

**01/22/14  
BUDGET  
OVERVIEW  
FY 15:  
DEPARTMENT  
OF HEALTH &  
SOCIAL  
SERVICES**

<TARGET><BILL></BILL><SUBJECT>01-22-14 BUDGET OVERVIEW  
FY 15 DEPARTMENT OF HEALTH and SOCIAL  
SERVICES</SUBJECT><COMM>HFIN28</COMM></TARGET>



ALASKA STATE LEGISLATURE  
**HOUSE FINANCE COMMITTEE**

State Capitol, Room 519

Rep. Alan Austerman, Co-Chair

Rep. Bill Stoltze, Co-Chair

Wednesday, January 22, 2014

8:30 AM

Agenda:

FY15 Governor's Budget Overview:

Department of Health and Social Services

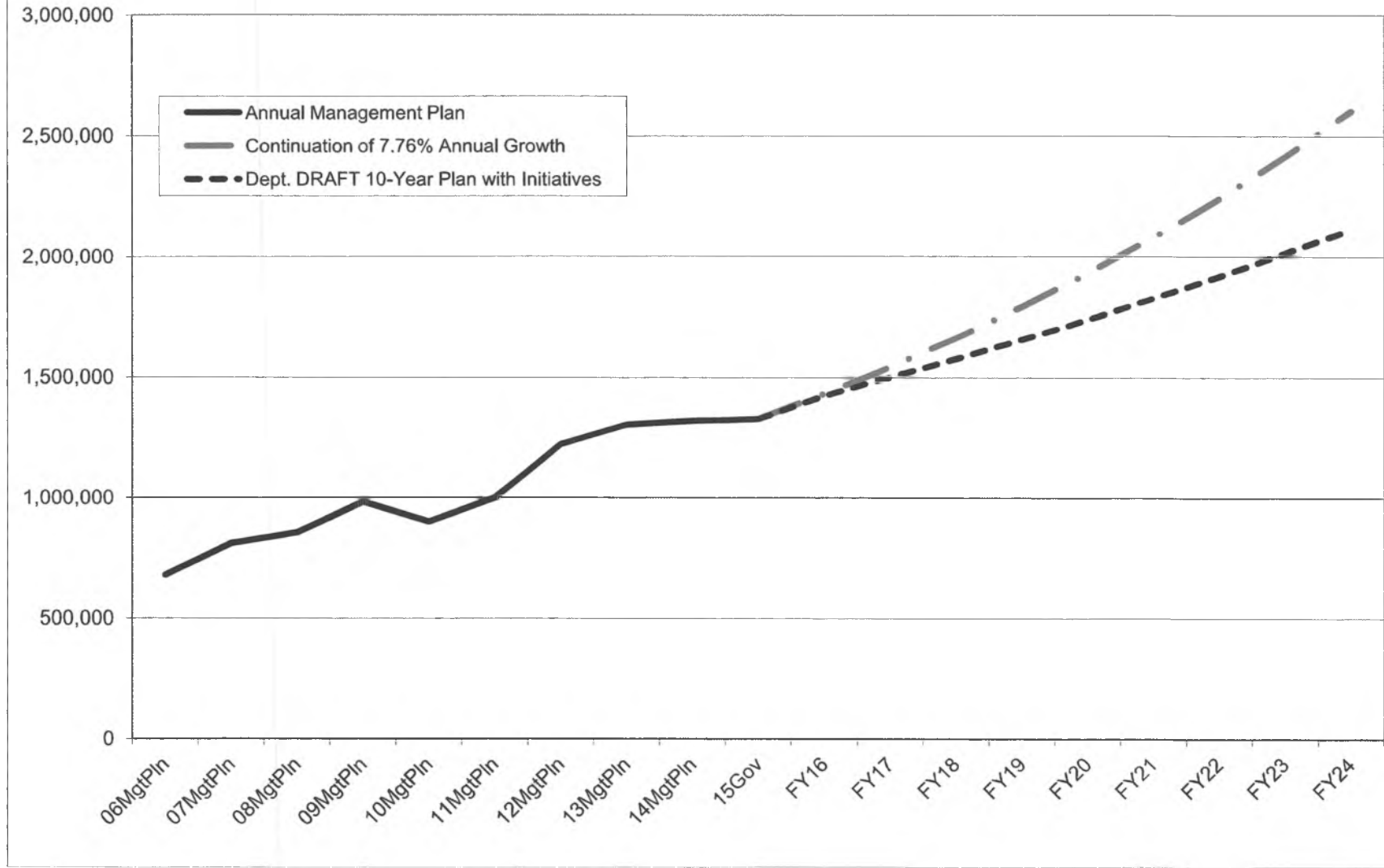
Presented by:

William Streur, Commissioner, Department of Health and Social Services

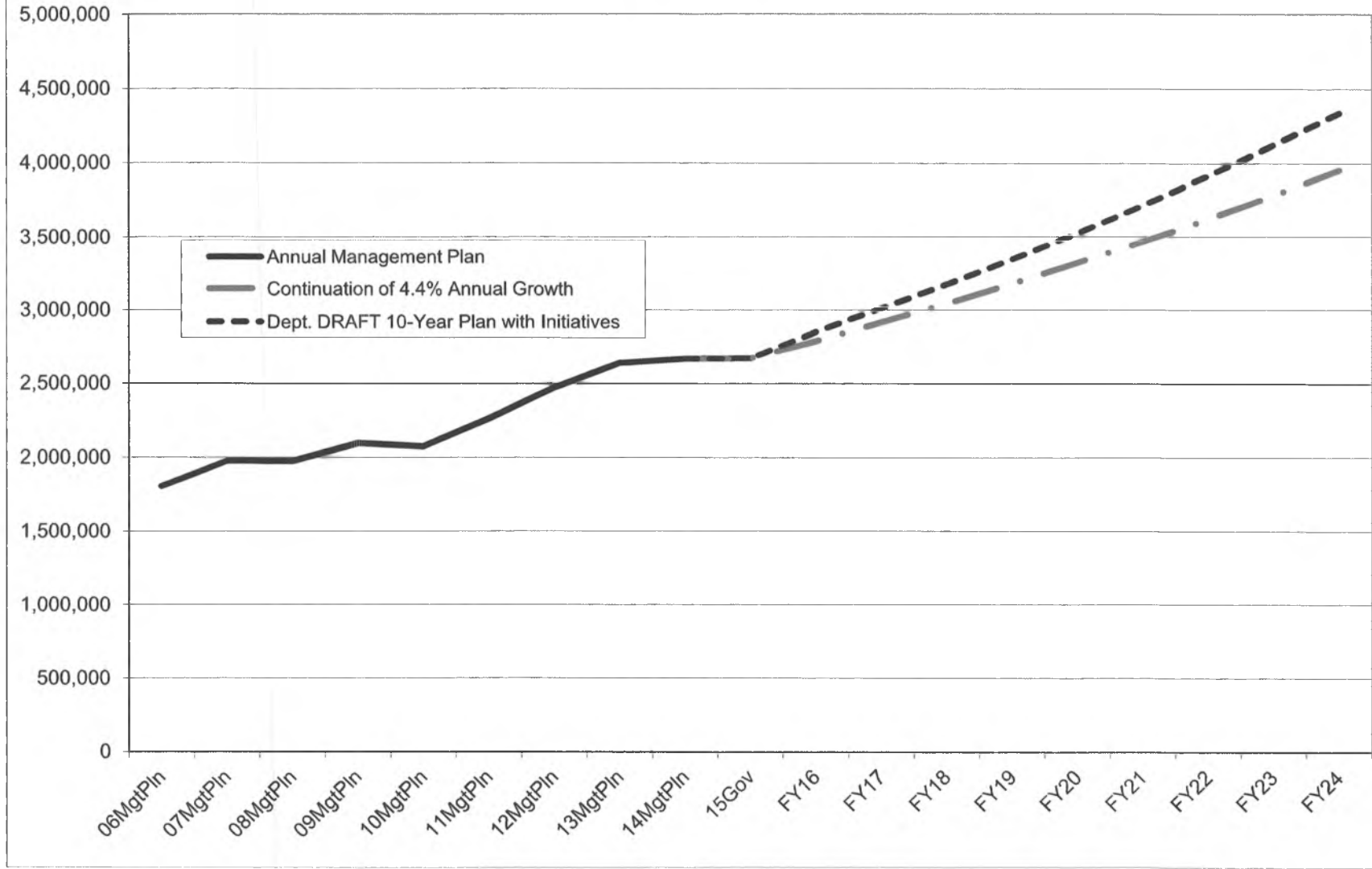
Sana Efird, Assistant Commissioner, Finance and Management Services,  
Department of Health and Social Services

HB 266  
HB 267

**Department of Health & Social Services  
Continued Budget Growth Compared to 10-Year Plan  
(GF Only)  
(\$ Thousands)**



**Department of Health & Social Services  
Continued Budget Growth Compared to 10-Year Plan  
(All Funding)  
(\$ Thousands)**



# FY15 Departmental Overview

January 22, 2014



Commissioner William J. Streur  
Department of Health & Social Services



# Alaska Department of Health and Social Services Organization Chart



**Commissioner**  
*William J. Streur*

**Chief Medical Officer**  
*Ward B. Hurlburt, M.D.*

**PUBLIC HEALTH**  
*Director: Kerre Shelton*

- Public Health Nursing
- Epidemiology
- Chronic Disease Prevention & Health Promotion
- Emergency Programs
- Women's, Children's & Family Health
- Bureau of Vital Stat.
- State Laboratory
- State Medical Examiner's Office
- Health Planning & Systems Development

**Deputy Commissioner for Medicaid and Health Care Policy**  
*Craig J. Christenson*

- Medicaid Director
- Performance/Quality Assurance
- Medicaid Policy & Planning
- MMIS — DDI
- Rate Review
- Tribal Health

**HEALTH CARE SERVICES**  
*Director: Margaret Brodie*

- Medicaid Management
- Health Facility Survey
- Certification & Licensing

**ALASKA PIONEER HOMES**  
*Director: G. Ken Truitt*

**SENIOR & DISABILITIES SERVICES**  
*Director: Duane Mayes*

**BEHAVIORAL HEALTH**  
*Acting Director: Barbara Henjum*

- Boards & Commissions**
- \* Medical Care Advisory Committee
  - \* Pharmacy/Therapeutics Comm.
  - \* Alaska Pioneer Homes Advisory Board

- Human Resources
- Regulations
- Health Information Technology

**Public Information**  
Communications Manager  
*Clay Butcher*

**Legislative Relations**  
*Jason Hooley*

**Health Care Policy**  
*Josh Applebee, Deputy Director*

**Special Assistant**  
*Tara Horton*

**Alaska Health Care Commission**  
*Deborah Erickson, Exec. Dir.*

- Boards & Commissions**
- (Behavioral Health)**
- \* Alaska Mental Health Board
  - \* Advisory Board on Alcoholism and Drug Abuse
  - \* Suicide Prevention Council
- (Senior & Disabilities Services)**
- \* Governor's Council on Disabilities and Special Education
  - \* Alaska Commission on Aging

**Deputy Commissioner for Family, Community & Integrated Services**  
*Ree Sailors*

**CHILDREN'S SERVICES**  
*Director: Christy Lawton*

**JUVENILE JUSTICE**  
*Acting Director: Karen Forrest*

**Boards & Commissions**  
\* Juvenile Justice Advisory Committee

**PUBLIC ASSISTANCE**  
*Director: Ron Kreher*

**Assistant Commissioner for Finance and Management Services**  
*Sana P. Efirid*

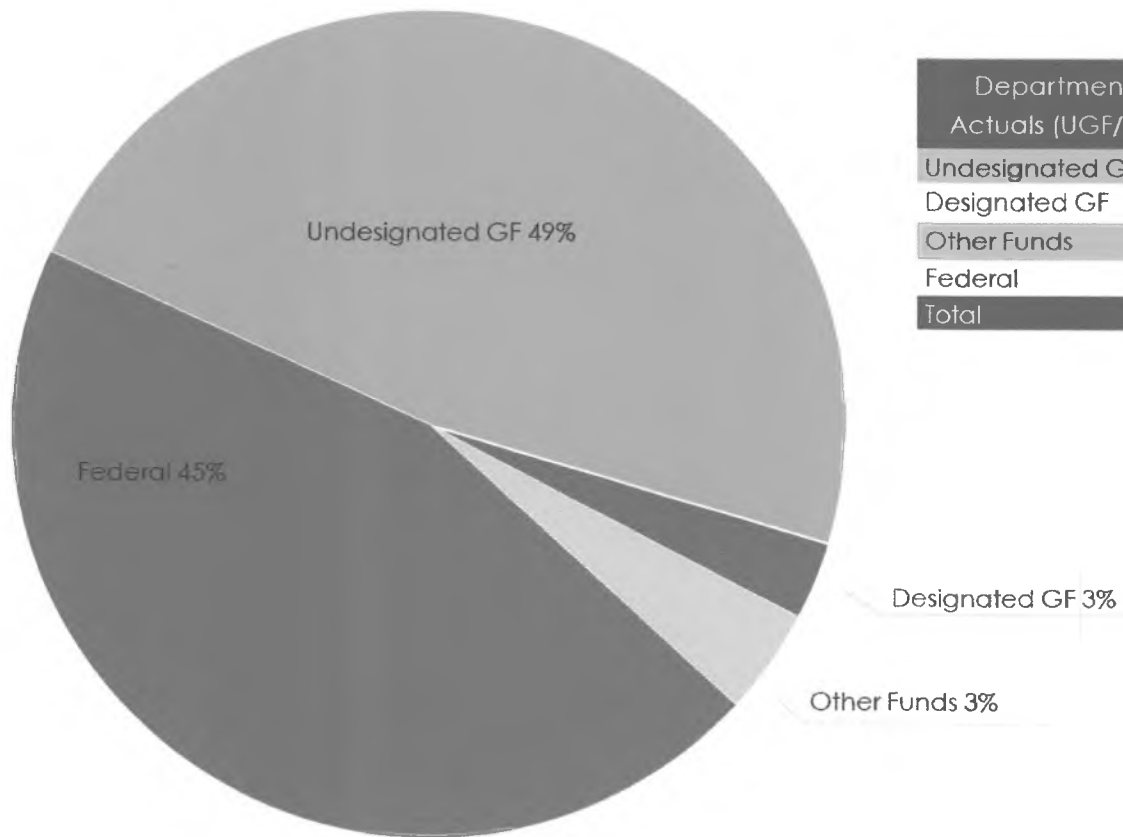
- Facilities
- Administrative Services
- Budget
- Revenue
- Fiscal
- Grants & Contracts
- Information Technology
- Federal Allocation Management Unit

- Boards, Commissions and Workgroups**
- \* Alaska Council on Emergency Medical Service
  - \* Regional Health Information Org.
  - \* Electronic Health Record workgroups

# Summary of Summer Meetings

- » Opportunity for Division-level deep dive into the budget
- » Process evolved from meeting to meeting
- » Concluded with a better understanding of the budgetary development challenges

**Department Total — FY2013 Actuals**  
(Undesignated General Fund, Designated General Fund, Other, Federal)



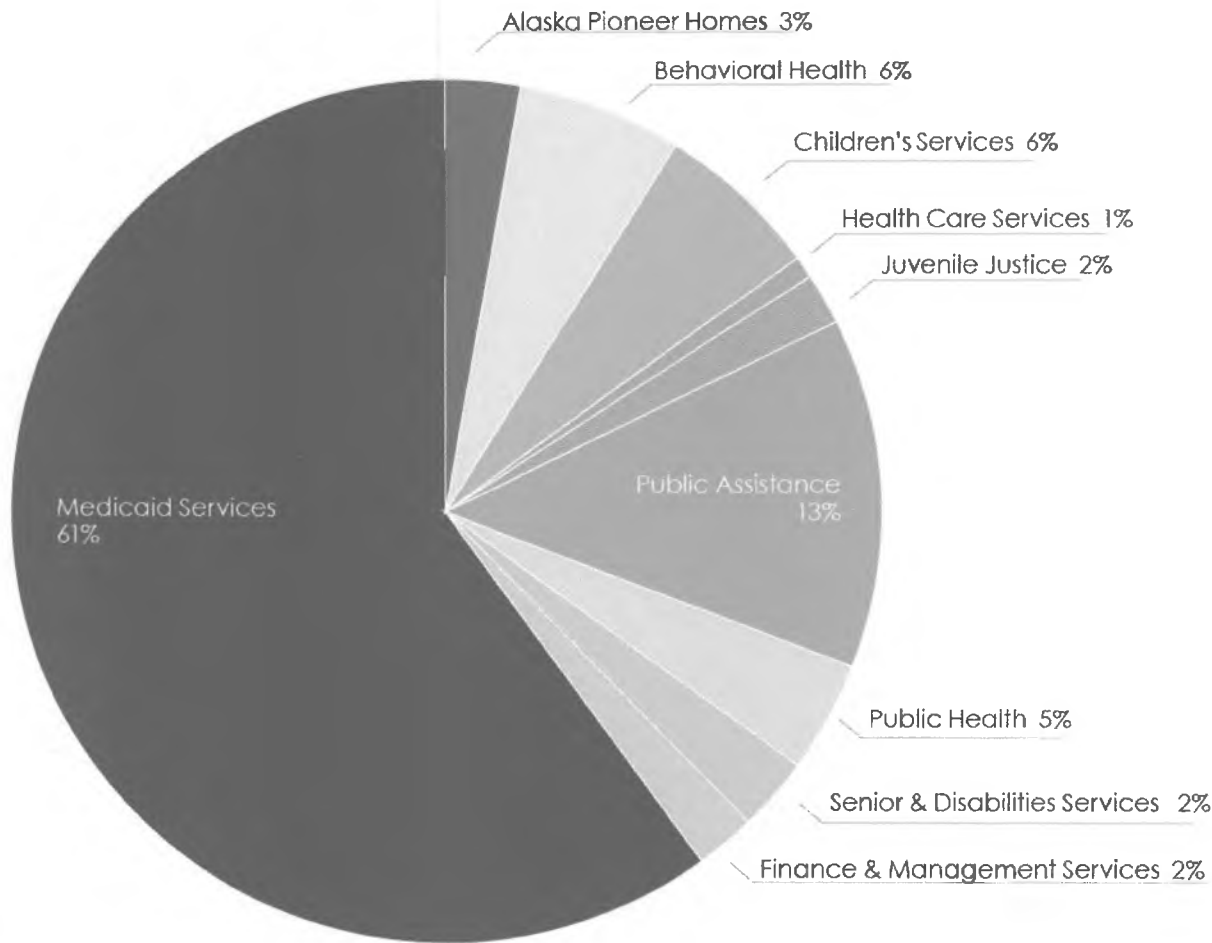
Department Total - FY2013 Actuals (UGF/DGF/Other/Fed)	
Undesignated GF	1,150,785.2
Designated GF	69,061.6
Other Funds	81,020.6
Federal	1,071,928.8
<b>Total</b>	<b>\$2,372,796.2</b>

# Financial Report

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



## Actuals (by Division)



Division	FY12	FY13
Alaska Pioneer Homes	59,754.4	61,069.2
Behavioral Health***	129,785.6	133,538.0
Children's Services	127,497.1	129,327.9
Health Care Services*	24,653.4	22,823.7
Juvenile Justice	56,181.9	57,979.6
Public Assistance	305,118.7	306,383.4
Public Health	98,937.1	111,763.3
Senior & Disabilities Svs***	56,224.6	58,864.5
Finance & Management**	40,458.6	42,253.9
Medicaid Services	1,369,633.5	1,448,792.7
* Includes Adult Dental ** Includes Human Services Community Matching Grant & Community Initiative Matching Grants *** Boards & Commissions added to DBH & SDS		
<b>TOTAL</b>	<b>\$2,268,244.9</b>	<b>\$2,372,796.2</b>

Based on DHSS FY2012 Actuals Scenario - Component Summary Report



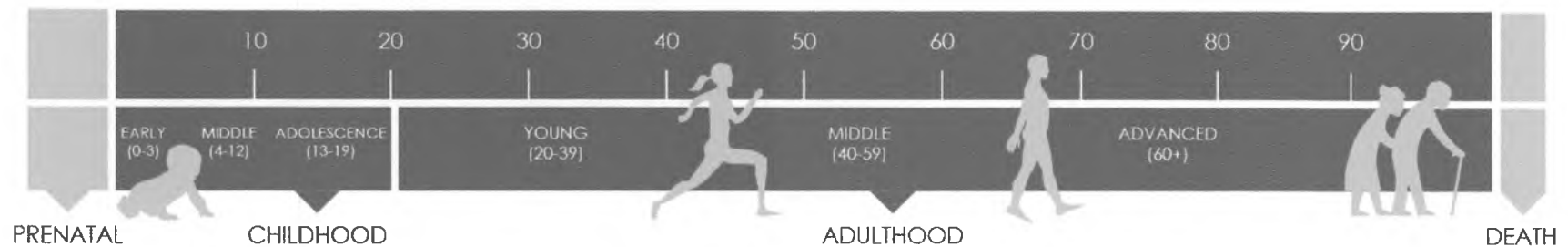
## PRIORITY 1: HEALTH & WELLNESS ACROSS THE LIFESPAN



## PRIORITY 2: HEALTH CARE ACCESS DELIVERY & VALUE



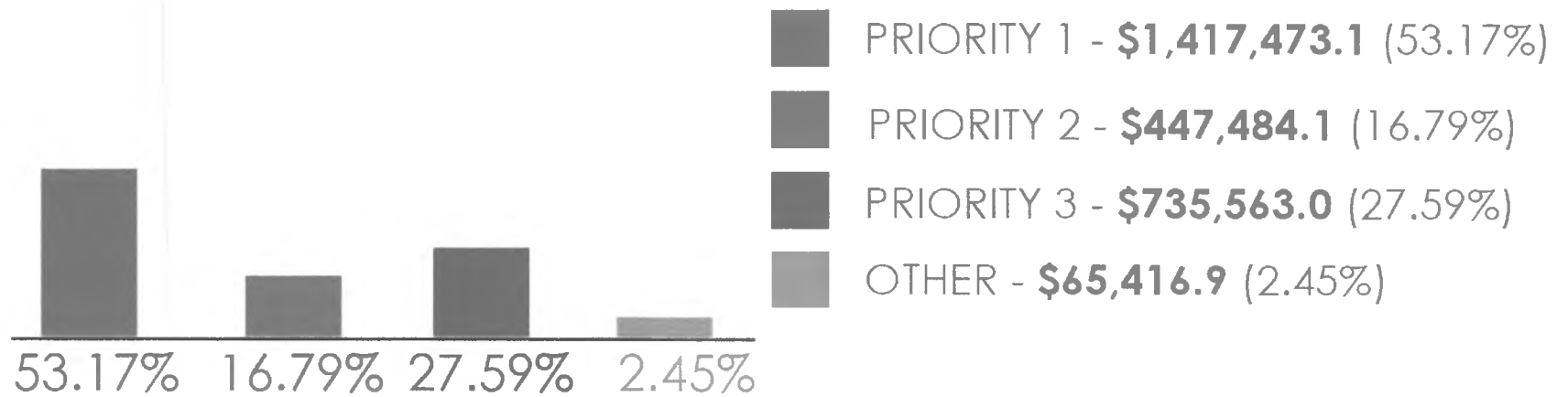
## PRIORITY 3: SAFE AND RESPONSIBLE INDIVIDUALS, FAMILIES & COMMUNITIES



# Total Budget by Priority

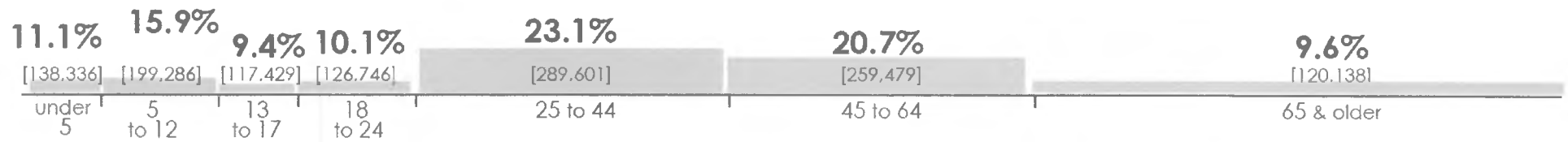
\$2,665,937.0  
TOTAL BUDGET  
(FY2014)

TOTAL BUDGET (FY2014)



# Primary Service Population

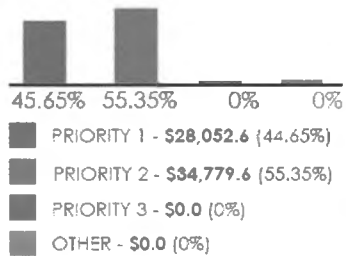
[Total service population 1,251,015 individuals.]



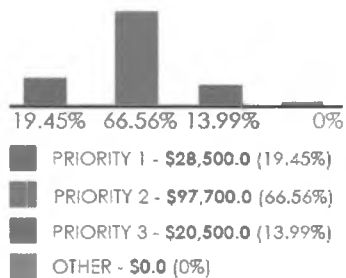
## SNAPSHOT OF ALASKANS SERVED

- 455,051** Children Served (36.4%)
- 675,826** Adults Served (54.0%)
- 120,138** Seniors Served (9.6%)

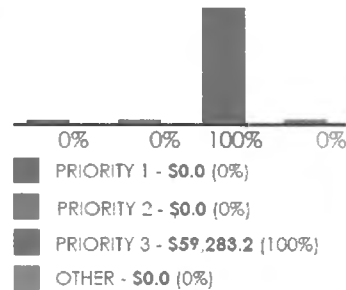
# DIVISION SPENDING BY PRIORITY INCLUDING MEDICAID



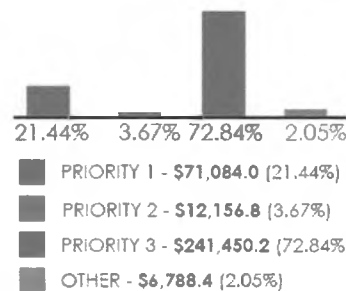
ALASKA PIONEER HOMES \$62,832.2



DIVISION BEHAVIORAL HEALTH \$146,513.4

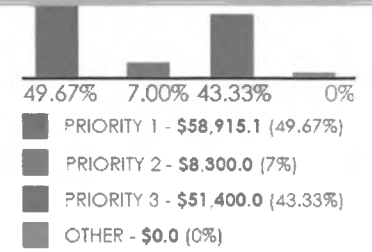


DIVISION OF JUVENILE JUSTICE \$59,283.2

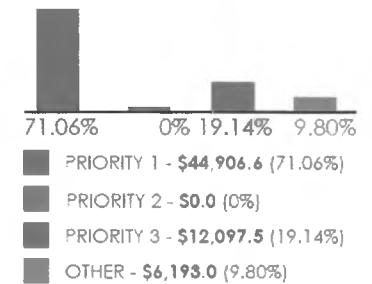


DIVISION OF PUBLIC ASSISTANCE \$331,479.4

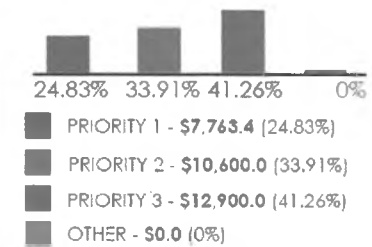
\$118,615.1 DIVISION OF PUBLIC HEALTH



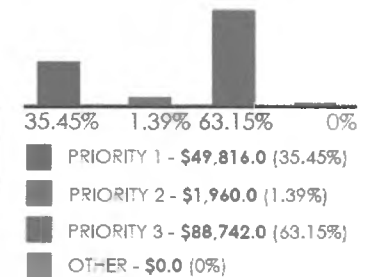
\$63,197.1 DIVISION OF SENIOR & DISABILITIES SERVICES



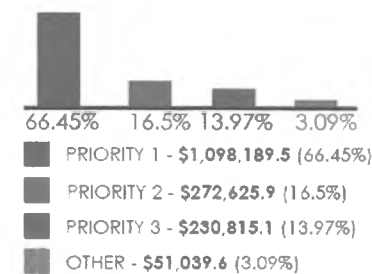
\$31,263.4 HEALTH CARE SERVICES



\$140,518.0 OFFICE OF CHILDREN'S SERVICES



\$1,652,670.1 MEDICAID



# Highlights of FY15 Budget

Proposed Budget for FY15 Compared to FY14

	FY2014 Management Plan	FY2015 Governor's Request
Unrestricted General Funds	\$1,246.9 million	\$1,256.1 million
Designated General Funds	73.5 million	72.6 million
Federal Funds	1,250.3 million	1,250.50 million
Other Funds	95.3 million	90.3 million
<b>Total</b>	<b>\$2,665.9 million</b>	<b>\$2,669.5 million</b>
Increased Federal Revenue		\$0.2 million
Increased General Fund		\$8.4 million

# Highlights of FY15 Budget

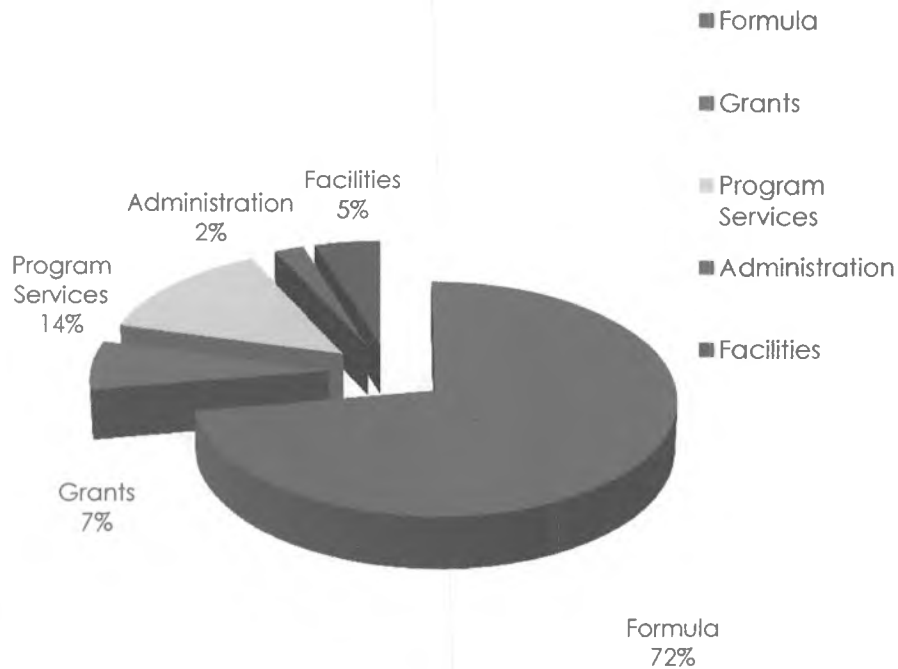
Authorization by Category, FY2005 - FY2015

Category	FY2005 Authorized		FY2015 Request		Change FY2005 to FY2015
	Total Funds	% of Total	Total Funds	% of Total	
Formula	\$ 1,212,137.0	72%	\$ 1,961,873.1	73%	62%
Grants	\$ 115,752.4	7%	\$ 153,833.9	6%	33%
Program Services	\$ 232,751.2	14%	\$ 373,135.9	14%	60%
Administration	\$ 36,632.4	2%	\$ 45,960.6	2%	25%
Facilities	\$ 80,989.6	5%	\$ 134,739.1	5%	66%
<b>Total</b>	<b>\$ 1,678,262.6</b>	<b>100%</b>	<b>\$ 2,669,542.6</b>	<b>100%</b>	<b>59%</b>

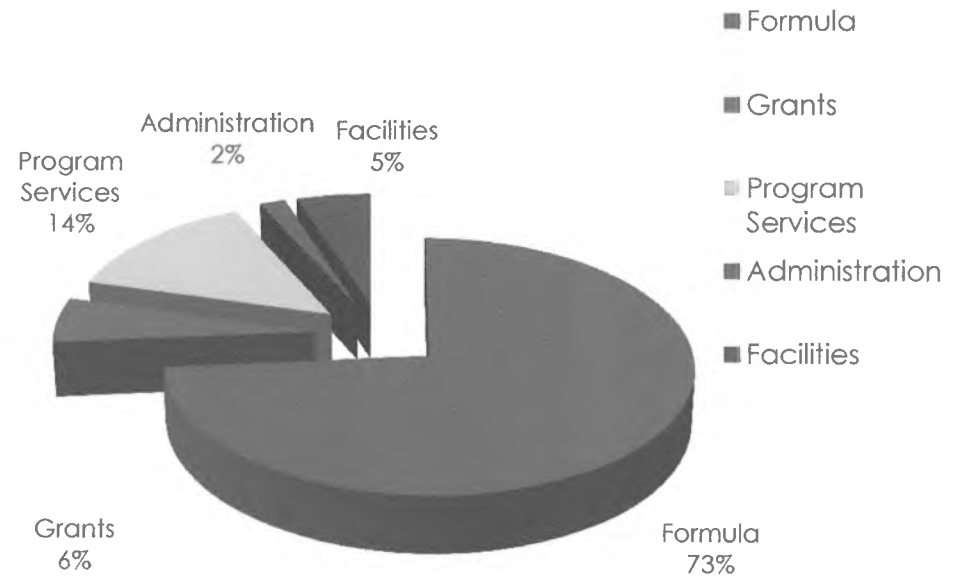
# Highlights of FY15 Budget

## Authorization by Category, FY2005 - FY2015

**FY2005 Authorized Budget**  
Total Funds



**FY2015 Governor's Budget Request**  
Total Funds

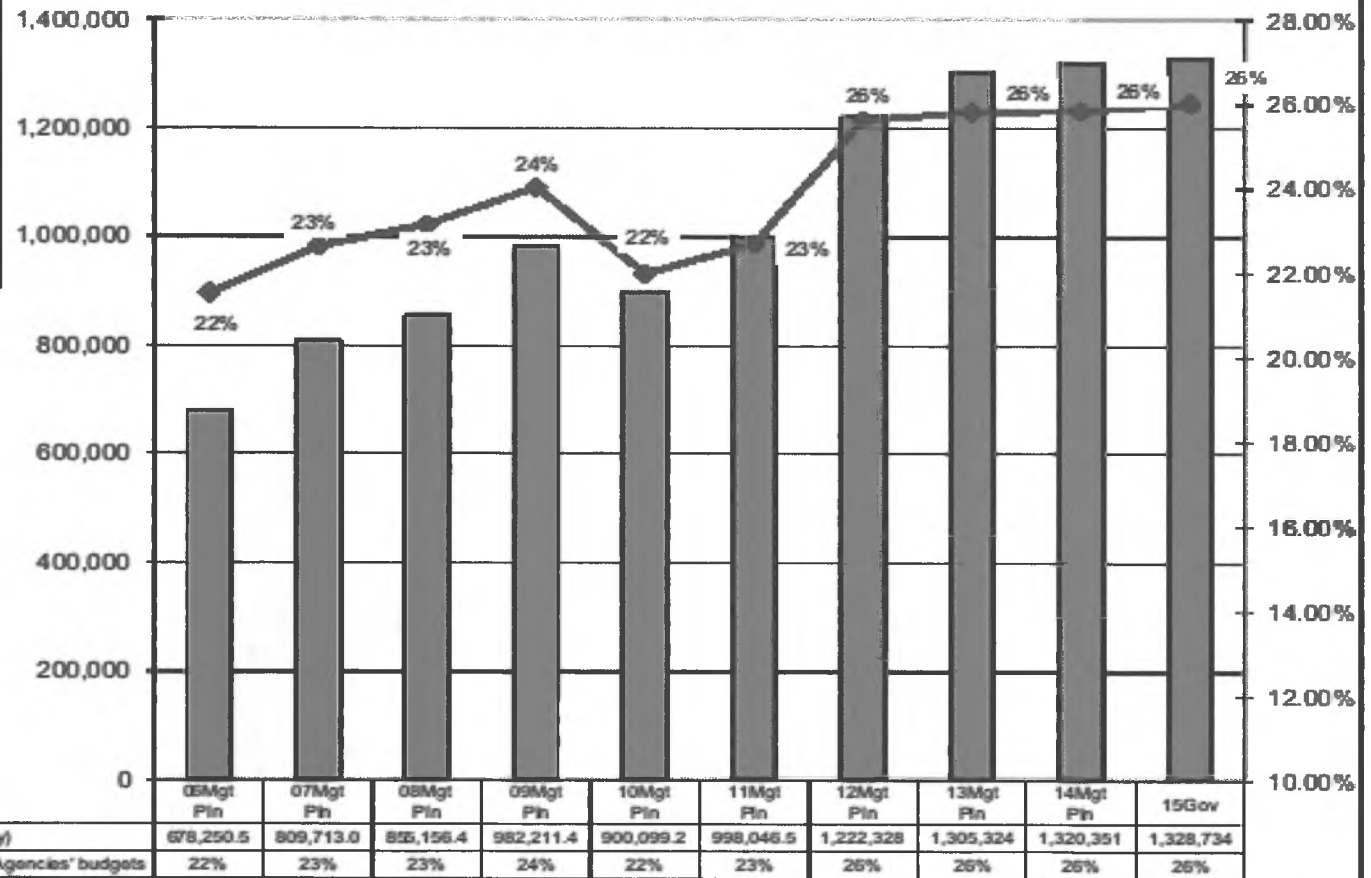


# Highlights of FY15 Budget

**Department of Health & Social Services Share of Total Agency Operations  
Non-Formula and Formula  
(GF Only)  
(\$ Thousands)**

The Department's GF budget grew by \$650 million between FY06 & the FY15 Governor's Request -- an average annual growth rate of 7.76%.

The department's total FY14 GF budget equals \$4,013 per resident worker.\*



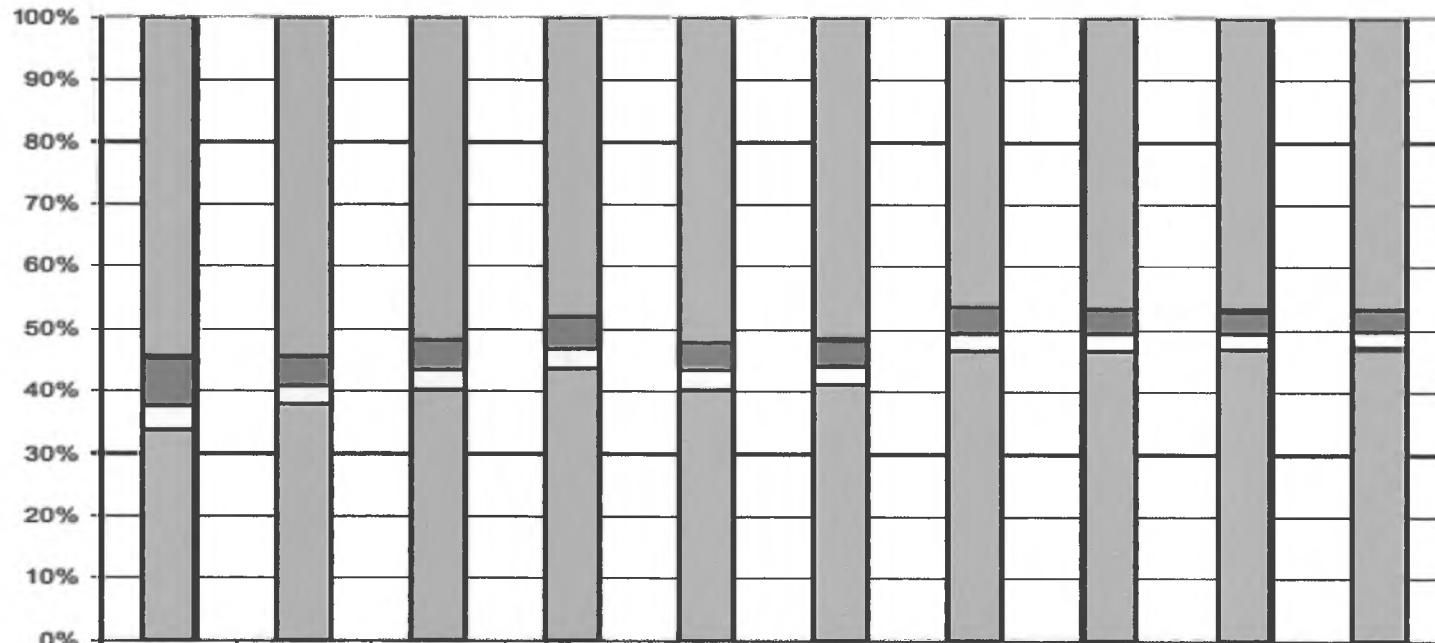
\* According to the Department of Labor, there were 331,081 resident workers in Alaska in 2011.

# Highlights of FY15 Budget

The percentage of general funds (UGF & DGF) in the HSS budget was 38% in FY06 and is 50% in FY15.

The percentage of federal funds in the HSS budget was 55% in FY06 and is 47% in the FY15 Budget.

**Department of Health & Social Services**  
**Percent of the Total Department's Budget by Fund Group**  
 Formula and Non-Formula  
 (All Funds)  
 (\$ Thousands)



	06MgtPin	07MgtPin	08MgtPin	09MgtPin	10MgtPin	11MgtPin	12MgtPin	13MgtPin	14MgtPin	15Gov
<b>Federal Receipts (Fed)</b>	984,296.5	1,075,244.5	1,023,813.9	1,008,215.0	1,081,482.7	1,168,424.5	1,148,399.9	1,230,591.6	1,250,330.8	1,250,483.9
<b>Other State Funds (Other)</b>	141,602.7	91,261.5	95,649.0	106,778.3	93,198.4	94,489.5	99,460.2	101,910.1	95,255.0	90,324.3
<b>Designated General (DGF)</b>	69,894.5	61,227.4	60,551.2	65,086.5	67,586.2	68,170.4	72,239.9	74,086.0	73,476.8	72,589.5
<b>Unrestricted General (UGF)</b>	608,356.0	748,485.6	794,605.2	917,124.9	832,513.0	929,876.1	1,150,088.7	1,231,238.9	1,246,874.4	1,256,144.9

# Departmental Updates

- » MMIS System Upgrade
- » ARIES EIS System Upgrade
- » Sequestration
- » Affordable Care Act

# Budget Allocation Authority

»At the discretion of the Commissioner of the Department of Health and Social Services, up to \$50,000,000 may be transferred between appropriations in the Department of Health and Social Services.

»It is the intent of the legislature that the Department of Health and Social Services submit a quarterly report to the Legislative Finance Division of transfers of funding between appropriations.

# Medicaid Advisory Group

- » Group Composition

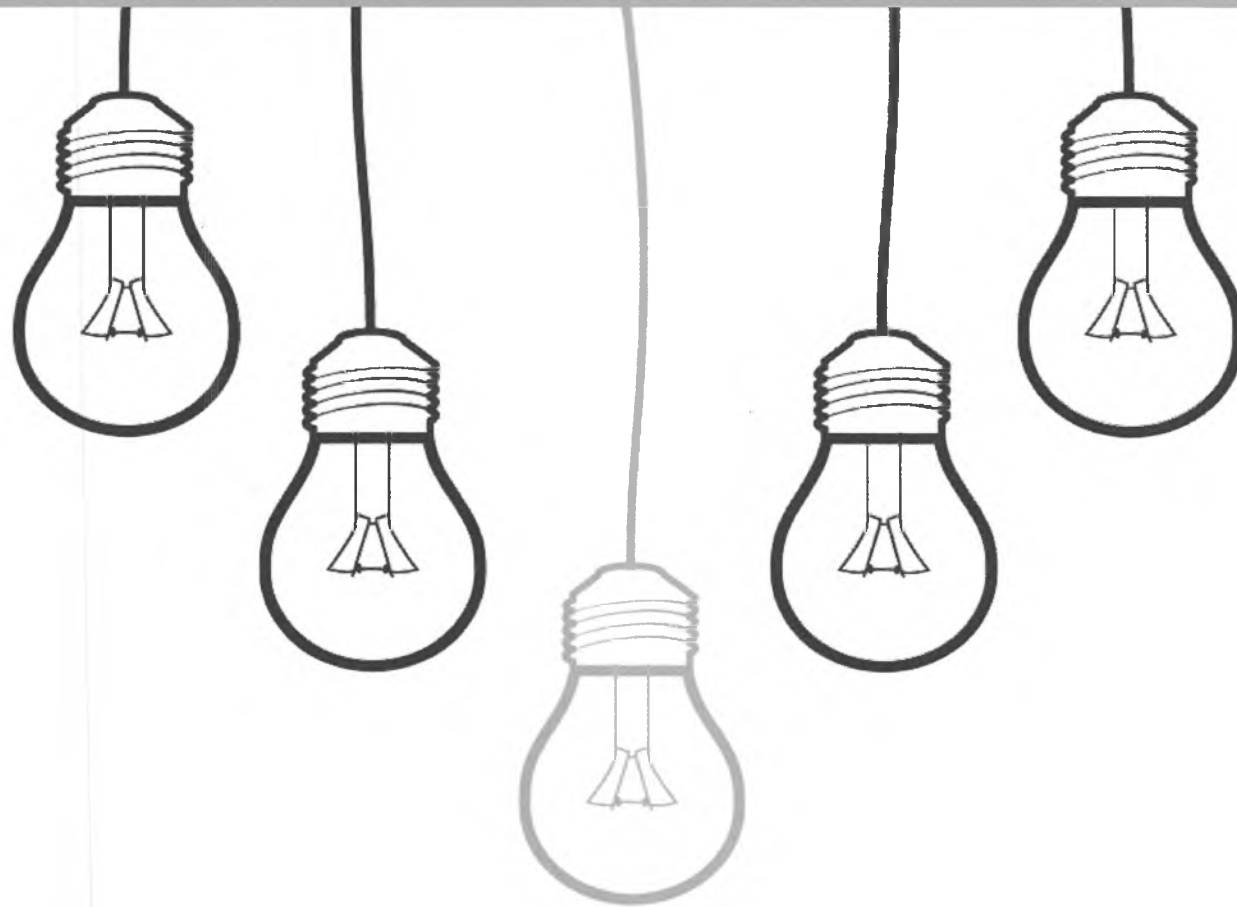
- » Three key reform mandates

- » Due dates

# Service Philosophy

- » Integrate and coordinate services
- » Strategically leverage technology
- » Implement sound policy
- » Practice fiscal responsibility
- » Measure and improve performance

In order to deliver the right care to the right person at the right time for the right price.



**Questions?**