

**SENATE CS FOR CS FOR HOUSE BILL NO. 83(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SIXTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 3/27/09**

**Referred: Rules**

**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 \* **Section 1.** The following appropriation items are for operating expenditures from the  
 2 general fund or other funds as set out in section 2 of this Act to the agencies named for the  
 3 purposes expressed for the fiscal year beginning July 1, 2009 and ending June 30, 2010,  
 4 unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated  
 5 reduction set out in this section may be allocated among the appropriations made in this  
 6 section to that department, agency, or branch.

	Appropriation	General	Other
	Allocations	Items	Funds
	Funds	Funds	Funds
	*****	*****	
	***** <b>Department of Administration</b> *****		
	*****	*****	
<b>Legal and Advocacy Services</b>	<b>2,024,500</b>	<b>1,873,200</b>	<b>151,300</b>
Office of Public Advocacy	1,723,100		
Public Defender Agency	301,400		
	*****	*****	
	***** <b>Department of Corrections</b> *****		
	*****	*****	
<b>Inmate Health Care</b>	<b>8,394,900</b>	<b>8,020,900</b>	<b>374,000</b>
Behavioral Health Care	8,394,900		
	*****	*****	
	***** <b>Department of Education and Early Development</b> *****		
	*****	*****	
<b>Teaching and Learning Support</b>	<b>539,800</b>	<b>339,800</b>	<b>200,000</b>
Student and School	539,800		
Achievement			
	*****	*****	
	***** <b>Department of Health and Social Services</b> *****		
	*****	*****	

29 No money appropriated in this appropriation may be expended for an abortion that is not a  
 30 mandatory service required under AS 47.07.030(a). The money appropriated for Health and  
 31 Social Services may be expended only for mandatory services required under Title XIX of the



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

3 the selection process.

4 It is the intent of the legislature that the Department of Health and Social Services continue  
 5 the Medicaid Reform work to improve efficiency and slow the need for General Funds in the  
 6 Medicaid program. Specifically, but not exclusively, the Department is to:

7 1) Complete the evaluation of possible changes to program design, determine waiver changes  
 8 necessary to secure federal funding and report back to the Second Session of the 26th Alaska  
 9 Legislature on suggested changes, expected outcomes related to Medicaid sustainability, and  
 10 resources needed to accomplish the work.

11 2) Develop and implement public provider reimbursement methodologies and payment rates  
 12 that will further the goals of Medicaid Reform.

13 3) Continue and enhance the State and Tribal Medicaid work and partnership to enhance our  
 14 ability to provide Medicaid services through Tribal Health Organizations.

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16  
17

<b>18</b>	<b>Alaska Pioneer Homes</b>	<b>13,757,100</b>	<b>13,757,100</b>	
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19 It is the intent of the legislature that the Department maintain regulations requiring all  
 20 residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state  
 21 subsidy being provided for their care from the State Payment Assistance program.

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

<b>29</b>	Alaska Pioneer Homes	64,300		
<b>30</b>	Management			
<b>31</b>	Pioneer Homes	13,692,800		

<b>32</b>	<b>Behavioral Health</b>	<b>121,233,000</b>	<b>96,736,100</b>	<b>24,496,900</b>
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<b>33</b>	AK Fetal Alcohol Syndrome	59,500		
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	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
	<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
3	Program		
4	Alcohol Safety Action	1,188,300	
5	Program (ASAP)		
6	Behavioral Health Medicaid	43,862,400	
7	Services		
8	Behavioral Health Grants	26,867,300	
9	It is the intent of the legislature that the department continue developing policies and		
10	procedures surrounding the awarding of recurring grants to assure that applicants are regularly		
11	evaluated on their performance in achieving outcomes consistent with the expectations and		
12	missions of the Department related to their specific grant. The recipient's specific		
13	performance should be measured and incorporated into the decision whether to continue		
14	awarding grants. Performance measurement should be standardized, accurate, objective and		
15	fair, recognizing and compensating for differences among grant recipients including acuity of		
16	services provided, client base, geographic location and other factors necessary and appropriate		
17	to reconcile and compare grant recipient performances across the array of providers and		
18	services involved.		
19	It is the intent of the legislature that the \$181.0 increment in the FY10 budget for Behavioral		
20	Health Grants be used for the Volunteers of America ARCH residential treatment center for		
21	adolescents with substance abuse/dependency and co-occurring disorders.		
22	It is the intent of the legislature that \$210,000 of this appropriation be used to Combat		
23	Alaska's Statewide Heroin Epidemic.		
24	Behavioral Health	3,492,000	
25	Administration		
26	Community Action	1,047,200	
27	Prevention & Intervention		
28	Grants		
29	Rural Services and Suicide	2,135,700	
30	Prevention		
31	Psychiatric Emergency	7,673,000	
32	Services		
33	Services to the Seriously	13,099,200	

		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
		<b>Allocations</b>	<b>Items</b>	<b>Funds</b>
			<b>Funds</b>	<b>Funds</b>
1				
2				
3	Mentally Ill			
4	Designated Evaluation and	3,031,900		
5	Treatment			
6	Services for Severely	11,947,200		
7	Emotionally Disturbed			
8	Youth			
9	Alaska Psychiatric	5,861,900		
10	Institute			
11	AK Mental Health & Alcohol	884,600		
12	& Drug Abuse Boards			
13	Suicide Prevention Council	82,800		
14	<b>Children's Services</b>		<b>13,514,700</b>	<b>13,184,700</b>
15	Children's Medicaid	4,185,600		
16	Services			
17	Children's Services	69,600		
18	Management			
19	Front Line Social Workers	148,600		
20	Family Preservation	150,000		
21	Foster Care Augmented Rate	500,000		
22	Foster Care Special Need	747,900		
23	It is the intent of the legislature that \$100,400 of this appropriation be used to provide funding			
24	for start-up and operational expenses to the Dillingham Therapeutic Foster Home.			
25	Residential Child Care	1,956,300		
26	Infant Learning Program	5,756,700		
27	Grants			
28	<b>Health Care Services</b>		<b>656,000</b>	<b>350,000</b>
29	Health Planning and	656,000		
30	Infrastructure			
31	<b>Juvenile Justice</b>		<b>1,055,100</b>	<b>865,900</b>
32	McLaughlin Youth Center	654,700		
33	Fairbanks Youth Facility	103,700		

	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
	<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
	<b>Items</b>		
3	Bethel Youth Facility	57,100	
4	Probation Services	239,600	
5	<b>Public Assistance</b>	<b>13,200</b>	<b>13,200</b>
6	Public Assistance	13,200	
7	Administration		
8	<b>Public Health</b>	<b>1,096,800</b>	<b>971,800</b>
9	Nursing	98,300	
10	Women, Children and Family	877,700	
11	Health		
12	Certification and Licensing	120,800	
13	<b>Senior and Disabilities</b>	<b>15,358,000</b>	<b>13,902,200</b>
14	<b>Services</b>		<b>1,455,800</b>

15 It is the intent of the legislature that regulations related to the General Relief / Temporary  
16 Assisted Living program be reviewed and revised as needed to minimize the length of time  
17 that the state provides housing alternatives and assure the services are provided only to  
18 intended beneficiaries who are actually experiencing harm, abuse or neglect. The department  
19 should educate care coordinators and direct service providers about who should be referred  
20 and when they are correctly referred to the program in order that referring agents correctly  
21 match consumer needs with the program services intended by the department.

22	General Relief/Temporary	740,300
23	Assisted Living	
24	Senior and Disabilities	2,737,900
25	Services Administration	
26	Senior Community Based	3,069,400
27	Grants	

28 It is the intent of the legislature that funding in the FY 2010 budget for Senior Community  
29 Based Grants be used to invest in successful home and community based supports provided  
30 by grantees who have demonstrated successful outcomes documented in accordance with the  
31 department's performance based evaluation procedures.

32 It is the intent of the legislature that \$609,900 of this appropriation be used to hold harmless  
33 those regions that will see a reduction in available grants for Family Caregiver, Nutrition,

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	Transportation and Support, and In Home Services due to the State's implementation of a new statewide funding formula.		
5	Community Developmental	7,924,800	
6	Disabilities Grants		
7	Commission on Aging	117,000	
8	Governor's Council on	768,600	
9	Disabilities and Special		
10	Education		
11	<b>Departmental Support</b>	<b>1,453,800</b>	<b>1,403,800</b>
12	<b>Services</b>		<b>50,000</b>
13	Commissioner's Office	157,800	
14	It is the intent of the legislature that the Department of Health and Social Services complete		
15	the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid		
16	providers:		
17	1. Develop regulations addressing the use of extrapolation methodology following an audit of		
18	Medicaid providers that clearly defines the difference between actual overpayment of funds to		
19	a provider and ministerial omission or clerical billing error that does not result in		
20	overpayment to the provider. The extrapolation methodology will also define percentage of		
21	'safe harbor' overpayment rates for which extrapolation methodology will be applied.		
22	2. Develop training standards and definitions regarding ministerial and billing errors versus		
23	overpayments. Include the use of those standards and definitions in the State's audit contracts.		
24	All audits initiated after the effective date of this intent and resulting in findings of		
25	overpayment will be calculated under the Department's new regulations governing		
26	overpayment standards and extrapolation methodology.		
27	It is the intent of the legislature that the department develops a ten year funding source and		
28	use of funds projection for the entire department.		
29	It is the intent of the legislature that the department continue working on implementing a		
30	provider rate rebasing process and specific funding recommendations for both Medicaid and		
31	non-Medicaid providers to be completed and available to the legislature no later than		
32	December 15, 2009.		
33	Administrative Support	91,400	

	Appropriation	General	Other
	Allocations	Funds	Funds
		Items	
1			
2			
3	Services		
4	Information Technology	854,600	
5	Services		
6	HSS State Facilities Rent	350,000	
7	*****	*****	
8	***** Department of Law *****		
9	*****	*****	
10	<b>Criminal Division</b>	<b>12,500</b>	<b>12,500</b>
11	Criminal Justice	12,500	
12	Litigation		
13	<b>Civil Division</b>	<b>84,500</b>	<b>84,500</b>
14	Human Services and Child	84,500	
15	Protection		
16	*****	*****	
17	***** Department of Natural Resources *****		
18	*****	*****	
19	<b>Resource Development</b>	<b>2,273,400</b>	<b>2,273,400</b>
20	Mental Health Trust Lands	2,273,400	
21	Administration		
22	*****	*****	
23	***** Department of Revenue *****		
24	*****	*****	
25	<b>Alaska Mental Health Trust</b>	<b>2,650,000</b>	<b>2,650,000</b>
26	<b>Authority</b>		
27	Mental Health Trust	2,650,000	
28	Operations		
29	*****	*****	
30	***** University of Alaska *****		
31	*****	*****	
32	<b>Statewide Programs and</b>	<b>474,000</b>	<b>100,000</b>
33	<b>Services</b>		<b>374,000</b>

	<b>Appropriation</b>	<b>General</b>	<b>Other</b>
	<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
	<b>Items</b>		
1			
2			
3	Statewide Services	474,000	
4	<b>University of Alaska</b>	<b>1,418,800</b>	<b>200,800</b>
5	<b>Anchorage</b>		
6	Anchorage Campus	1,418,800	
7	<b>University of Alaska</b>	<b>25,000</b>	<b>25,000</b>
8	<b>Fairbanks</b>		
9	Fairbanks Campus	25,000	
10	*****	*****	
11	***** <b>Alaska Court System</b> *****		
12	*****	*****	
13	<b>Alaska Court System</b>	<b>1,812,300</b>	<b>1,337,000</b>
14	Trial Courts	227,000	
15	Therapeutic Courts	1,585,300	
16	It is the intent of the legislature that, as much as is possible, FY 2011 funding for Therapeutic		
17	Courts currently appropriated in other agencies be aggregated in the Therapeutic Courts		
18	allocation within the Alaska Court System.		
19	(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 **Department of Administration**

5 1037 General Fund / Mental Health 1,873,200

6 1092 Mental Health Trust Authority Authorized 151,300

7 Receipts

8 \*\*\* Total Agency Funding \*\*\* \$2,024,500

9 **Department of Corrections**

10 1037 General Fund / Mental Health 8,020,900

11 1092 Mental Health Trust Authority Authorized 374,000

12 Receipts

13 \*\*\* Total Agency Funding \*\*\* \$8,394,900

14 **Department of Education and Early Development**

15 1037 General Fund / Mental Health 339,800

16 1092 Mental Health Trust Authority Authorized 200,000

17 Receipts

18 \*\*\* Total Agency Funding \*\*\* \$539,800

19 **Department of Health and Social Services**

20 1037 General Fund / Mental Health 141,184,800

21 1092 Mental Health Trust Authority Authorized 7,033,000

22 Receipts

23 1180 Alcohol and Other Drug Abuse Treatment & 19,919,900

24 Prevention Fund

25 \*\*\* Total Agency Funding \*\*\* \$168,137,700

26 **Department of Law**

27 1037 General Fund / Mental Health 84,500

28 1092 Mental Health Trust Authority Authorized 12,500

29 Receipts

30 \*\*\* Total Agency Funding \*\*\* \$97,000

31 **Department of Natural Resources**

1	1092 Mental Health Trust Authority Authorized	2,273,400
2	Receipts	
3	*** Total Agency Funding ***	\$2,273,400
4	<b>Department of Revenue</b>	
5	1094 Mental Health Trust Administration	2,650,000
6	*** Total Agency Funding ***	\$2,650,000
7	<b>University of Alaska</b>	
8	1037 General Fund / Mental Health	300,800
9	1092 Mental Health Trust Authority Authorized	1,617,000
10	Receipts	
11	*** Total Agency Funding ***	\$1,917,800
12	<b>Alaska Court System</b>	
13	1037 General Fund / Mental Health	1,337,000
14	1092 Mental Health Trust Authority Authorized	475,300
15	Receipts	
16	*** Total Agency Funding ***	\$1,812,300
17	* * * * * Total Budget * * * * *	\$187,847,400

18 (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	153,141,000
6	***Total General Funds***	\$153,141,000
7	<b>Federal Funds</b>	
8	***Total Federal Funds***	\$0
9	<b>Other Non-Duplicated Funds</b>	
10	1092 Mental Health Trust Authority Authorized	12,136,500
11	Receipts	
12	1094 Mental Health Trust Administration	2,650,000
13	1180 Alcohol and Other Drug Abuse Treatment &	19,919,900
14	Prevention Fund	
15	***Total Other Non-Duplicated Funds***	\$34,706,400
16	<b>Duplicated Funds</b>	
17	***Total Duplicated Funds***	\$0

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



		<b>Appropriation</b>	<b>General</b>	<b>Other</b>
		<b>Allocations</b>	<b>Funds</b>	<b>Funds</b>
		<b>Items</b>		
1				
2				
3	Special Needs Housing (HD			
4	1-40)			
5	MH AHFC Emergency	200,000		200,000
6	Assistance Grants for			
7	Mental Health Trust			
8	Beneficiaries (HD 1-40)			
9	MH AHFC Homeless	10,000,000	500,000	9,500,000
10	Assistance Program (HD			
11	1-40)			

(SECTION 5 OF THIS ACT BEGINS ON PAGE 16)

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 1,250,000

6 1092 Mental Health Trust Authority Authorized Receipts 300,000

7 1139 Alaska Housing Finance Corporation Dividend 250,000

8 1197 Alaska Capital Income Fund 2,200,000

9 \*\*\* Total Agency Funding \*\*\* \$4,000,000

10 **Department of Natural Resources**

11 1092 Mental Health Trust Authority Authorized Receipts 350,000

12 \*\*\* Total Agency Funding \*\*\* \$350,000

13 **Department of Revenue**

14 1002 Federal Receipts 2,000,000

15 1037 General Fund / Mental Health 500,000

16 1092 Mental Health Trust Authority Authorized Receipts 700,000

17 1108 Statutory Designated Program Receipts 1,000,000

18 1139 Alaska Housing Finance Corporation Dividend 7,750,000

19 \*\*\* Total Agency Funding \*\*\* \$11,950,000

20 \* \* \* \* \* Total Budget \* \* \* \* \* \$16,300,000

21 (SECTION 6 OF THIS ACT BEGINS ON PAGE 17)

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	1,750,000
6	***Total General Funds***	\$1,750,000
7	<b>Federal Funds</b>	
8	1002 Federal Receipts	2,000,000
9	***Total Federal Funds***	\$2,000,000
10	<b>Other Non-Duplicated Funds</b>	
11	1092 Mental Health Trust Authority Authorized	1,350,000
12	Receipts	
13	1108 Statutory Designated Program Receipts	1,000,000
14	1139 Alaska Housing Finance Corporation Dividend	8,000,000
15	***Total Other Non-Duplicated Funds***	\$10,350,000
16	<b>Duplicated Funds</b>	
17	1197 Alaska Capital Income Fund	2,200,000
18	***Total Duplicated Funds***	\$2,200,000

19 (SECTION 7 OF THIS ACT BEGINS ON PAGE 18)

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. ENTERPRISE INFORMATION TECHNOLOGY PROJECTS.** The sum of  
4 \$459,724 is appropriated to the Office of the Governor for the Department of Health and  
5 Social Services behavioral health data sharing partnership from the following sources in the  
6 amounts stated:

7 SOURCE	AMOUNT
8 Federal funds	\$ 25,540
9 General fund	434,184

10 \* **Sec. 9. NONGENERAL FUND RECEIPTS.** (a) Alaska Mental Health Trust Authority  
11 authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the  
12 amounts appropriated by this Act are appropriated conditioned upon compliance with the  
13 program review provisions of AS 37.07.080(h).

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

17 \* **Sec. 10. SALARY AND BENEFIT ADJUSTMENTS.** (a) The appropriations made in sec.  
18 1 of this Act include amounts for salary and benefit adjustments for public officials, officers,  
19 and employees of the executive branch, Alaska Court System employees, employees of the  
20 legislature, and legislators and to implement the terms for the fiscal year ending June 30,  
21 2010, of the following ongoing collective bargaining agreements:

- 22 (1) Alaska Public Employees Association, for the confidential unit;
- 23 (2) Alaska State Employees Association, for the general government unit;
- 24 (3) Alaska Public Employees Association, for the supervisory unit;
- 25 (4) Alaska Vocational Technical Center Teachers' Association - National  
26 Education Association, for employees of the Alaska Vocational Technical Center;
- 27 (5) Public Safety Employees Association, for regularly commissioned public  
28 safety officers;
- 29 (6) Public Employees Local 71, for the labor, trades, and crafts unit; and
- 30 (7) Marine Engineers' Beneficial Association.

31 (b) The operating budget appropriations made to the University of Alaska in this Act

1 include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2010,  
2 for university employees who are not members of a collective bargaining unit and for  
3 implementing the monetary terms of the collective bargaining agreements including the terms  
4 of the agreement providing for the health benefit plan for university employees represented by  
5 the following entities:

- 6 (1) Alaska Higher Education Crafts and Trades Employees;
- 7 (2) University of Alaska Federation of Teachers;
- 8 (3) United Academics;
- 9 (4) United Academics-Adjuncts.

10 (c) If a collective bargaining agreement listed in (b) of this section is not ratified by  
11 the membership of the respective collective bargaining unit, the appropriations made by this  
12 Act that are applicable to that collective bargaining unit's agreement are reduced  
13 proportionately by the amount for that collective bargaining agreement, and the corresponding  
14 funding source amounts are reduced accordingly.

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

19 \* **Sec. 11.** This Act takes effect July 1, 2009.