

SCR

53

POSITION PAPER
SENATE CONCURRENT RESOLUTION NO. 53

"Relating to the Funding of Community Mental Health Services."

This resolution requests the governor to direct the Alaska Mental Health Board to propose legislation or recommend other action to the legislature regarding a funding allocation formula for mental health services. The report would be due to the legislature on January 9, 1989.

BACKGROUND

The Community Mental Health Services Act, passed in 1975, mandated the State of Alaska, through the Department of Health and Social Services, Division of Mental Health and Developmental Disabilities to finance community mental health centers. Initially, funds were appropriated based on identified community needs in a written proposal. As more funds became available, programs received incremental funding based on variables, such as: 1) the mental health needs of the area; 2) Division of Mental Health and Developmental Disabilities data such as site review reports, fiscal reports, management information system reports; 3) populations of service area; 4) cost of living in the service area; 5) state of development of the community mental health center; 6) support from the community; and 7) the presence of other providers in a region.

In 1985, a formal task force was formed to develop an allocation formula. After considering a wide range of variables upon which to base the allocation of funds, the task force selected the following variables:

- 1) the population of the mental health district;
- 2) the cost of hiring and the cost of living in the mental health district;
- 3) a base level of funding which ensures that all centers receive enough funding for a mental health clinician and base support costs. In order to reduce the impact of a sudden decrease in funding, the task force proposed that each community mental health center receive at least 90% of its previous year's allocation.

The proposed funding formula was accepted by the governor's Mental Health Advisory Council in September 1986. In 1988, new funds were available to the mental health system. At that time, small centers were brought up to a base level of funding (in accordance with the funding formula) and services to special populations in need (for example, the severely mentally ill) were funded.

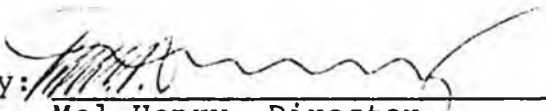
SCR 53 continued

Although these previous efforts to develop an equitable allocation formula produced mixed results, an equitable funding mechanism could benefit a growing mental health system. It is an administrative tool which assures consistency and continuity as well as equity in distribution of funds. Additionally, it serves as an administrative planning and implementation tool. However, to be effective, the funding mechanism must be flexible, with the ability of revision to reflect changing needs. The creation and ongoing evaluation of such a formula is an appropriate activity of the Mental Health Board.

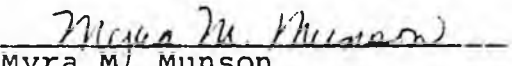
The Mental Health Board has, as part of its mandate under Chapter 48, SLA 1987, the responsibility to work with the Department of Health and Social Services to "establish criteria to utilize in funding allocation . . ." The Board already is aware of the issue and intends to study it.

POSITION

The Department of Health and Social Services endorses the Mental Health Board's efforts to study the creation of a funding formula for mental health services.

Recommended by: 
Mel Henry, Director
Division of Mental Health
and Developmental
Disabilities

Date: 19th April, 1988

Approved by: 
Myra M. Munson
Commissioner
Department of Health
and Social Services

Date: 4-22-88

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to the funding of
Community Mental Health services
Sponsor: Josephson and Kelly
Requestor: _____

Agency Affected: Health & Social Services
BRU: Community Mental Health
Grants
Components: Community Mental Health
Grants

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)


GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

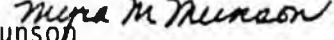
ANALYSIS : (Attach a separate page if necessary)

The enactment of SCR53 would have no direct fiscal impact on the Department of Health and Social Services

Prepared by: Mel Henry, Director 
Division: Mental Health and Developmental Disabilities

Phone: 465-3370

Date: _____

Approved by Commissioner: Myra M. Munson 
Agency: Health and Social Services

Date: 4-22-88

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