

HB

312

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/5/08

FURTHER:

DATE TURNED
IN TO OFFICE: 3-19-08

Finance Committee considered CS FOR HOUSE BILL NO. 312(FIN)

HB 312 APPROP: MENTAL HEALTH BUDGET

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

and recommends:

- be replaced with SCS or CS CSHB 312 (FIN)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

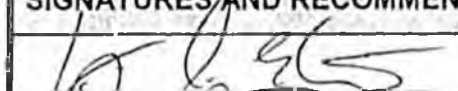


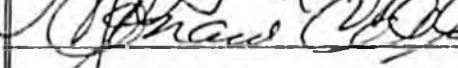


NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elton	✓			
	Thomas	✓			
	Dwyson			✓	
	Dwyson	✓			
CO-CHAIR: 	Sherman	✓			
CO-CHAIR: 		✓			

25-GH2008\M
Bailey
3/14/08

Adopted

**SENATE CS FOR CS FOR HOUSE BILL NO. 312(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

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, 2008 and ending June 30, 2009,
 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	Funds	Funds	
	*****	*****		
	***** Department of Administration *****			
	*****	*****		
12	Legal and Advocacy Services	1,875,100	1,736,300	138,800
13	Office of Public Advocacy	1,581,700		
14	Public Defender Agency	293,400		
15	*****	*****		
16	***** Department of Corrections *****			
17	*****	*****		
18	Administration and Support	25,000		25,000
19	Office of the Commissioner	25,000		
20	Population Management	611,500	611,500	
21	Offender Habilitation	611,500		
22	Programs			
23	Inmate Health Care	6,413,400	5,980,400	433,000
24	Inmate Health Care	6,413,400		
25	*****	*****		
26	***** Department of Education and Early Development *****			
27	*****	*****		
28	Teaching and Learning Support	339,800	39,800	300,000
29	Student and School	339,800		
30	Achievement			
31	Alaska Postsecondary	200,000		200,000

		Appropriation	General	Other
	Allocations	Items	Funds	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
1			
2			
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	Alaska Pioneer Homes	13,353,200	13,353,200
15	It is the intent of the legislature that the Department maintain regulations requiring all		
16	residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state		
17	subsidy being provided for their care from the State Payment Assistance program.		
18	It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall		
19	complete any forms to determine eligibility for supplemental program funding, such as		
20	Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant		
21	is not able to complete the forms him/herself, or if relatives or guardians of the applicant are		
22	not able to complete the forms, Department of Health and Social Services staff may complete		
23	the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility		
24	per AS 47.25.120.		
25	Alaska Pioneer Homes	64,300	
26	Management		
27	Pioneer Homes	13,288,900	
28	Behavioral Health	114,025,600	90,732,100
29	Alcohol Safety Action	335,500	
30	Program (ASAP)		
31	Behavioral Health Medicaid	44,066,900	
32	Services		
33	Behavioral Health Grants	23,597,100	

	Appropriation	General	Other
	Allocations	Items	Funds

1
2
3 It is the intent of the legislature that the department continue developing polices and
4 procedures surrounding the awarding of recurring grants to assure that applicants are regularly
5 evaluated on their performance in achieving outcomes consistent with the expectations and
6 missions of the Department related to their specific grant. The recipient's specific
7 performance should be measured and incorporated into the decision whether to continue
8 awarding grants. Performance measurement should be standardized, accurate, objective and
9 fair, recognizing and compensating for differences among grant recipients including acuity of
10 services provided, client base, geographic location and other factors necessary and appropriate
11 to reconcile and compare grant recipient performances across the array of providers and
12 services involved.

13 It is the intent of the legislature that the \$1,000.0 increment in the FY 09 budget for
14 Community Prevention & Early Intervention for Behavioral Health Programs be used to
15 provide statewide community based youth development programs.

16 It is the intent of the legislature that the \$2,000.0 increment in the FY 09 budget for
17 Behavioral Health Grants be used to provide additional base funding for existing core services
18 of current behavioral health grantees who have demonstrated successful outcomes
19 documented in accordance with the department's performance based evaluation procedures,
20 with an emphasis on increasing substance abuse treatment capacity for adolescents and adults.

21	Behavioral Health	4,376,500	
22	Administration		

23 It is the intent of the legislature that the \$200.0 increment in the FY09 budget for the Suicide
24 Prevention Strategy and Implementation Plan be dedicated to developing a best practices,
25 evidence based multi-dimensional strategy and implementation plan to reduce the rates of
26 suicide in targeted rural regions of the state with the highest current rate of suicide. The
27 strategy and plan must specifically propose the means to reduce the rate of suicide and
28 address various dimensions of the issue including differing age and social demographics of at-
29 risk populations as well as implementation alternatives available in the targeted regions. The
30 plan must be developed in coordination with stakeholders and relevant resources in the
31 targeted regions. The Suicide Prevention Strategy and Implementation Plan must be
32 completed and available to the legislature no later than December 15, 2008.

33 It is the intent of the legislature that, in accordance with AS 37.05.315, \$333, 800 in general

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	fund mental health funds be provided as a grant to the City of Bethel for the Bethel		
4	Community Patrols program.		
5	It is the intent of the legislature that by providing \$500,000 in general funds for the "Planning		
6	and Design for Clitheroe Center Replacement", there is no further obligation by the State for		
7	continued funding.		
8	Community Action Prevention	958,100	
9	& Intervention Grants		
10	Rural Services and Suicide	2,115,200	
11	Prevention		
12	Psychiatric Emergency	7,893,000	
13	Services		
14	Services to the Seriously	12,774,200	
15	Mentally Ill		
16	Designated Evaluation and	1,761,900	
17	Treatment		
18	Services for Severely	10,702,200	
19	Emotionally Disturbed Youth		
20	Alaska Psychiatric Institute	5,319,400	
21	Suicide Prevention Council	125,600	
22	Children's Services	12,209,200	11,979,200
23	Children's Medicaid Services	4,185,600	
24	Children's Services	64,100	
25	Management		
26	Front Line Social Workers	148,600	
27	Family Preservation	150,000	
28	Foster Care Augmented Rate	500,000	
29	Foster Care Special Need	747,900	
30	Residential Child Care	1,956,300	
31	Infant Learning Program	4,456,700	
32	Grants		
33	Adult Preventative Dental	1,400,000	1,400,000

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
3	Medicaid Services			
4	It is the intent of the legislature that the Adult Preventative Dental Medicaid Services not over			
5	spend authority granted by authorizing statute and adjust benefits available to individual			
6	participants as necessary to maintain and conduct the program throughout the entire fiscal			
7	year.			
8	Adult Preventative Dental	1,400,000		
9	Medicaid Services			
10	Juvenile Justice	945,500	745,800	199,700
11	McLaughlin Youth Center	654,500		
12	Fairbanks Youth Facility	101,000		
13	Bethel Youth Facility	56,700		
14	Probation Services	133,300		
15	Public Health	1,048,300	718,300	330,000
16	Women, Children and Family	750,000		
17	Health			
18	Certification and Licensing	120,000		
19	Community Health Grants	98,300		
20	Health Planning and	80,000		
21	Infrastructure			
22	It is the intent of the legislature that, in accordance with AS 37.05.316, \$250,000 in general			
23	funds be provided as a grant to Anchorage Project Access.			
24	Senior and Disabilities	14,474,600	13,721,900	752,700
25	Services			
26	It is the intent of the legislature that regulations related to the General Relief / Temporary			
27	Assisted Living program be reviewed and revised as needed to minimize the length of time			
28	that the state provides housing alternatives and assure the services are provided only to			
29	intended beneficiaries who are actually experiencing harm, abuse or neglect. The department			
30	should educate care coordinators and direct service providers about who should be referred			
31	and when they are correctly referred to the program in order that referring agents correctly			
32	match consumer needs with the program services intended by the department.			
33	General Relief/Temporary	740,300		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Assisted Living			
4	Senior and Disabilities	2,390,100		
5	Services Administration			
6	Senior Community Based	3,419,400		
7	Grants			

8 It is the intent of the legislature that the \$1,000.0 increment in the FY 09 budget for Senior
9 Community Based Grants be used to invest in successful home and community based
10 supports provided by grantees who have demonstrated successful outcomes documented in
11 accordance with the department's performance based evaluation procedures.

12	Community Developmental	7,924,800		
13	Disabilities Grants			
14	Departmental Support Services	1,758,400	1,758,400	
15	Commissioner's Office	105,000		

16 It is the intent of the legislature that the Department of Health and Social Services complete
17 the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid
18 providers:

19 1. Develop regulations addressing the use of extrapolation methodology following an audit of
20 Medicaid providers that clearly defines the difference between actual overpayment of funds to
21 a provider and ministerial omission or clerical billing error that does not result in
22 overpayment to the provider. The extrapolation methodology will also define percentage of
23 "safe harbor" overpayment rates for which extrapolation methodology will be applied.

24 2. Develop training standards and definitions regarding ministerial and billing errors versus
25 overpayments. Include the use of those standards and definitions in the State's audit contracts.
26 All audits initiated after the effective date of this intent and resulting in findings of
27 overpayment will be calculated under the Department's new regulations governing
28 overpayment standards and extrapolation methodology.

29 It is the intent of the legislature that the department develops a ten year funding source and
30 use of funds projection for the entire department.

31 It is the intent of the legislature that the department continue working on implementing a
32 provider rate rebasing process and specific funding recommendations for both Medicaid and
33 non-Medicaid providers to be completed and available to the legislature no later than

		Appropriation	General	Other
		Allocations	Items	Funds
				Funds
1	December 15, 2008.			
2	Administrative Support	476,100		
3	Services			
4	Information Technology	827,300		
5	Services			
6	HSS State Facilities Rent	350,000		
7	Boards and Commissions		1,787,300	465,400
8	AK Mental Health & Alcohol	849,000		1,321,900
9	& Drug Abuse Boards			
10	Commission on Aging	193,600		
11	Governor's Council on	744,700		
12	Disabilities and Special			
13	Education			
14		*****	*****	
15		*****	*****	
16		*****	*****	
17		*****	*****	
18		*****	*****	
19	Civil Division		76,800	76,800
20	Human Services and Child	76,300		
21	Protection			
22		*****	*****	
23		*****	*****	
24		*****	*****	
25	Resource Development		1,686,400	1,686,400
26	Mental Health Trust Lands	1,686,400		
27	Administration			
28		*****	*****	
29		*****	*****	
30		*****	*****	
31	Alaska Mental Health Trust		2,467,000	2,467,000
32	Authority			
33	Mental Health Trust	2,467,000		

		Appropriation	General	Other
		Allocations	Funds	Funds
	Operations			
4		*****		
5		***** University of Alaska *****		
6		*****		
7	Statewide Programs and		390,000	390,000
8	Services			
9	Statewide Services	390,000		
10	University of Alaska Anchorage		1,488,300	295,800
11	Anchorage Campus	1,488,300		1,192,500
12	University of Alaska Fairbanks		40,000	40,000
13	Fairbanks Campus	40,000		
14		*****		
15		***** Alaska Court System *****		
16		*****		
17	Alaska Court System		1,577,700	589,900
18	Trial Courts	1,577,700		987,800
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	1,736,300
6	1092 Mental Health Trust Authority Authorized	138,800
7	Receipts	
8	*** Total Agency Funding ***	\$1,875,100
9	Department of Corrections	
10	1037 General Fund / Mental Health	6,591,900
11	1092 Mental Health Trust Authority Authorized	458,000
12	Receipts	
13	*** Total Agency Funding ***	\$7,049,900
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	133,474,300
21	1092 Mental Health Trust Authority Authorized	8,615,500
22	Receipts	
23	1100 Alcohol and Other Drug Abuse Treatment &	18,912,300
24	Prevention Fund	
25	*** Total Agency Funding ***	\$161,002,100
26	Department of Law	
27	1037 General Fund / Mental Health	76,800
28	*** Total Agency Funding ***	\$76,800
29	Department of Natural Resources	
30	1092 Mental Health Trust Authority Authorized	1,686,400
31	Receipts	

1	*** Total Agency Funding ***	\$1,686,400
2	Department of Revenue	
3	1094 Mental Health Trust Administration	2,467,000
4	*** Total Agency Funding ***	\$2,467,000
5	University of Alaska	
6	1037 Genera ¹ 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 *****	\$178,193,100
16	(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	General Funds	
5	1037 General Fund / Mental Health	142,804,800
6	***Total General Funds***	\$142,804,800
7	Federal Funds	
8	***Total Federal Funds***	\$0
9	Other Non-Duplicated Funds	
10	1092 Mental Health Trust Authority Authorized	14,009,000
11	Receipts	
12	1094 Mental Health Trust Administration	2,467,000
13	1180 Alcohol and Other Drug Abuse Treatment &	18,912,300
14	Prevention Fund	
15	***Total Other Non-Duplicated Funds***	\$35,388,300
16	Duplicated Funds	
17	***Total Duplicated Funds***	\$0

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

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
		Funds	Funds
	*****	*****	
	***** Department of Health and Social Services *****		
	*****	*****	
10	MH Essential Program	250,000	250,000
11	Equipment (HD 1-40)		

12 (SECTION 5 OF THIS ACT BEGINS ON PAGE 15)

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	250,000
6 *** Total Agency Funding ***	\$250,000
7 ***** Total Budget *****	\$250,000

8 (SECTION 6 OF THIS ACT BEGINS ON PAGE 16)

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	250,000
6	***Total General Funds***	\$250,000
7	Federal Funds	
8	***Total Federal Funds***	\$0
9	Other Non-Duplicated Funds	
10	***Total Other Non-Duplicated Funds***	\$0
11	Duplicated Funds	
12	***Total Duplicated Funds***	\$0

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

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 (b) The operating budget appropriations made to the University of Alaska in sec. 1 of
22 this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30,
23 2009, for university employees who are not members of a collective bargaining unit and for
24 implementing the necessary terms of the collective bargaining agreements including the terms
25 of the agreement providing for the health benefit plan for university employees represented by
26 the following entities:

- 27 (1) Alaska Higher Education Crafts and Trades Employees;
- 28 (2) Alaska Community Colleges' Federation of Teachers;
- 29 (3) United Academics;
- 30 (4) United Academics-Adjuncts.

31 (c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified

1 by the membership of the respective collective bargaining unit, the appropriations made by
2 this Act that are applicable to that collective bargaining unit's agreement are reduced
3 proportionately by the amount for that collective bargaining agreement, and the corresponding
4 funding source amounts are reduced accordingly.

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

9 * Sec. 10. This Act takes effect July 1, 2008.

3/13/08

WORK DRAFT

WORK DRAFT

WORK DRAFT

25-GH2008\M
Bailey
3/14/08

**SENATE CS FOR CS FOR HOUSE BILL NO. 312(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

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, 2008 and ending June 30, 2009,
 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	Funds	Funds	
	*****	*****		
	***** Department of Administration *****			
	*****	*****		
12	Legal and Advocacy Services	1,875,100	1,736,300	138,800
13	Office of Public Advocacy	1,581,700		
14	Public Defender Agency	293,400		
15	*****	*****		
16	***** Department of Corrections *****			
17	*****	*****		
18	Administration and Support	25,000		25,000
19	Office of the Commissioner	25,000		
20	Population Management	611,500	611,500	
21	Offender Habilitation	611,500		
22	Programs			
23	Inmate Health Care	6,413,400	5,980,400	433,000
24	Inmate Health Care	6,413,400		
25	*****	*****		
26	***** Department of Education and Early Development *****			
27	*****	*****		
28	Teaching and Learning Support	339,800	39,800	300,000
29	Student and School	339,800		
30	Achievement			
31	Alaska Postsecondary	200,000		200,000

1	Appropriation	General	Other
2	Allocations	Funds	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.

1	Appropriation	General	Other
2	Allocations	Items	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	Alaska Pioneer Homes	13,353,200	13,353,200
15	It is the intent of the legislature that the Department maintain regulations requiring all		
16	residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state		
17	subsidy being provided for their care from the State Payment Assistance program.		
18	It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall		
19	complete any forms to determine eligibility for supplemental program funding, such as		
20	Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant		
21	is not able to complete the forms him/herself, or if relatives or guardians of the applicant are		
22	not able to complete the forms, Department of Health and Social Services staff may complete		
23	the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility		
24	per AS 47.25.120.		
25	Alaska Pioneer Homes	64,300	
26	Management		
27	Pioneer Homes	13,288,900	
28	Behavioral Health	114,025,600	90,732,100
29	Alcohol Safety Action	335,500	
30	Program (ASAP)		
31	Behavioral Health Medicaid	44,066,900	
32	Services		
33	Behavioral Health Grants	23,597,100	

1	Appropriation	General	Other
2	Allocations	Items	Funds

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

13 It is the intent of the legislature that the \$1,000.0 increment in the FY 09 budget for
14 Community Prevention & Early Intervention for Behavioral Health Programs be used to
15 provide statewide community based youth development programs.

16 It is the intent of the legislature that the \$2,000.0 increment in the FY 09 budget for
17 Behavioral Health Grants be used to provide additional base funding for existing core services
18 of current behavioral health grantees who have demonstrated successful outcomes
19 documented in accordance with the department's performance based evaluation procedures,
20 with an emphasis on increasing substance abuse treatment capacity for adolescents and adults.

21	Behavioral Health	4,376,500
22	Administration	

23 It is the intent of the legislature that the \$200.0 increment in the FY09 budget for the Suicide
24 Prevention Strategy and Implementation Plan be dedicated to developing a best practices,
25 evidence based multi-dimensional strategy and implementation plan to reduce the rates of
26 suicide in targeted rural regions of the state with the highest current rate of suicide. The
27 strategy and plan must specifically propose the means to reduce the rate of suicide and
28 address various dimensions of the issue including differing age and social demographics of at-
29 risk populations as well as implementation alternatives available in the targeted regions. The
30 plan must be developed in coordination with stakeholders and relevant resources in the
31 targeted regions. The Suicide Prevention Strategy and Implementation Plan must be
32 completed and available to the legislature no later than December 15, 2008.

33 It is the intent of the legislature that, in accordance with AS 37.05.315, \$333, 800 in general

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	fund mental health funds be provided as a grant to the City of Bethel for the Bethel		
4	Community Patrols program.		
5	It is the intent of the legislature that by providing \$500,000 in general funds for the "Planning		
6	and Design for Clitheroe Center Replacement", there is no further obligation by the State for		
7	continued funding.		
8	Community Action Prevention	958,100	
9	& Intervention Grants		
10	Rural Services and Suicide	2,115,200	
11	Prevention		
12	Psychiatric Emergency	7,893,000	
13	Services		
14	Services to the Seriously	12,774,200	
15	Mentally Ill		
16	Designated Evaluation and	1,761,900	
17	Treatment		
18	Services for Severely	10,702,200	
19	Emotionally Disturbed Youth		
20	Alaska Psychiatric Institute	5,319,400	
21	Suicide Prevention Council	125,600	
22	Children's Services	12,209,200	11,979,200
23	Children's Medicaid Services	4,185,600	230,000
24	Children's Services	64,100	
25	Management		
26	Front Line Social Workers	148,600	
27	Family Preservation	150,000	
28	Foster Care Augmented Rate	500,000	
29	Foster Care Special Need	747,900	
30	Residential Child Care	1,956,300	
31	Infant Learning Program	4,456,700	
32	Grants		
33	Adult Preventative Dental	1,400,000	1,400,000

	Appropriation	General	Other
	Allocations	Items	Funds
		Funds	Funds
3	Medicaid Services		
4	It is the intent of the legislature that the Adult Preventative Dental Medicaid Services not over		
5	spend authority granted by authorizing statute and adjust benefits available to individual		
6	participants as necessary to maintain and conduct the program throughout the entire fiscal		
7	year.		
8	Adult Preventative Dental	1,400,000	
9	Medicaid Services		
10	Juvenile Justice	945,500	745,800
11	McLaughlin Youth Center	654,500	
12	Fairbanks Youth Facility	101,000	
13	Bethel Youth Facility	56,700	
14	Probation Services	133,300	
15	Public Health	1,048,300	718,300
16	Women, Children and Family	750,000	
17	Health		
18	Certification and Licensing	120,000	
19	Community Health Grants	98,300	
20	Health Planning and	80,000	
21	Infrastructure		
22	It is the intent of the legislature that, in accordance with AS 37.05.316, \$250,000 in general		
23	funds be provided as a grant to Anchorage Project Access.		
24	Senior and Disabilities	14,474,600	13,721,900
25	Services		752,700
26	It is the intent of the legislature that regulations related to the General Relief / Temporary		
27	Assisted Living program be reviewed and revised as needed to minimize the length of time		
28	that the state provides housing alternatives and assure the services are provided only to		
29	intended beneficiaries who are actually experiencing harm, abuse or neglect. The department		
30	should educate care coordinators and direct service providers about who should be referred		
31	and when they are correctly referred to the program in order that referring agents correctly		
32	match consumer needs with the program services intended by the department.		
33	General Relief/Temporary	740,300	

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
3	Assisted Living			
4	Senior and Disabilities	2,390,100		
5	Services Administration			
6	Senior Community Based	3,419,400		
7	Grants			
12	Community Developmental	7,924,800		
13	Disabilities Grants			
14	Departmental Support Services	1,758,400	1,758,400	
15	Commissioner's Office	105,000		

8 It is the intent of the legislature that the \$1,000.0 increment in the FY 09 budget for Senior
9 Community Based Grants be used to invest in successful home and community based
10 supports provided by grantees who have demonstrated successful outcomes documented in
11 accordance with the department's performance based evaluation procedures.

12
13
14
15
16 It is the intent of the legislature that the Department of Health and Social Services complete
17 the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid
18 providers:

- 19 1. Develop regulations addressing the use of extrapolation methodology following an audit of
20 Medicaid providers that clearly defines the difference between actual overpayment of funds to
21 a provider and ministerial omission or clerical billing error that does not result in
22 overpayment to the provider. The extrapolation methodology will also define percentage of
23 "safe harbor" overpayment rates for which extrapolation methodology will be applied.
- 24 2. Develop training standards and definitions regarding ministerial and billing errors versus
25 overpayments. Include the use of those standards and definitions in the State's audit contracts.

26 All audits initiated after the effective date of this intent and resulting in findings of
27 overpayment will be calculated under the Department's new regulations governing
28 overpayment standards and extrapolation methodology.

29 It is the intent of the legislature that the department develops a ten year funding source and
30 use of funds projection for the entire department.

31 It is the intent of the legislature that the department continue working on implementing a
32 provider rate rebasing process and specific funding recommendations for both Medicaid and
33 non-Medicaid providers to be completed and available to the legislature no later than

	Appropriation	General	Other
	Allocations	Funds	Funds
1			
2			
3	December 15, 2008.		
4	Administrative Support	476,100	
5	Services		
6	Information Technology	827,300	
7	Services		
8	HSS State Facilities Rent	350,000	
9	Boards and Commissions	1,787,300	465,400
10	AK Mental Health & Alcohol	849,000	
11	& Drug Abuse Boards		
12	Commission on Aging	193,600	
13	Governor's Council on	744,700	
14	Disabilities and Special		
15	Education		
16	*****	*****	
17	***** Department of Law *****		
18	*****	*****	
19	Civil Division	76,800	76,800
20	Human Services and Child	76,800	
21	Protection		
22	*****	*****	
23	***** Department of Natural Resources *****		
24	*****	*****	
25	Resource Development	1,686,400	1,686,400
26	Mental Health Trust Lands	1,686,400	
27	Administration		
28	*****	*****	
29	***** Department of Revenue *****		
30	*****	*****	
31	Alaska Mental Health Trust	2,467,000	2,467,000
32	Authority		
33	Mental Health Trust	2,467,000	

	Appropriation	General	Other
	Allocations	Items	Funds
1			
2			
3	Operations		
4	*****	*****	
5	***** University of Alaska *****		
6	*****	*****	
7	Statewide Programs and	390,000	390,000
8	Services		
9	Statewide Services	390,000	
10	University of Alaska Anchorage	1,488,300	295,800
11	Anchorage Campus	1,488,300	1,192,500
12	University of Alaska Fairbanks	40,000	40,000
13	Fairbanks Campus	40,000	
14	*****	*****	
15	***** Alaska Court System *****		
16	*****	*****	
17	Alaska Court System	1,577,700	589,900
18	Trial Courts	1,577,700	987,800
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	1,736,300
6 1092 Mental Health Trust Authority Authorized	138,800
7 Receipts	
8 *** Total Agency Funding ***	\$1,875,100
9 Department of Corrections	
10 1037 General Fund / Mental Health	6,591,900
11 1092 Mental Health Trust Authority Authorized	458,000
12 Receipts	
13 *** Total Agency Funding ***	\$7,049,900
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	133,474,300
21 1092 Mental Health Trust Authority Authorized	8,615,500
22 Receipts	
23 1180 Alcohol and Other Drug Abuse Treatment &	18,912,300
24 Prevention Fund	
25 *** Total Agency Funding ***	\$161,002,100
26 Department of Law	
27 1037 General Fund / Mental Health	76,800
28 *** Total Agency Funding ***	\$76,800
29 Department of Natural Resources	
30 1092 Mental Health Trust Authority Authorized	1,686,400
31 Receipts	

1	*** Total Agency Funding ***	\$1,686,400
2	Department of Revenue	
3	1094 Mental Health Trust Administration	2,467,000
4	*** Total Agency Funding ***	\$2,467,000
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 *****	\$178,193,100
16	(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	General Funds	
5	1037 General Fund / Mental Health	142,804,800
6	***Total General Funds***	\$ 142,804,800
7	Federal Funds	
8	***Total Federal Funds***	\$0
9	Other Non-Duplicated Funds	
10	1092 Mental Health Trust Authority Authorized	14,009,000
11	Receipts	
12	1094 Mental Health Trust Administration	2,467,000
13	1180 Alcohol and Other Drug Abuse Treatment &	18,912,300
14	Prevention Fund	
15	***Total Other Non-Duplicated Funds***	\$35,388,300
16	Duplicated Funds	
17	***Total Duplicated Funds***	\$0

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

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 (SECTION 5 OF THIS ACT BEGINS ON PAGE 15)

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	250,000
6 *** Total Agency Funding ***	\$250,000
7 ***** Total Budget *****	\$250,000

8 (SECTION 6 OF THIS ACT BEGINS ON PAGE 16)

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	250,000
6	***Total General Funds***	\$250,000
7	Federal Funds	
8	***Total Federal Funds***	\$0
9	Other Non-Duplicated Funds	
10	***Total Other Non-Duplicated Funds***	\$0
11	Duplicated Funds	
12	***Total Duplicated Funds***	\$0

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

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 (b) The operating budget appropriations made to the University of Alaska in sec. 1 of
22 this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30,
23 2009, for university employees who are not members of a collective bargaining unit and for
24 implementing the monetary terms of the collective bargaining agreements including the terms
25 of the agreement providing for the health benefit plan for university employees represented by
26 the following entities:

27 (1) Alaska Higher Education Crafts and Trades Employees;
28 (2) Alaska Community Colleges' Federation of Teachers;
29 (3) United Academics;
30 (4) United Academics-Adjuncts.

31 (c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified

1 by the membership of the respective collective bargaining unit, the appropriations made by
2 this Act that are applicable to that collective bargaining unit's agreement are reduced
3 proportionately by the amount for that collective bargaining agreement, and the corresponding
4 funding source amounts are reduced accordingly.

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

9 * Sec. 10. This Act takes effect July 1, 2008.