

SENATE FINANCE COMMITTEE
January 28, 2009
10:15 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [10:15:10 AM](#).

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Johnny Ellis
Senator Kim Elton
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

None

ALSO PRESENT

Laraine Derr, Board Member, Alaska Mental Health Trust Authority; Jeff Jesse, Executive Director, Alaska Mental Health Trust Authority.

SUMMARY

^Overview: Alaska Mental Health Trust Authority Budget

Presentation: Alaska Mental Health Trust Authority Budget

LARAIN DERR, BOARD MEMBER, ALASKA MENTAL HEALTH TRUST AUTHORITY explained the importance of the Alaska Mental Health Trust. She introduced other trust members and staff.

Ms. Derr elaborated that Alaska Mental Health Trust beneficiaries were people with mental illness, developmental disabilities, chronic alcoholism, or Alzheimer's disease and other dementia. She explained that an overview of the state regarding the mental health trust is the Alaska Scorecard (Copy on File).

JEFF JESSE, EXECUTIVE DIRECTOR, ALASKA MENTAL HEALTH TRUST AUTHORITY, reviewed the scorecard (Copy on File). He described the trust's statutory obligation to present the status of the mental health condition for Alaska. He worked closely with the Department of Health and Social Services

(DHSS) to develop the scorecard, which makes information on the condition of Alaska's mental health easily available. The DHSS website gives more detailed information about the data listed in the scorecard.

Ms. Derr pointed out that several different groups advise the members and staff of the Alaska Mental Health Trust. The groups were detailed in the law as advisory groups with boards that meet and bring recommendations forward. In addition, the trust utilized the commissioners of DHSS, the Department of Corrections (DOC), the Department of Natural Resources, and the Department of Revenue. She acknowledged the Alaska Brain Injury Network and the Suicide Prevention council for ongoing collaboration.

Ms. Derr stated that the board recently addressed funding shortfalls. She explained that ordinarily, 4.25 percent of the investment in the trust is portioned out, enabling grant distribution. The budget has been reduced to \$21 million. The endowment has dropped \$100 million in value, which translates to a \$5 million reduction in available funds for next year.

[10:23:17 AM](#)

Mr. Jessee referred to a PowerPoint presentation, "Continuing our formula for success" (Copy on File.) He revealed legislative priorities for FY10:

- Reauthorize adult dental Medicaid services
- Establish regular and periodic schedule of rate reviews for home and community-based services
- Fund 10-year plan to reduce homelessness
- Fund community-coordinated transportation systems

[10:27:27 AM](#)

Mr. Jessee pointed out that trustees search for viable solutions to these issues. The board has a deliberate process of approaching mental health problems in the state. The formula for success involves first identifying the need, and then collaboration with governmental agencies, advisory groups, non-profits, service providers, philanthropic organizations, and the private sector. The group then develops specific outcome goals, measures, and strategies that are tracked over time.

Mr. Jessee delineated five focus areas:

- Bring the Kids Home
- Affordable, Appropriate Housing
- Disability Justice

- Workforce Development
- Beneficiary Projects Initiative

Mr. Jessee stated that the Bring the Kids Home program allows children housed in out-of-state psychiatric treatment centers to receive treatment closer to home with an appropriate level of care at a cost of nearly \$40 million. The results are proven and increase exponentially with community reinvestment.

[10:31:26 AM](#)

Mr. Jessee elaborated that the trust achieved credit for the \$3.8 million Medicaid reduction as a result of the Bring the Kids Home program. The reduction is the result of serving young beneficiaries in state. He credited DHSS for help with the achievement.

Mr. Jessee discussed affordable, appropriate housing. He maintained that 3,500 Alaskans are homeless on any given night. Families with children are one of the fastest growing segments of the homeless population. He stressed that the problems of the homeless are different from those individuals in low income housing. It is not as simple as placing beneficiaries in an apartment because the homeless tend to have difficulty strategizing the development of their financial security. The method of combining a home with support services allows housing to become the spring board to employment, education, and a secure financial future.

Mr. Jessee acquainted the committee with the Bridge Home Pilot project. The program is funded entirely from the trust. He explained the combination of resources from the Alaska Housing Finance Corporation (AHFC) and DHSS. The collaboration gives individuals who have been in and out of DOC and the Alaskan Psychiatric Institute (API) stable housing environments and support services. Results include reduced incarceration and admissions to psychiatric institutions.

[10:35:12 AM](#)

Mr. Jessee urged the committee to notice the ever growing budgets of DOC, the courts, and the Department of Public Safety (DPS). He explained that certain trust beneficiaries are population members who cycle through the criminal justice system.

Mr. Jessee stressed that the model is proven:

- Each \$1 spent leverages \$7 in other funds

- 600 housing trusts operating in more than 30 states using these components
- Investment in permanent, affordable housing
- Include supportive services and skills training

Mr. Jessee addressed disability justice. He pointed out that DOC was the single greatest mental health provider. Until a recent study, it was not known how many beneficiaries were in DOC. The study showed that 42 percent of inmates in DOC were trust beneficiaries. If inmates with alcohol linked to their criminal behavior were added, then the figure equaled over 90 percent.

Mr. Jessie offered the possibility of reinvesting the dollars spent on DOC and the courts into a portfolio of evidence-based practices to keep beneficiaries out of the system. He explained the link between the ten year plan to end homelessness and other programs to improve on some of the high cost centers in the state budget. He suggested early screening, identifying beneficiaries as they enter the criminal justice system, and the creation of an initial discharge plan.

[10:39:23 AM](#)

Mr. Jessee identified significant results for the Anchorage Mental Health Court. Misdemeanors were reduced by 17 percent and new felonies were reduced by 16 percent. He shared an experience about replacing trust funds with mental health funds and objected to the idea that a crime must be committed for a beneficiary to receive treatment.

Mr. Jessee spoke about the need for workforce development. He stressed that without a well maintained and qualified workforce, all of the good intentions and funding are to no avail. The University of Alaska and the Department of Labor and Workforce Development have helped identify methods for recruiting people to work in these programs. Rural Alaskan students are encouraged to choose health, and especially mental health, related careers. He explained the benefits of training people from smaller communities around the state as behavior health aids and village based counselors with funding sources such as Medicaid. He stressed the importance of addressing underlying problems faced by smaller communities.

[10:43:23 AM](#)

Mr. Jessee outlined the goals for workforce strategies in FY10:

- Support student loan repayment strategies for health professionals

- Support increments for University of Alaska health programs
- Researching a psychiatric residency program in Alaska
- Finalizing plans for a PhD psychologist internship program in Alaska.

Mr. Jessee discussed the Trust Beneficiary Projects Initiative. He explained that the initiative was wholly funded by the trust and he was not asking for general funds. He stated that he did not intend for people to become dependant upon government programs to maintain recovery; beneficiaries can support each other. The initiative spends over \$1 million per year in trust funds to aid consumers in supporting themselves. The trust funds a number of peer-run programs and drop in centers/clubhouses for community education and advocacy. He believed that peer to peer support is a cost effective component of a comprehensive mental health program for the state.

Mr. Jessee elucidated that the initiative has over 27 beneficiary grantees since 2006. The program is rigorously evaluated for results. He anticipated coming to the committee with positive results.

Senator Elton requested further information regarding savings to the state in departments such as DPS, DOC, and the courts. Mr. Jessee stated that he would provide the requested information. He admitted that court system and DPS costs are difficult to calculate.

[10:46:43 AM](#)

Senator Huggins asked about the trust's relationship with DOC. Mr. Jessee replied that the relationship had significantly improved and that work with DOC had been close and positive. He stated that the relationship was the best that it had been in some time.

Senator Ellis requested letters of support for SB32 the rate review bill. Mr. Jessee stated that he would be happy to help.

ADJOURNMENT

The meeting was adjourned at 10:49 AM.