed to serve kids who are coming out of RPTCs and other residential, or out-patient programs. Beginning in 2006, 121 youths have been served. The volunteers continue contacts with kids in their homes, schools, or in the community, and reinforce coping skills. She presented positive data as a result of continuing care. Presently, volunteers are serving all of the youths discharged from the McLaughlin Youth Center.

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CHAIR WILSON asked how many visits are made in a month.

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MS. SCHAFF said that volunteers see kids approximately four times in the month prior to discharge, including group meetings. She then explained that the ARCH program is a residential expansion and replacement project located outside of Anchorage. The present facility is in need of replacement and, with support from the state and foundations, her organization is building a new, 24 bed facility for youths with substance use disorders, severe emotional disturbances, and co-occurring disorders.

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CHAIR WILSON asked whether this facility is similar to a halfway house.

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MS. SCHAFF answered that this is a residential treatment center.

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CHAIR WILSON asked about the conditions of release for residents.

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MS. SCHAFF informed the committee that, prior to release, there is family therapy and support is established in home communities. She opined that 80 percent of the residents are

from rural areas and are sent home on transitional passes to prepare for their return to school and home life.

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MS. SCHAFF continued to say that the new facility will be completed in June, 2008.

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MR. JESSEE pointed out that the state's contribution to this new facility is \$1.2 million towards a total cost of more than \$6 million. He predicted that there will be a request for capital funds in FY 2010.

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DEE FOSTER, M. S., Director, Family Services, Anchorage Community Mental Health Services, Inc., stated that her organization serves about 700 kids per year. Eighty percent of those served suffer from child abuse and neglect, rather than neurological disorders. The site has developed a child trauma center and can access national expert information. During a 30 month time period, Anchorage Community Mental Health Services served 107 clients and 65 percent successfully completed treatment. Ms. Foster listed factors that indicate successful treatment.

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REPRESENTATIVE GARDNER asked for how long a period clients are monitored for success.

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MS. FOSTER stated that the follow-up procedure is now being developed. Kids and families are in treatment from six to twelve months with an emphasis on changing families and the youth's environment.

REPRESENTATIVE GARDNER surmised that the 65 percent who successfully completed treatment are those who finished their recommended plan.

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MS. FOSTER concurred.

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CHAIR WILSON asked about the remainder.

MS. FOSTER explained that a percentage of families refuse to participate. In answer to a question, she said that, of the 107 clients in the sample, 6 percent were returned to out-of state care.

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SENATOR ELTON asked whether clients are wards of the state and whether decisions about placement are made by family members.

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MS. FOSTER estimated that about 50 percent of her clients are wards of the state.

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SENATOR ELTON observed that decisions are made by families or surrogates.

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MS. FOSTER clarified that, even for children in state custody, decisions are made jointly with their families.

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CHAIR WILSON described a situation with a family.

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MS. FOSTER further explained that measures are taken by mental health services to also help family members.

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SENATOR THOMAS expressed his appreciation for the cost comparisons [in the report in the committee packet] between community and out-of state residential care.

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MS. FOSTER added that the costs to the Bring the Kids Home program are combined with Medicaid costs; the actual cost to the program for each child is \$80 per month.

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SENATOR THOMAS noted that adding the cost of the new facilities would indicate a lower expense for residential care per child.

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MS. FOSTER informed the committee that, as a child therapist, she was shocked to see a child with attachment disorder sent away from his family and community to an out-of state facility. She said that this is not the appropriate treatment.

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REPRESENTATIVE GARDNER related her experience as a volunteer, where she saw a six year old sent out-of state for eight years.

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MS. FOSTER opined that this treatment is inhumane.

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WALTER MAJOROS, Executive Director, Juneau Youth Services, Inc., introduced the Montana Creek Residential Program and the Black Bear Transitional Living Apartments located in Juneau. The Montana Creek residential program opened in August, 2007, and is a 15 bed facility, including a gymnasium, and is designed for kids with co-occurring disorders of mental health and chemical dependency. The facility is co-ed and for youth aged 12 to 15. Mr. Majoros stated that the facility was built with multiple capital funding partners and without state funding for capital expenses. The program is a partnership with the SouthEast Alaska Regional Health Consortium (SEARHC) and is unique in that regard; in fact, there is 100 percent reimbursement from Medicaid for Native kids, which saves the state about \$64,000 per child per year.

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SENATOR ELTON stated that successful treatment programs work because of the quality of the service providers.

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MR. MAJOROS then described the Black Bear Transition Living Apartments. This is not a residential treatment center, but a 13 bed apartment building, with a resident case manager, for youth aged 18 to 21 years. Residents are youths coming from residential programs, the foster care system, and the juvenile justice system, or are runaways or homeless. Like Montana Creek, this project was funded by a partnership and is meeting a critical need. He advised that the Bringing the Kids Home program does not support clients in the community when they become young adults. His agency maintains the apartment with a federal grant; however, its savings are gone. Mr. Majoros opined that, to continue to serve kids in Alaska, the state must invest in community based services.

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REPRESENTATIVE GARDNER asked for the capacity of both facilities.

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MR. MAJOROS responded that Juneau Youth Services has a waitlist of 100 kids who are waiting for services. Utilization of the residential programs averages 98 percent to 100 percent.

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CHAIR WILSON asked whether there is support from the City and Borough of Juneau.

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MR. MAJOROS said that there are small grants available and he is hopeful for a larger contribution from the municipality in the future.

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MR. JESSEE recalled that funding for one of Juneau Youth Services early childhood programs was rejected by the Health and Social Services Finance Subcommittee.

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CHAIR WILSON asked whether the home life of children is getting better or worse.

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MR. MAJOROS expressed his belief that, because Juneau Youth Services offers a full array of services, it is able to keep families engaged.

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CHAIR WILSON re-stated her question.

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MR. MAJOROS opined that life is harder for kids and families these days. In his experience, there are more severe problems; for example, there were four or five youth suicides in Juneau within the last year.

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MS. FOSTER expressed her feeling that there is more stress on families than 20 years ago.

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#### **ADJOURNMENT**

There being no further business before the committees, the joint meeting between the House Health, Education and Social Services Standing Committee and the Senate Health, Education and Social Services Standing Committee was adjourned at 2:37 p.m.