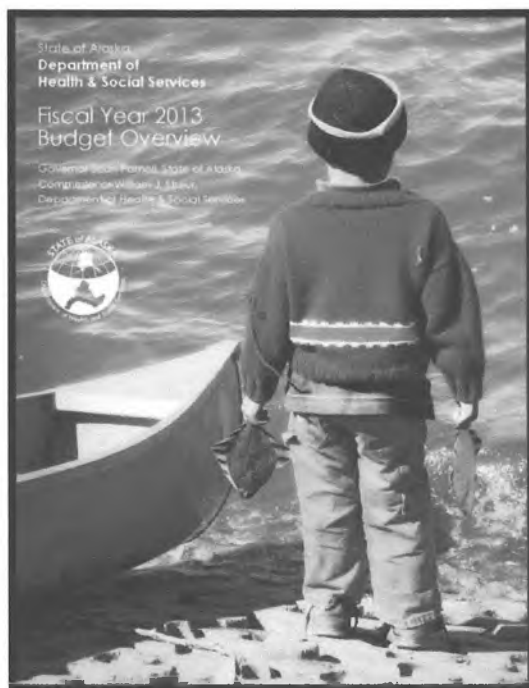


1/24/12
BUDGET
OVERVIEW:
DEPARTMENT OF
HEALTH AND
SOCIAL SERVICES

<TARGET><BILL></BILL><SUBJECT>1-24-12 BUDGET OVERVIEW
DEPARTMENT OF HEALTH AND SOCIAL
SERVICES</SUBJECT><COMM>HFIN27</COMM></TARGET>

1/24/12

Department of Health and Social Services FY2013 Budget Overview

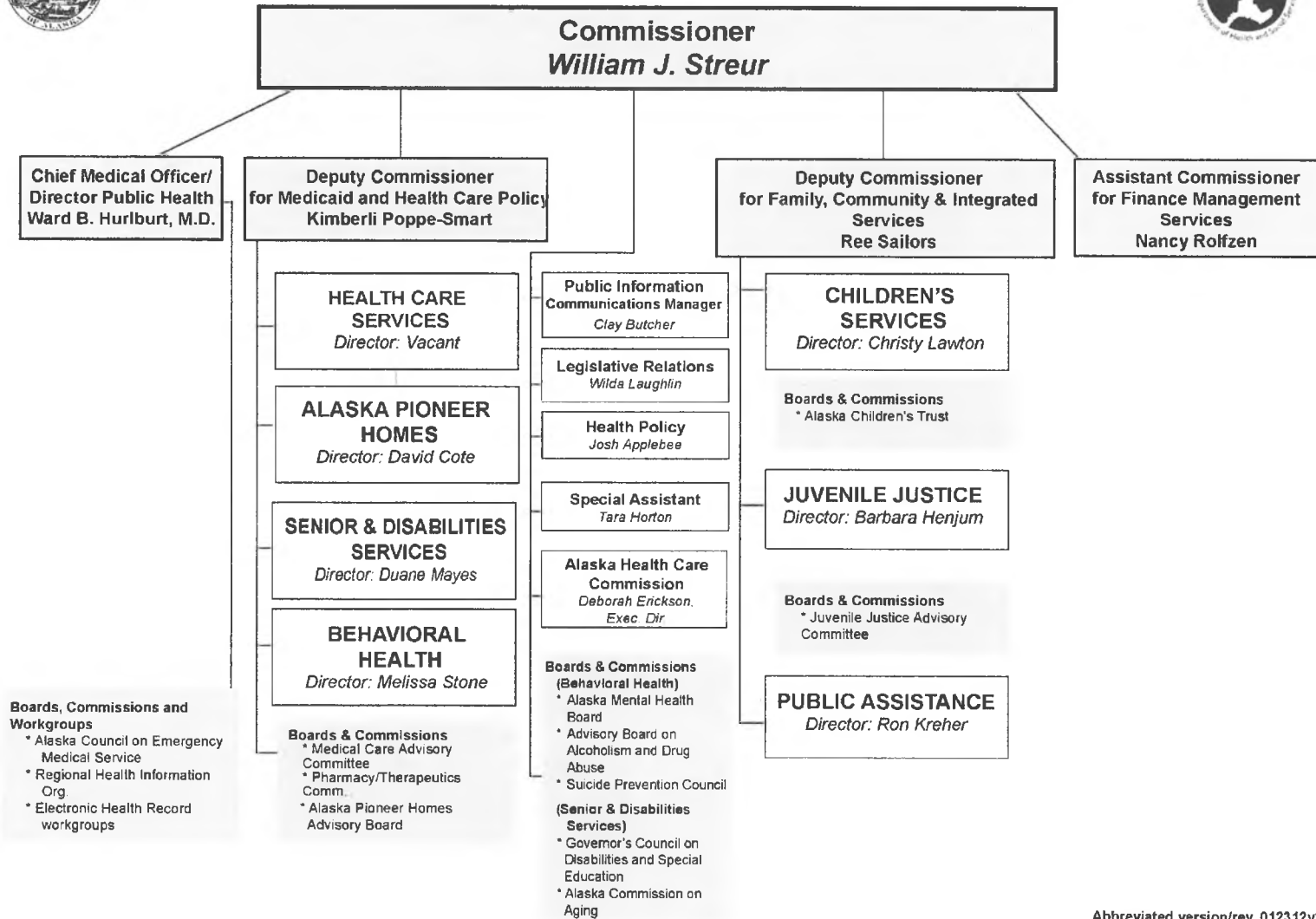


Presentation to
House Finance Committee
January 24, 2011

William J. Streur
Commissioner



Alaska Department of Health and Social Services Organization Chart



Abbreviated version/rev. 012312v2

Health & Social Services

Mission

- To promote and protect the health and well-being of Alaskans.

Core Values

- Collaboration - *Partnerships*
- Accountability
- Respect
- Empowerment
- Safety

Department Priorities

- Integrated Health and Wellness
- Health Care Access and Delivery
- Sustainable Long-Term Care Delivery System
- Safe and Responsible Families and Communities

Major Accomplishments:

Integrated Health and Wellness

- Adult Preventative Dental Care: 14,821 Individual recipients over the age of 21
- H1N1 Pandemic Influenza vaccinations and distribution to providers
- Alaskans Taking on Childhood Obesity (ATCO)

Major Accomplishments *Cont'd:* *Health Care Access and Delivery*

- Medicaid Task Force
 - Patient-centered medical homes
 - Pharmacy – effective use of generic and formula drugs
 - Community First Choice

Major Accomplishments *Cont'd:*

Sustainable Long-Term Care Delivery System

- Alaska Seniors and Veterans in the Pioneer Homes
- Served ~ 30,000 recipients through Senior and Disabilities service programs
- Partnering with Native Organizations for Nursing Home Care

Major Accomplishments *Cont'd*:

Safe and Responsible Families and Communities

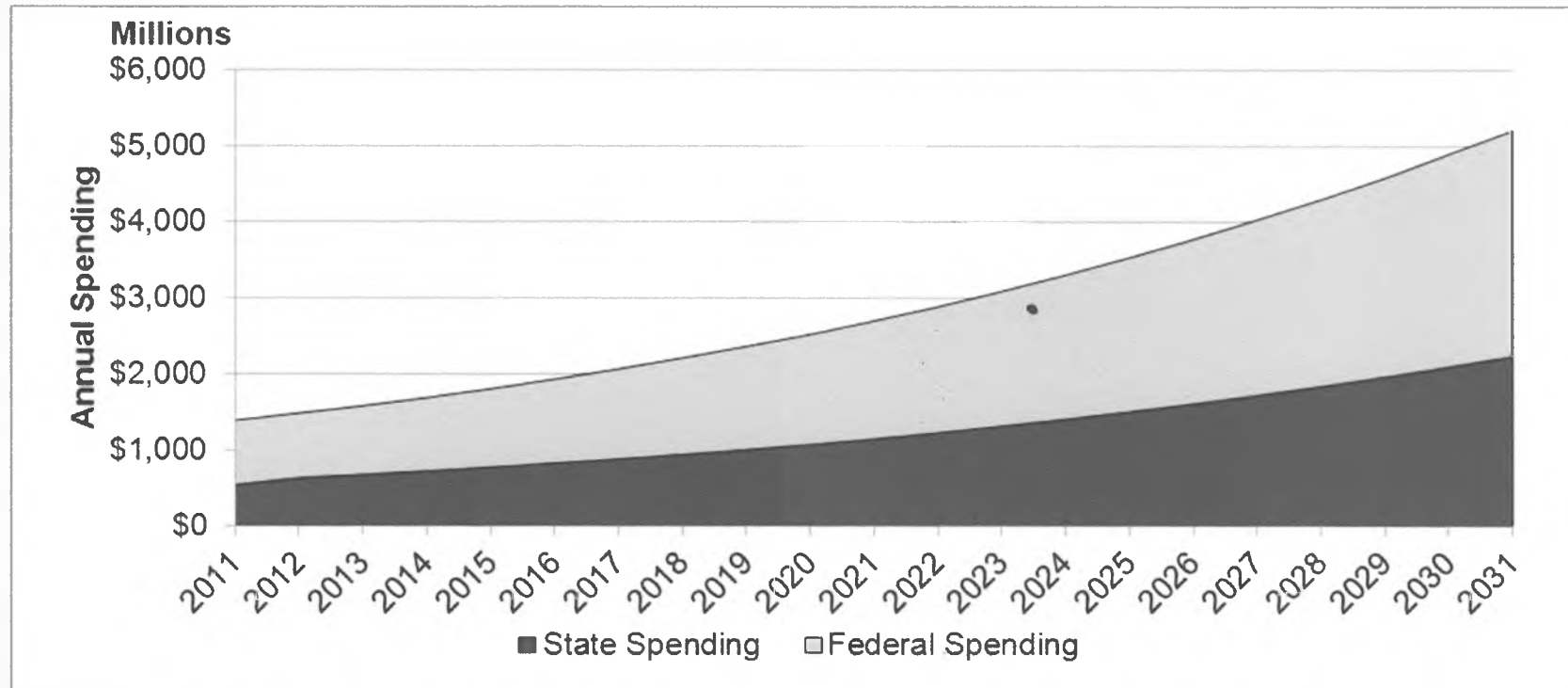
- Support Child Advocacy Centers
- Child Welfare system Family-to-Family (F2F)
- Families First
- Bring the Kids Home

Major Accomplishments *Cont'd:* *Safe and Responsible Families and Communities*

- Juvenile Justice
 - Alaska Native Recidivism Committee
 - Behavioral Health Services for Juveniles within detention and treatment facilities
- Heating Assistance Grants – Over 14,500 during 2010-2011 heating season
- Home and Community-based senior and disabilities services

Key Department Challenges

Overall Department Challenge – Medicaid



Key Department Challenges

Strategies:

- INTREGATE SERVICES.
- Maximize resources for effective service delivery.
- Promote rural infrastructure development and standardization of regional structure.
- Promote accountability at all levels of the organization.
- Leverage technology in strategic ways to accomplish the department's goals.

Key Department Challenges Cont'd

- Promoting and responding to overall health and wellness of Alaskans
- System Development/Improvements
- Partnerships
- Recruitment and retention of qualified employees

Key Performance Indicators

Integrated Health and Wellness

- ↑ The target to reduce the rate of suicide deaths did decrease from 24 to 19.6 deaths per 100,000 population, however the overall goal of 10.6/100,000 is still a work in progress.

- ↓ The target to reduce Alaska's tuberculosis (TB) rate was not met. The 2010 rate of tuberculosis was 8.0 cases/100,000 population, a 51% increase from 2009.

- The overall target to reduce prevalence of overweight and obesity was not met. The rate of overweight/obese high school students in 2009 was 26.2%, down from 27.3% in 2007. The rate of overweight/obese adults in 2010 was 66.7%, up from 65.02% in 2009.

Key Performance Indicators

Integrated Health and Wellness *cont'd*

- ➔ The target to reduce the percentage of high school students in Alaska who use any tobacco products 20% was not met. 25.2% of high school students used tobacco products in 2009, up from 24.1% in 2007, but below the 25.7% national average.
- ↓ The target of at least 95% of children 0-18 years of age have continuous health insurance coverage during the year was not met. In 2009, 88% of children 0-18 years of age had continuous health insurance coverage. At least 17% of three-year old toddlers had experienced a gap in health insurance coverage since they were born.
- ↓ The target for young children to receive all vaccines was not met, as 56.6% of these children received vaccines in 2009, down from 69.2% in 2008.
- ↓ The target to reduce the incidence of Fetal Alcohol Spectrum Disorder (FASD) in Alaskan children was met. From 2002 to 2003, the prevalence of FASD decreased 23%, from 128.7 per 10,000 live births in 2002 to 99.1 per 10,000 live births in 2003.

Key Performance Indicators

Integrated Health and Wellness *cont'd*

- ➔ The target to reduce the rate of alcohol-induced deaths was not met. From 2008 to 2009, the number of alcohol-induced deaths per 100,000 population remained relatively steady at 21.7 in 2008 and 21.9 in 2009.
- ↓ The target to reduce substance abuse risk among juveniles as a percentage of those assessed as low risk for substance abuse upon the completion of Division of Juvenile Justice services was not met. The percentage of juveniles assessed as low risk decreased from 56% in FY2010 to 50% in FY2011. The number assessed as moderate risk increased from 32% to 38%, and the percentage of youth assessed as high risk remained unchanged at 12% between FY2010 and FY2011.

Key Performance Indicators

Health Care Access and Delivery

- ↓ The target to reduce the rate of uninsured Alaskans to less than 14.6% was not met but is improving. In 2009, the rate of uninsured Alaskans was 17.7%, down from 19.8% in 2008.
- The target to increase the ratio of active licensed healthcare providers in Alaska in proportion to the population growth has not been met. The ratio of active physicians to Alaska residents decreased slightly, with 1 physician per 424 residents as of July 1, 2011, as compared to 1 per 405 residents during 2010.

Key Performance Indicators

Sustainable Long-Term Care Delivery System

- ↑ The target to reduce the medication error rate for the Pioneer Homes was met. The medication error rate decreased to 0.10% in FY2011, from 0.11% in FY2010, and 0.13% in FY2009, comparing favorably with the CMS target medication error rate of less than 5%
- ↑ The target to reduce the number falls resulting in a major injury (sentinel event injuries) was met. In FY2011, the NEW sentinel injury rate was 0.030%, which is well below the 2.6% target.

Key Performance Indicators

Safe and Responsible Families and Communities

- ↓ The target to reduce incidents of domestic violence and sexual assault was not met. In FY2010, 10,657 incidents were reported, which is a 25% increase from the 8,550 incidents reported in FY2009, and a 26% increase from the 8,476 incidents reported in FY2008.
- ↑ The target to decrease the rate of child abuse and neglect was met. In FY2010 that rate equaled 17.4 victims per 1,000 children. In FY2011 that rate dropped slightly to 17.1.

Update on FY12

- ASAP – Probation Officer for case management at Anchorage Municipal Wellness Court \$79.9 I/A
- AK Complex Behavior Collaborative ½ year funding \$325.0 UGF
- FLSW – Increase staff support in line with Workload – Citizen’s Review Panel Recommendation \$935.0 (\$766.7 UGF; 168.3 Fed)
- Nursing – Reduce vacancy factor to increase # of authorized positions that can be filled \$1,750.0 UGF

Updates on FY12 *Cont'd*

- SDS Admin Waiver Correction Action Plan Recovery and Program Stabilization \$1,250.0 (\$750.0 UGF; \$500.0 Fed)
- SDS Admin Personal Care Assistance Staff and Program Stabilization \$950.0 (\$750.0 UGF; \$200.0 Fed)
- Medicaid School Based Administrative Claims \$5,328.8 Fed
- Information Technology Services \$655.0 (\$400.0 UGF; \$255.0 Fed)

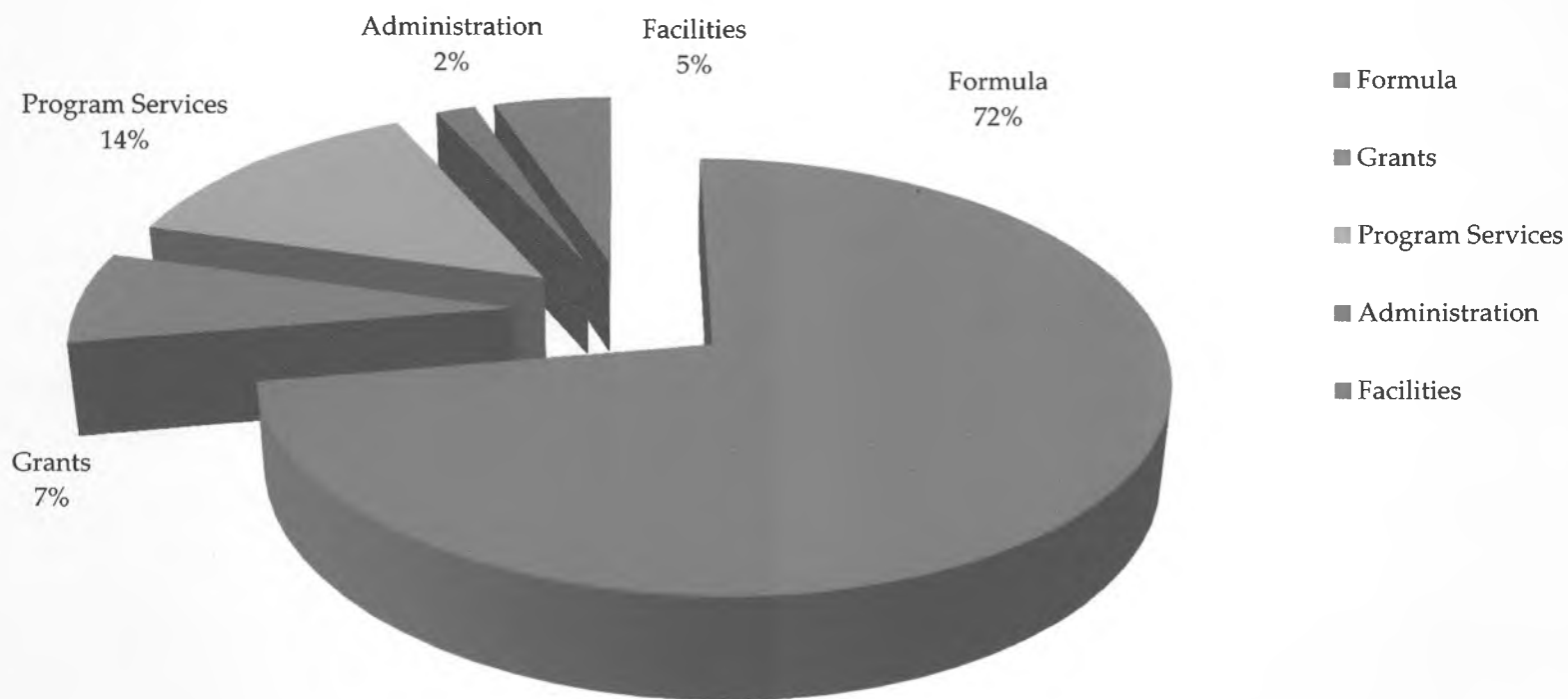
Operating Budget

Department Operating Expenditures, FY2003-FY2013

Category	FY2003 Authorized		FY2013 Governor's		Change: FY03 to FY12
	Total Funds	% of Total	Total Funds	% of Total	
Formula	\$1,016,103.6	69%	\$1,893,974.5	72%	186%
Grants	167,285.2	11%	185,896.7	7%	111%
Program Services	234,660.9	16%	360,483.7	14%	154%
Administration	19,205.9	1%	44,987.3	2%	234%
Facilities	42,322.4	3%	132,350.0	5%	313%
Total	\$1,479,578.0	100%	\$2,617,692.2	100%	177%

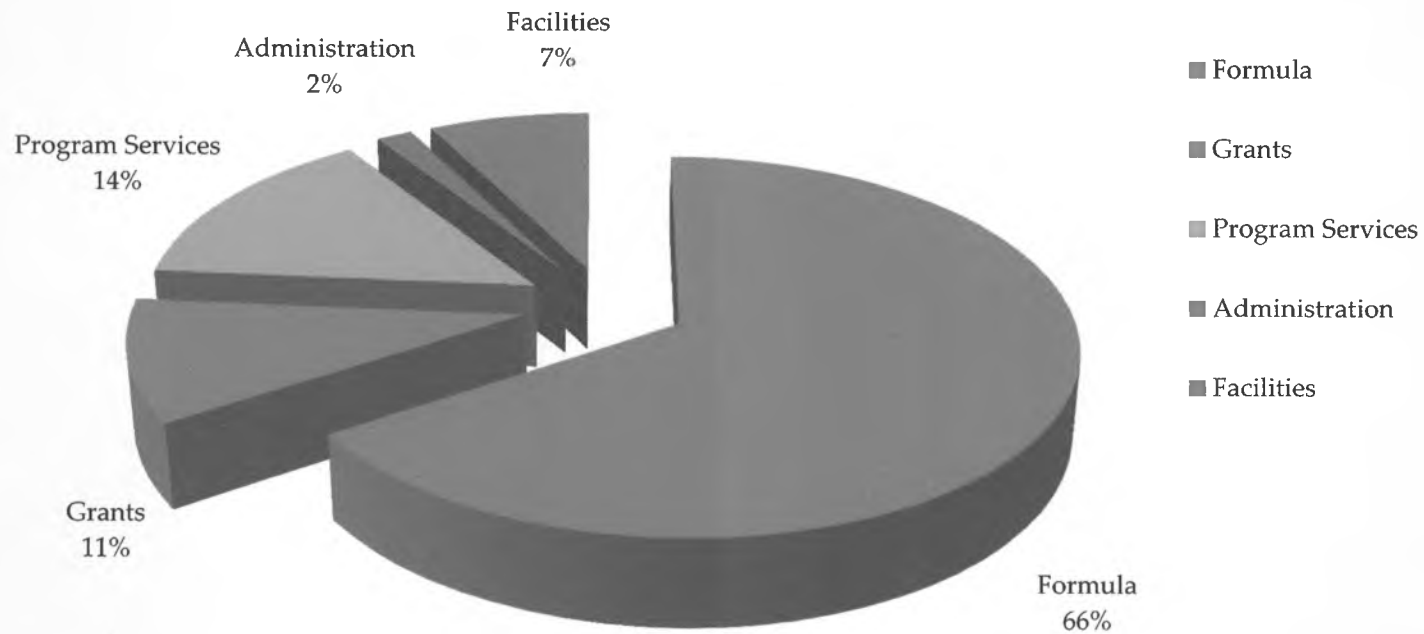
Operating Budget Cont'd

FY2013 Governor's Budget Request Total Funds



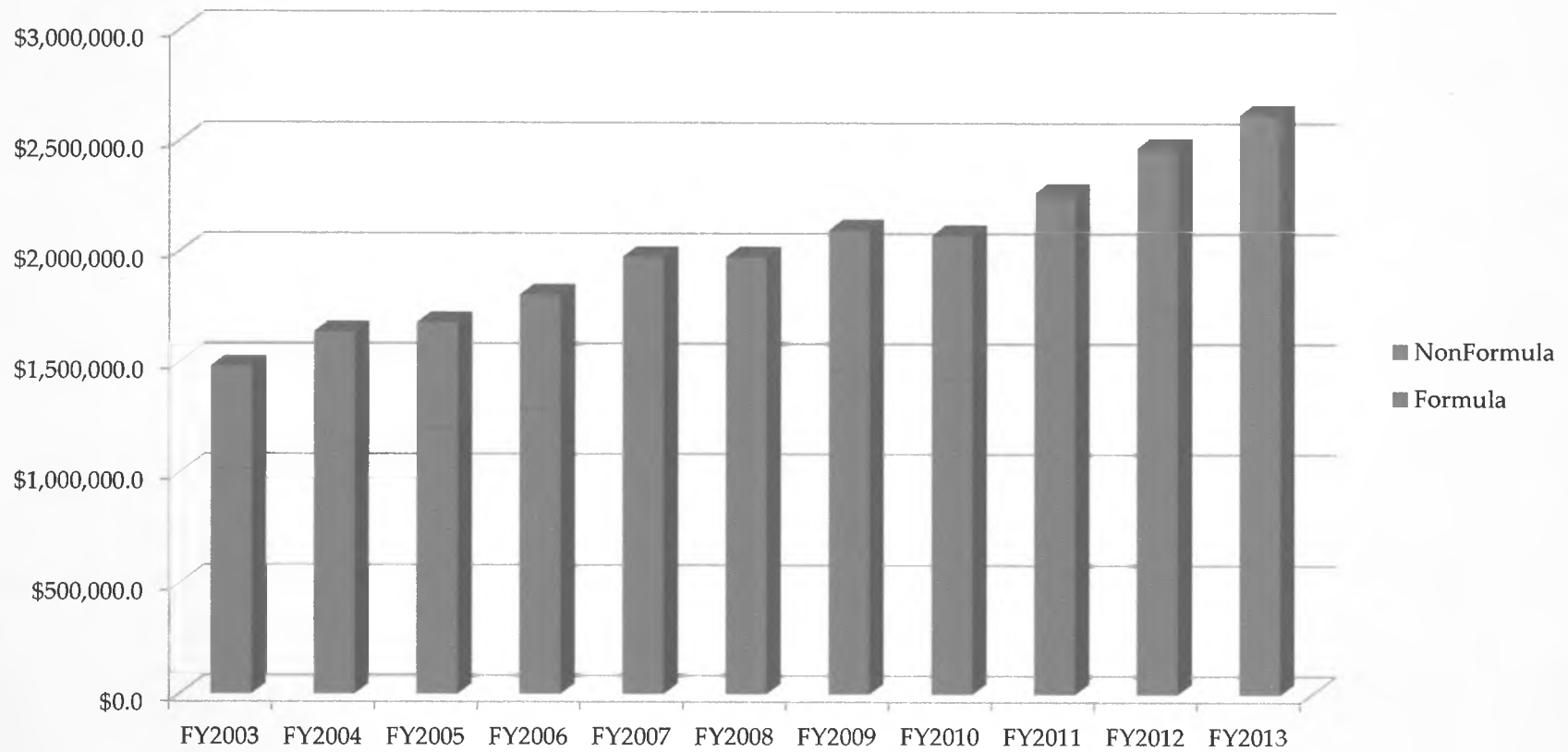
Operating Budget

FY2013 Governor's Budget Request GF Only

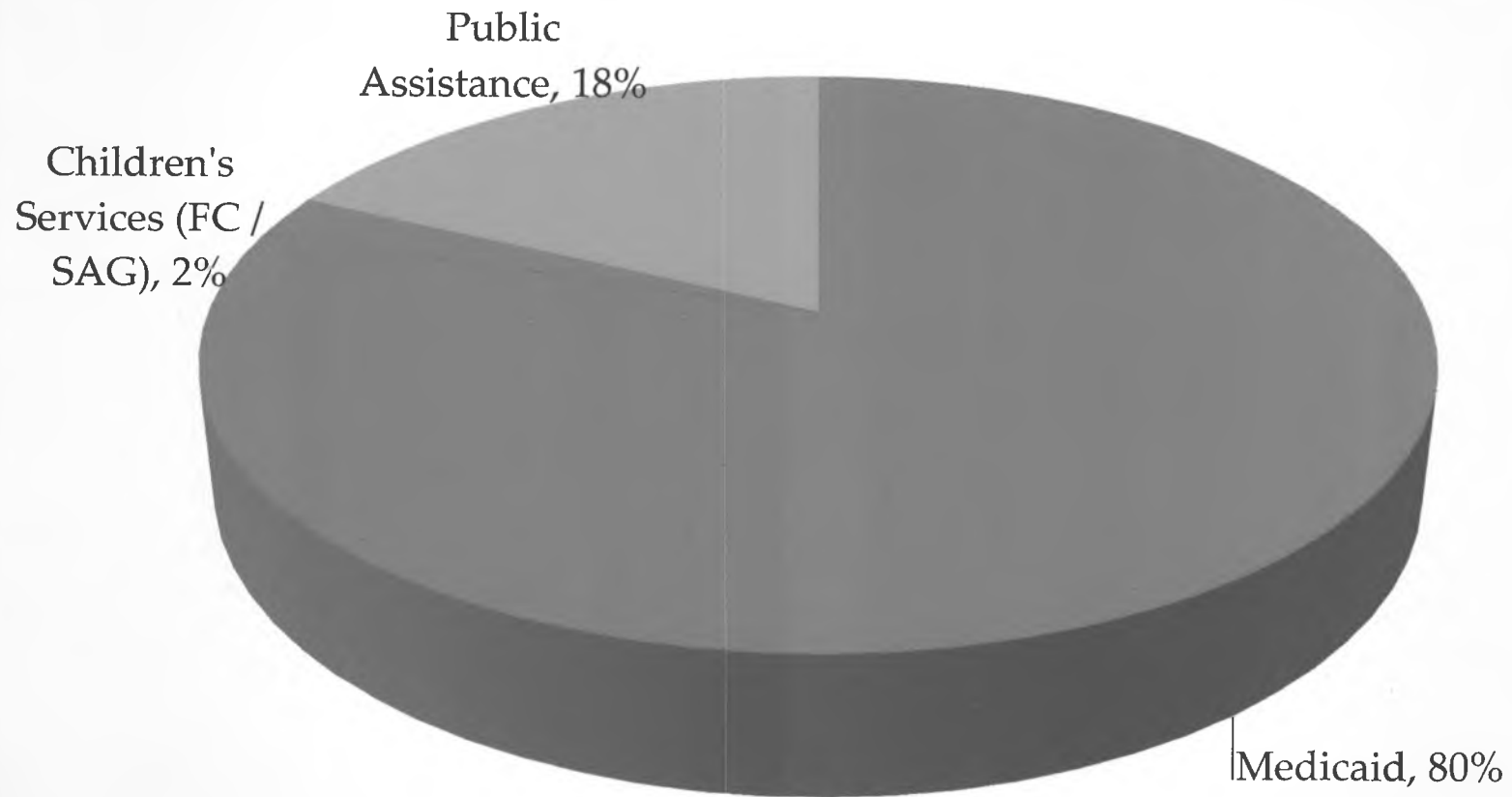


Budget Cont'd

FY2003-FY2013 Comparison, Formula and Non-Formula



Formula Programs



Operating Budget

Proposed Budget for FY2013 Compared to FY2012

	FY2012 Management Plan	FY2013 Governor's Request
Unrestricted General Funds	\$1,150.1 million	\$1,214.5 million
Designated General Funds	72.2 million	73.0 million
Federal Funds	1,148.4 million	1,229.1 million
Other Funds	99.5 million	101.0 million
Total	\$2,470.2 million	\$2,617.7 million
Increased Federal Revenue		80.7 million
Increased General Fund		65.2 million

FY2013 Budget Cont'd

Increase in general funds (GF) by \$65,208.4

- Medicaid program growth of \$46,031.6, and
- Non-Medicaid resources addressing the department's priorities:
 - Integrated Health and Wellness \$4,016.0;
 - Health Care Access and Delivery \$265.8;
 - Sustainable Long-Term Care Delivery System \$1,042.2; and
 - Safe and Responsible Families and Communities \$13,852.8

FY2013 Budget Cont'd

Integrated Health and Wellness - Highlights

- Medicaid growth from FY2012 to FY2013: \$53,272.3 total - \$18,130.4 GF Match, \$35,141.9 federal
- Maintaining local control of essential public health services by stabilizing funding to public health nursing grantees: \$1,100.0 total - \$990.0 GF, \$110.0 federal
- Immunization for children and seniors: \$700.0 total - \$630.0 GF, \$70.0 federal
- Substance abuse treatment for un-resourced individuals: \$450.0 GF/MH
- Family Wellness Warriors Initiative, multidisciplinary rural community pilot project and trauma informed training as parts of the Governor's focus on domestic violence: \$1,800.0 I/A Receipts
- Behavioral health follow-up survey: \$75.0 MHTAAR
- Disability justice focus group recommendation for pre-development for sleep off alternatives in targeted communities: \$100.0 MHTAAR
- Tele-health strategic capacity expansion: \$100.0 GF

FY2013 Budget Cont'd

Health Care Access and Delivery - Highlights

- Increased support for the Supporting Health-care Access through Loan Repayment (SHARP) program: \$320.0 (\$200.0 GF/MH; \$120.0 MHTAAR)
- Continuation funding for the Comprehensive Integrated Mental Health Plan: \$200.0 MHTAAR

FY2013 Budget Cont'd

Sustainable Long-Term Care Delivery System - Highlights

- Rate setting and acuity measurement systems (split between Long-Term Care and Health and Wellness): \$640.0 total - \$320.0 GF Match, \$320.0 federal
- Medicaid growth from FY2012 to FY2013: \$46,004.7 total - \$22,786.8 GF Match, \$23,217.9 federal
- Adult protective services and provider quality assurance split between Long-Term Care and Vulnerable Alaskans): \$550.0 total - \$275.0 GF Match, \$275.0 federal

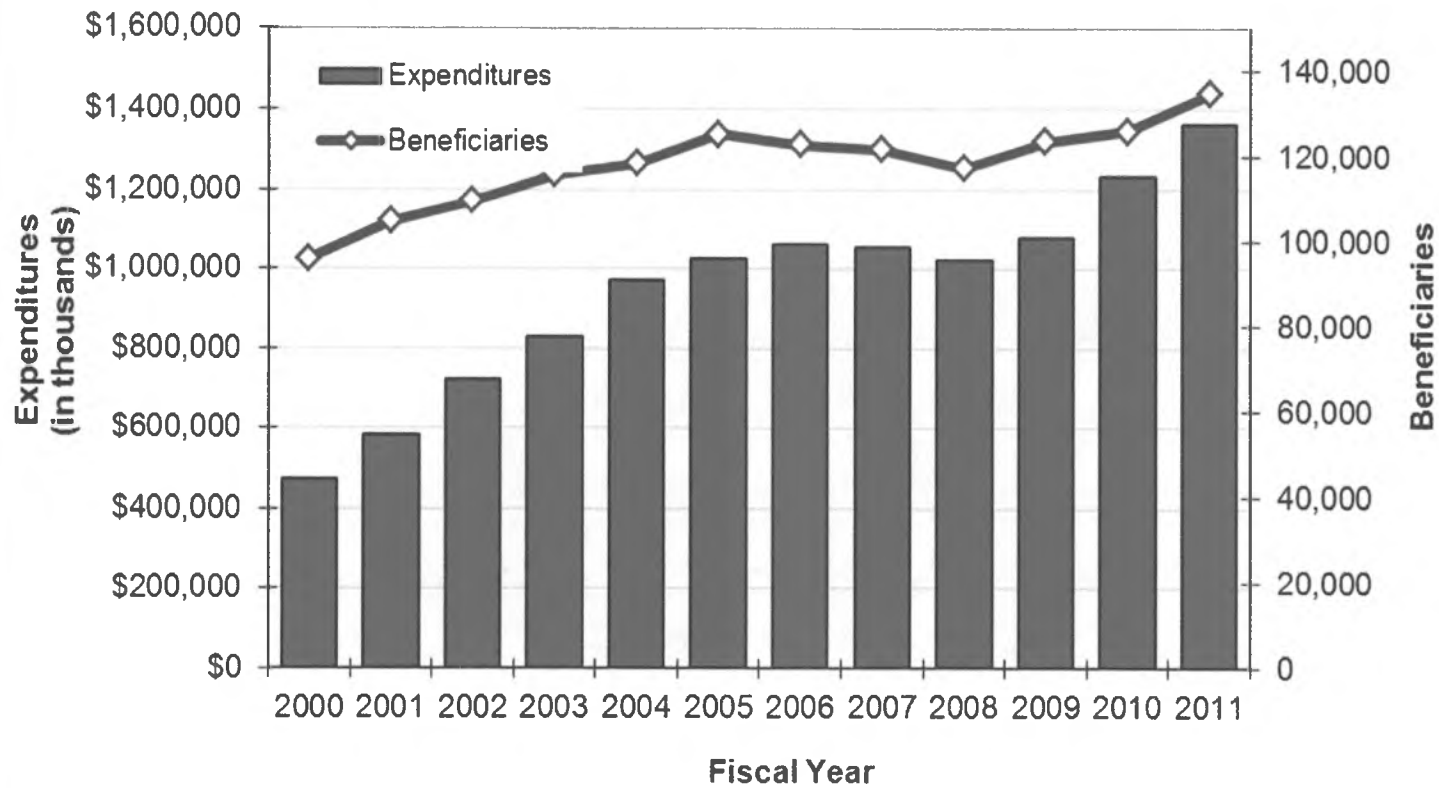
FY2013 Budget Cont'd

Safe and Responsible Families and Communities - Highlights

- Additional funds to cover grave shifts at McLaughlin and Johnson Youth Centers: \$500.0 GF
- Increasing Adult Public Assistance funding due to anticipated enrollment growth: \$5,665.5 GF, \$409.5 Interagency Receipts
- Medicaid growth from FY2012 to FY2013: \$27,638.4 total - \$2,562.1 GF/MH, \$25,076.3 federal
- Support for school based suicide prevention: \$450.0 GF/MH
- Bring the Kids Home efforts and at Keeping Kids: \$1,133.0 total - \$1,008.0 GF/MH, \$125.0 MHTAAR

Medicaid

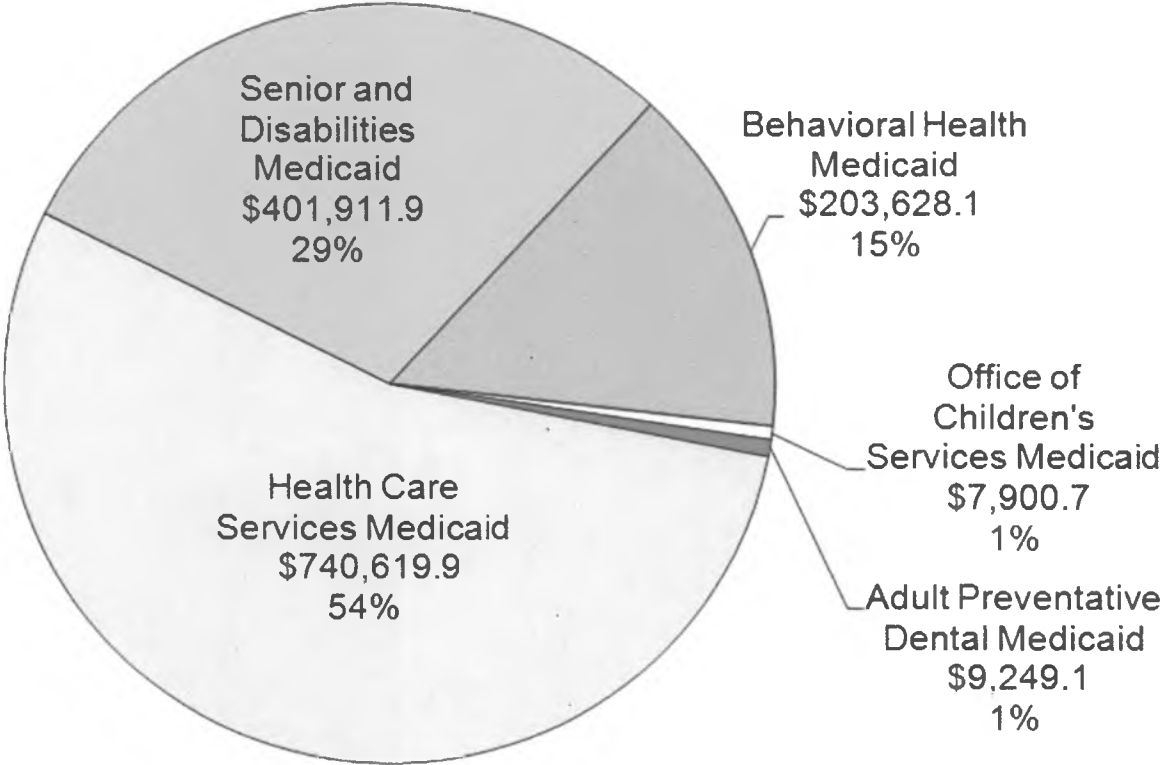
All Medicaid Direct Services Beneficiaries and Expenditures



Source: Expenditures are from AKSAS. Beneficiaries are from MMIS-JUCE data.

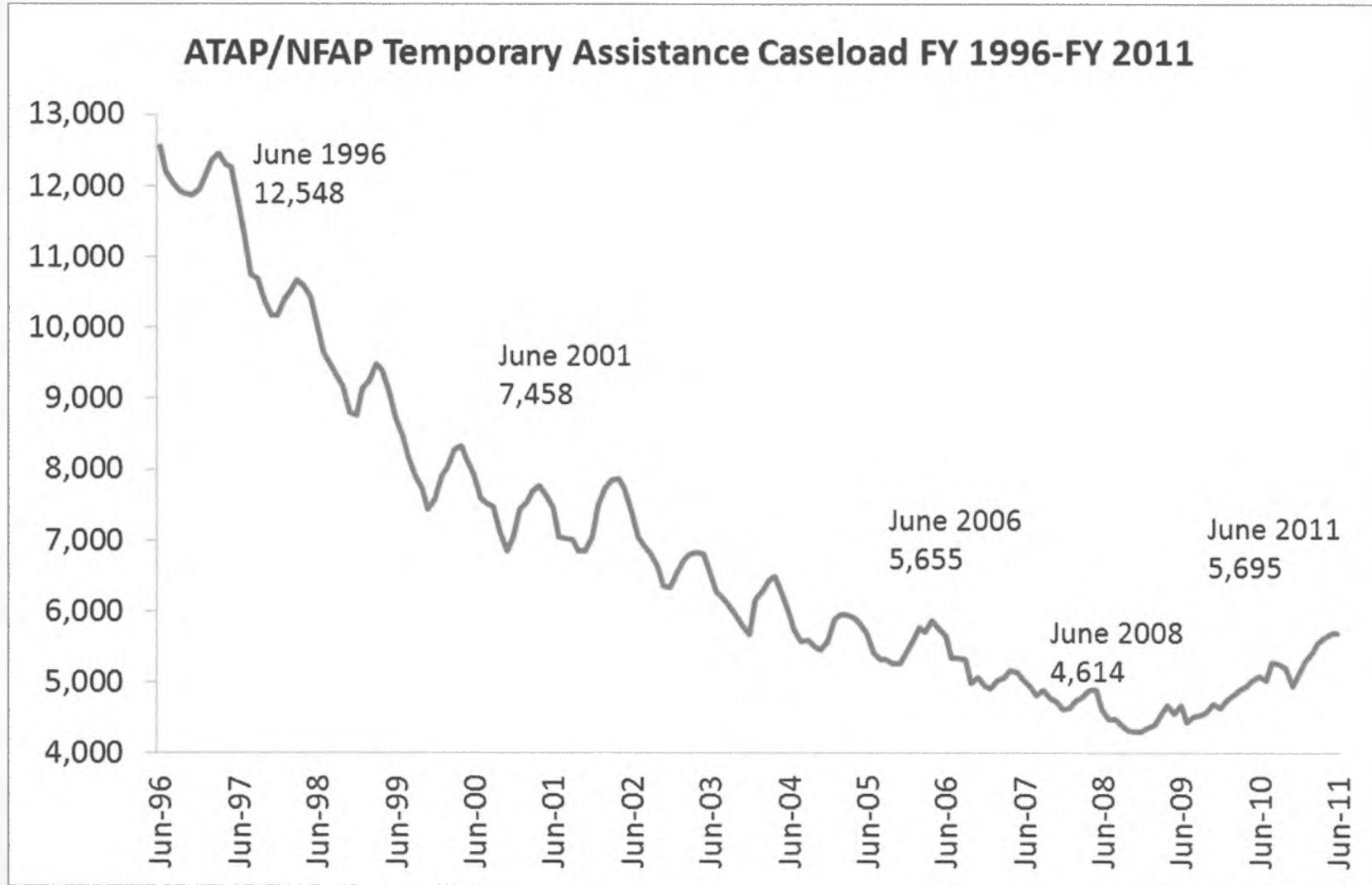
Medicaid *Cont'd*

FY 2011 Medicaid Direct Services Expenditures by Division (thousands)

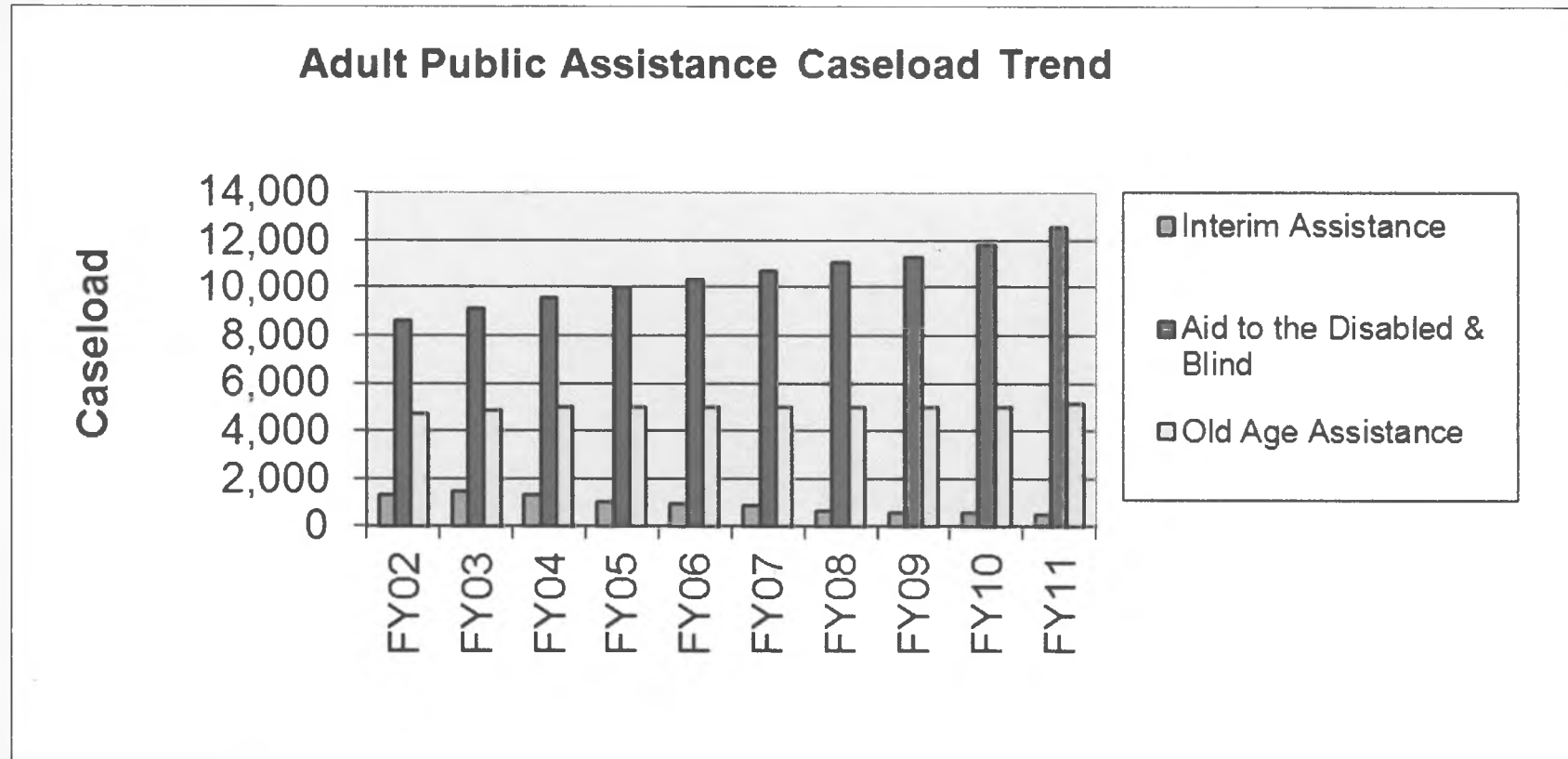


Source: AKSAS data

Public Assistance

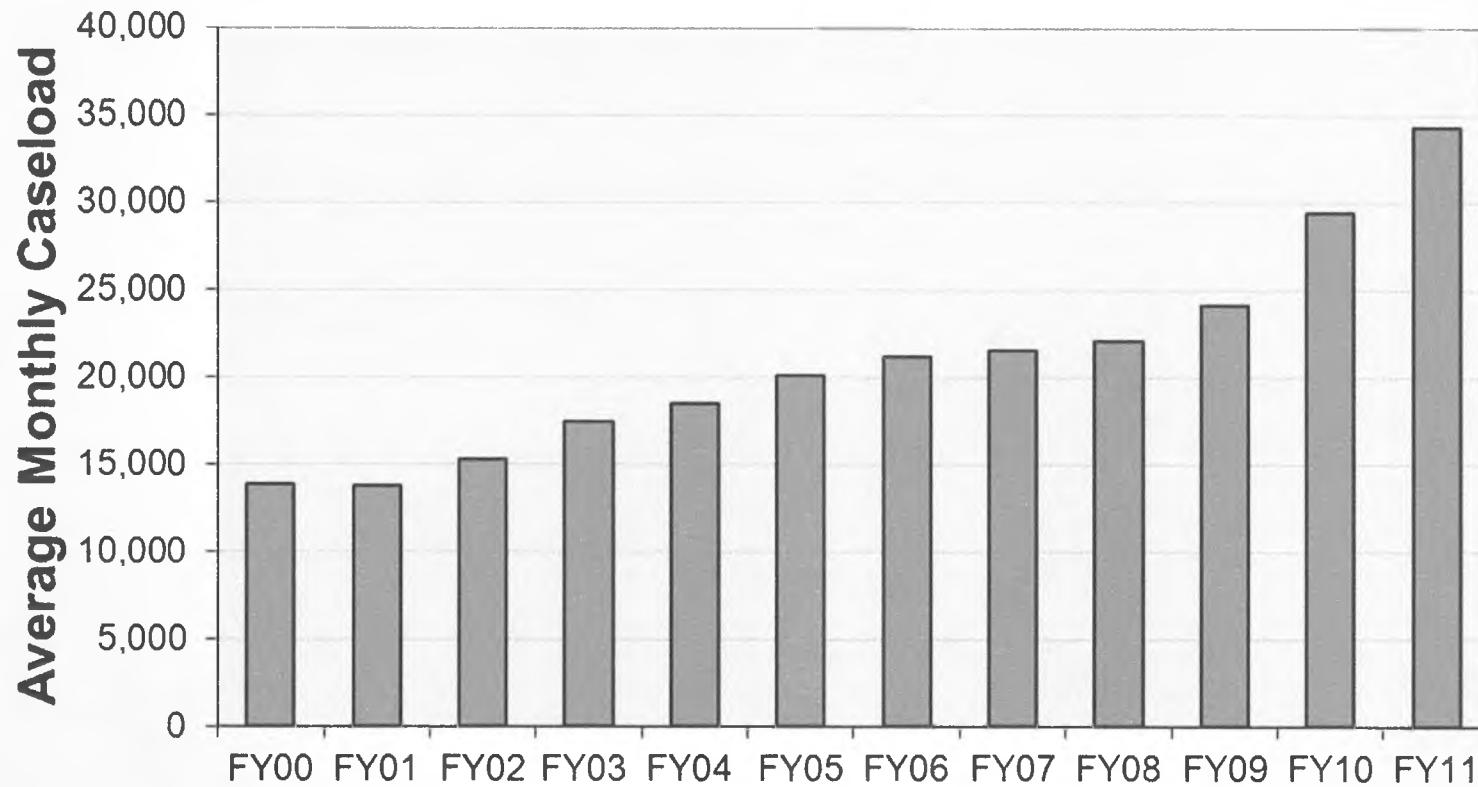


Public Assistance *Cont'd*



Public Assistance *Cont'd*

Food Stamp Caseload



Capital Budget

Capital		FY2013 Capital Funding Request			
		(In thousands)			
<i>DHSS Division</i>	<i>Project Titles</i>	<i>GF</i>	<i>Fed</i>	<i>Other</i>	<i>Total</i>
Juvenile Justice	Bethel Youth Facility Expansion, Phase 1	10,000.0			10,000.0
Health Care Services	International Classification of Diseases Version 10, Phase 2	901.6	3,805.4		4,707.0
Public Health	Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue	450.0			450.0
Pioneer Homes	Deferred Maintenance, Renewal, Repair and Equipment – Pioneer Homes	4,000.0			4,000.0
Public Health, Juvenile Justice, Behavioral Health	Deferred Maintenance, Renewal, Repair and Equipment – Non-Pioneer Homes	3,000.0	15.7		3,015.7
	MH - Essential Program Equipment*	475.0			475.0
	MH - Aging and Disability Resource Centers Pilot to Improve Screening and Services	425.0			425.0
	MH – Assistive Technology*	125.0			125.0
	MH – Home Modification and Upgrades to Retain Housing*	750.0		300.0	1,050.0
Capital Budget Totals		20,126.6	3,821.1	300.0	24,247.7

**These projects are included in the mental health bill.*

10-Year Plan - Operating

FY2013 \$2.6 Billion

Projected: FY2022 \$6.6 Billion

- Unknowns

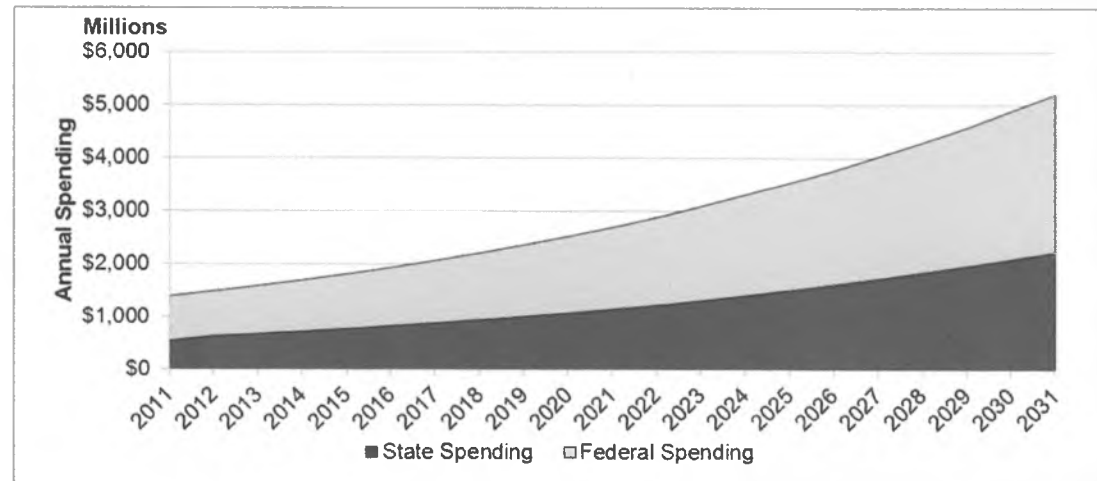
- Impact of the U.S. National health care initiative
- Tighter federal and state budgets
- Broad economic problems – e.g. financial markets, energy costs, mortgage defaults, medical inflation

- Medicaid

- Population
- Medical Inflation

- Public Assistance

- Inflation
- Population Growth in
Population 20-34 years of age
- Population growth 65+ years of age – Adult Public Assistance



10-Year Plan - Capital

Capital major long-term projects:

- Juvenile Justice Facilities Multi-Year Plan
- Alaska Pioneer Homes Long-term Plan
- Advancing information technology and information exchange