

01/27/16
BUDGET
OVERVIEW
FY 17:
ALASKA
MENTAL
HEALTH TRUST
AUTHORITY

<TARGET><BILL></BILL><SUBJECT>01-27-16 BUDGET OVERVIEW
FY 17 ALASKA MENTAL HEALTH TRUST
AUTHORITY</SUBJECT><COMM>HFIN29</COMM></TARGET>

House Finance Committee

January 27, 2016

Trust

Alaska Mental Health
Trust Authority



Trustees

- Russ Webb, chair
- Mary Jane Michael, vice chair
- Larry Norene, secretary
- Laraine Derr
- Paula Easley
- Carlton Smith

Trust Beneficiaries

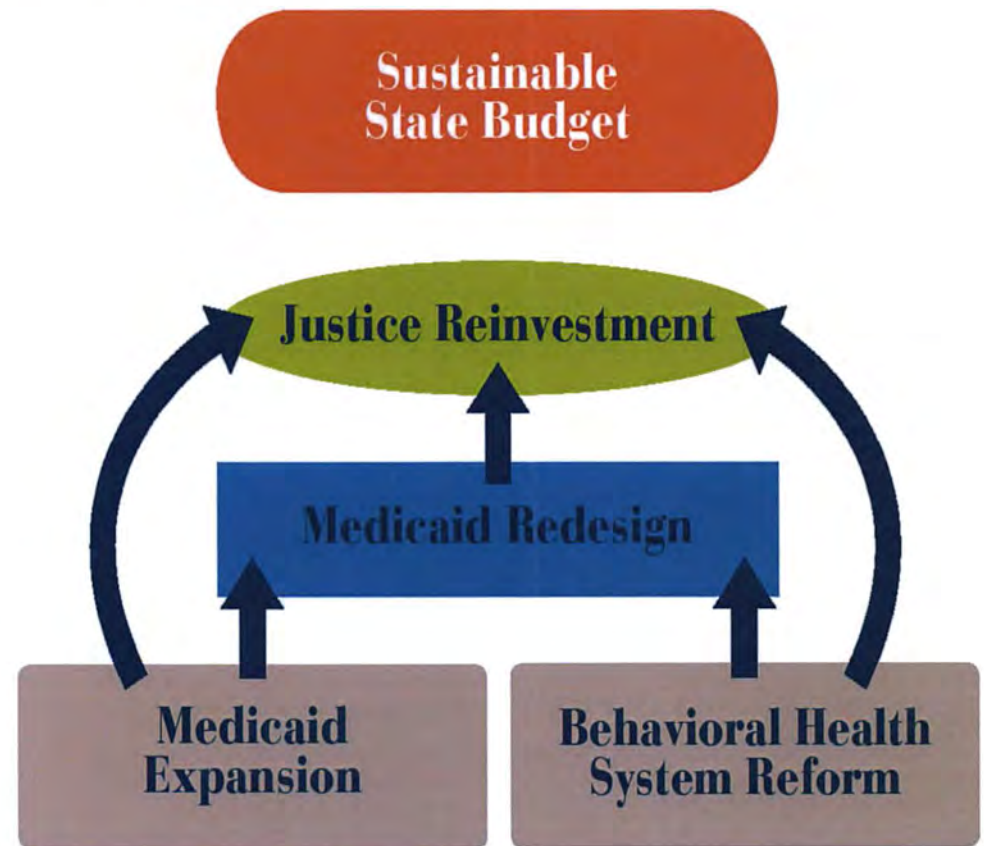
Approximate Number of Trust Beneficiaries	
Mental Illness	34,000
Developmental Disabilities	13,000
Chronic Alcoholism/Substance-Related Disorders	20,000
Alzheimer's disease and related dementias	6,000
Traumatic Brain Injury	11,000

Established Focus Areas

1. Disability Justice
2. Substance Abuse Prevention & Treatment
3. Beneficiary Employment & Engagement
4. Workforce Development
5. Housing and Long-term Services & Supports

Current Priorities

1. Medicaid Redesign
2. Justice Reinvestment



Multi-prong approach: expanding and redesigning Medicaid and reforming the behavioral health system are the foundation to successful criminal justice reform.

Why is the Trust so engaged with Medicaid Redesign?

- For over 20 years Alaska has been pursuing a strategy of “Medicaid refinancing” to take advantage of federal matching dollars and reduce GF expenditures
- Systems serving Trust beneficiaries are now funded primarily through Medicaid
- Sustainability of Medicaid is crucial to protecting Trust beneficiaries
- Redesign must make Medicaid sustainable and improve results

Medicaid Redesign

- The Trust has invested over \$600,000 this year on various contracts to provide a strong base of information and options to help the state make strategic decisions regarding Medicaid redesign.



Long-term process

Funding Has Been Used For Technical Assistance Contracts

- Reviewing Medicaid reform nationwide to identify what has worked – best practices
- Developing a roadmap for Alaska to reduce costs and improve outcomes
- Redesign behavioral health system to avoid costly crises and higher cost care, maximize federal dollars, improve results to reduce costs affecting other parts of budget

Redesign ... Now and in the Future

A number of reforms are already under consideration

- 1915 (i)/(k) state plan options for Home- and Community-Based services
- Primary Care Access Initiative
- Behavioral Health Access Initiative
- Data Analytics/IT infrastructure
- Pilot Accountable Care Organizations
- Alternative Benefit Plans for Expansion Population

What's Next?

- Bills
 - SB 74
 - SB 78/HB190
 - HB219
 - HB227
- Reports
 - DHSS: Medicaid Redesign & Expansion report
 - LB&A: Medicaid Cost Containment and Reform Initiatives report

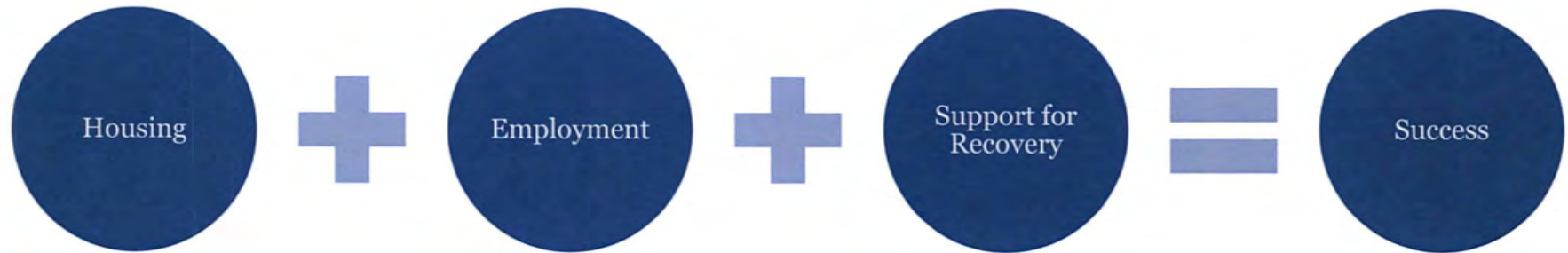
JUSTICE REINVESTMENT



Why is the Trust so engaged with Justice Reinvestment?

- Trust beneficiaries account for more than 40% bookings and 40% of DOC population, each year
- For felony offenses, Trust beneficiaries remain in jail *twice* as long as non-beneficiaries
- Recidivism rates are approximately twice as high for Trust beneficiaries

Justice Reinvestment



Justice Reinvestment

- There is a critical intersection between criminal justice reform and Medicaid expansion and re-design in re-establishing access to behavioral health services for Trust beneficiaries at high risk of and with involvement in the criminal justice system

What's Next?

- Recidivism Reduction Plan
- DOC –Prisoner Reentry Initiative (AK-PRI)
- Pew Public Safety Initiative, Justice Reinvestment Project
- Criminal Justice Commission
- SB 91
- Alaska Justice Information Center

Long-term Funding Strategy

- Funds projects and activities that make significant and long-term system improvements. The Trust can act as a “venture capitalist” funding innovation to increase effectiveness/efficiency of systems serving beneficiaries
- Substantial portion of Trust funding is for ongoing/long-term projects

FY16 Grants Funded 4+ Years	% of total FY16 budget (exclusive of operating)
MHTAAR (\$7,949.5)	39.1%
Authority Grants (\$5,162.0)	25.4%
Combined (\$13,111.5)	64.5%

FY17 Operating Increments

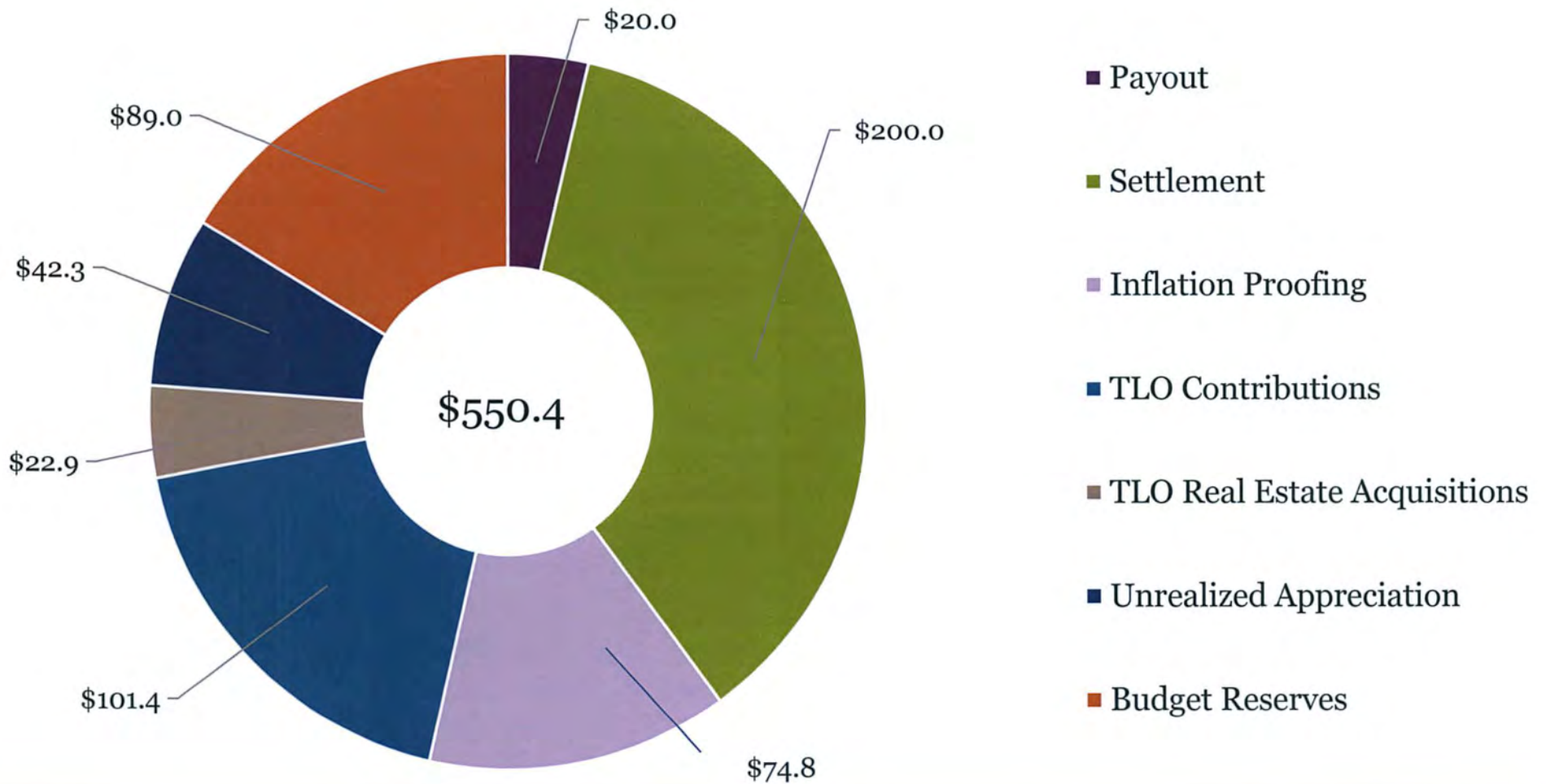
	MHTAAR	GF/MH
IT Application/Telehealth Service System Improvements		
Trustees Proposed	100.0	100.0
Governor Proposed	100.0	0

FY17 Capital

	MHTAAR	GF & GF/MH	AHFC
Home Modifications and Upgrades to Retain Housing			
Trustees Proposed	300.0	500.0	250.0
Governor Proposed	300.0	750.0	0.0
Homeless Assistance Project			
Trustees Proposed	850.0	850.0	6,350.0
Governor Proposed	850.0	2453.4	4,396.6
Special Needs Housing Grant			
Trustees Proposed		1,750.0	1,750.0
Governor Proposed		0	1,500.0
Coordinated Transportation			
Trustees Proposed	300.0	1,000.0	
Governor Proposed	250.0	800.0	
Assistive Technology			
Trustees Proposed		350.0	
Governor Proposed		0	
Essential Program Equipment			
Trustees Proposed	250.0	250.0	
Governor Proposed	250.0	250.0	

Cash Assets at End of FY15

in millions



Utilize POMV strategy

The Trust's base payout is 4.25% of the average value of the fund's cash assets

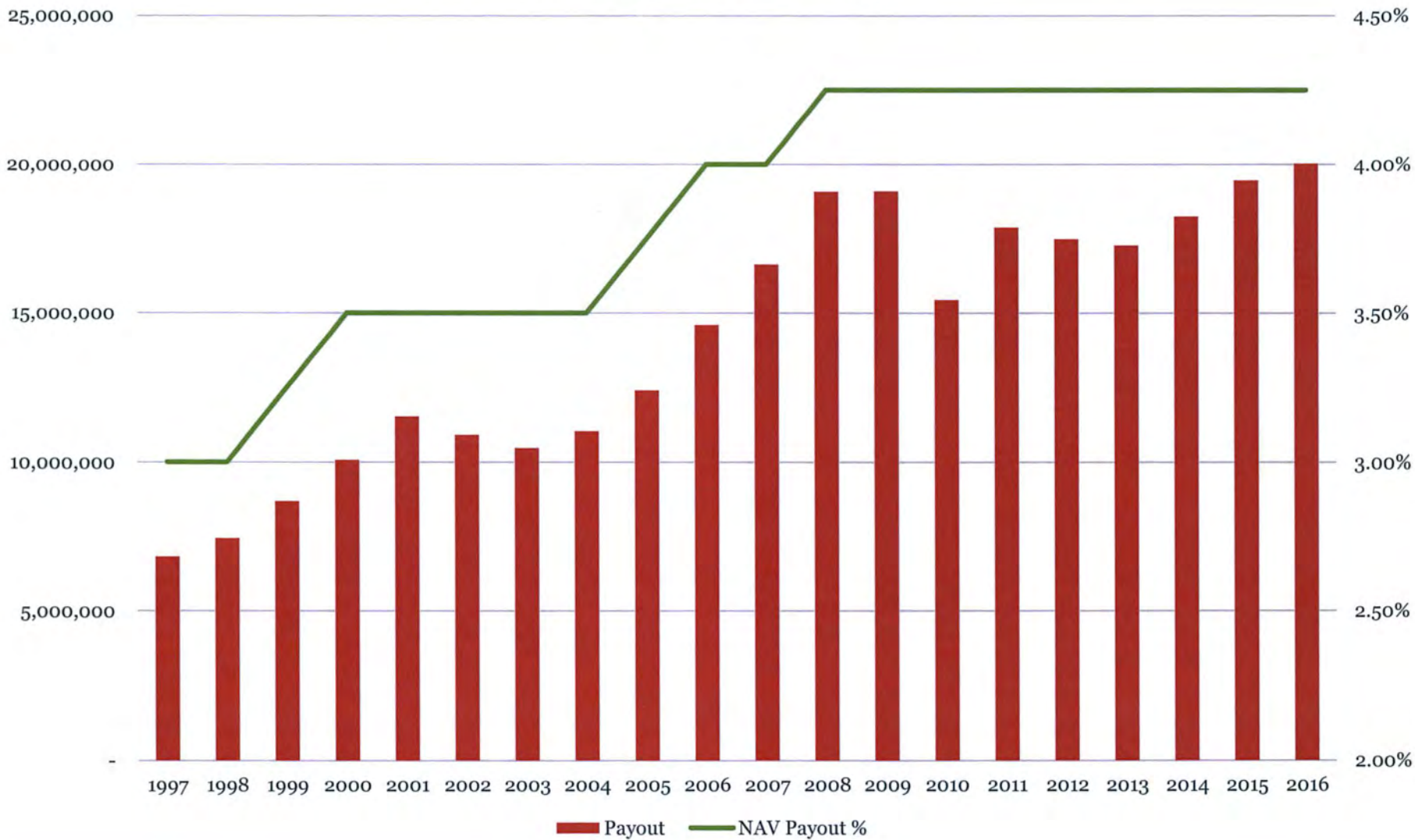


Funding approach ensures relatively stable cash flow from year to year

FY17 Anticipated Income

Distributable Income	
Payout	\$20,886,000
Prior Years Average Lapse	\$3,299,000
Land Office Average Spendable Income	\$4,360,000
Interest Average	\$187,000
Total	\$28,732,000

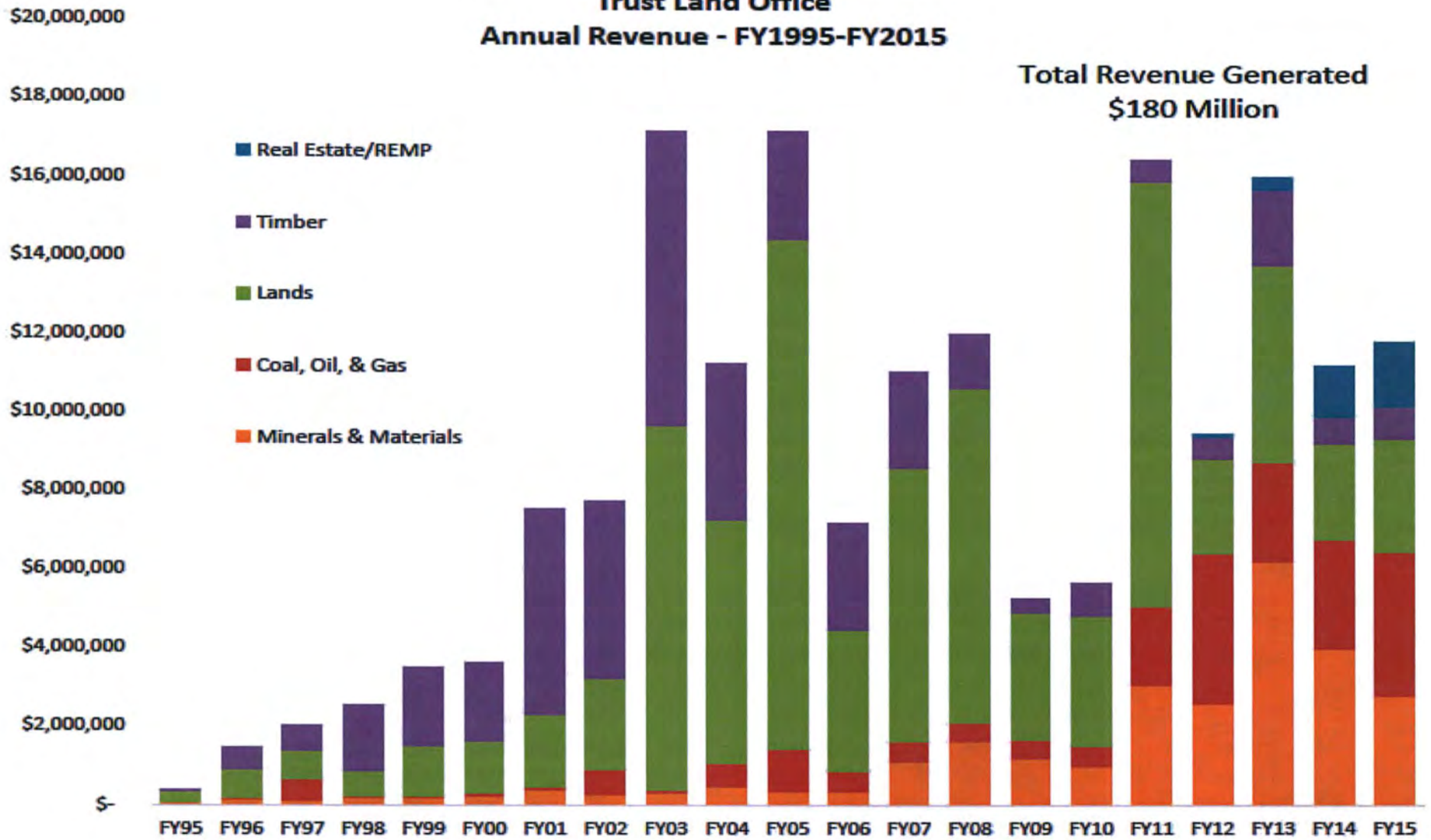
Payout History



Trust Land Office

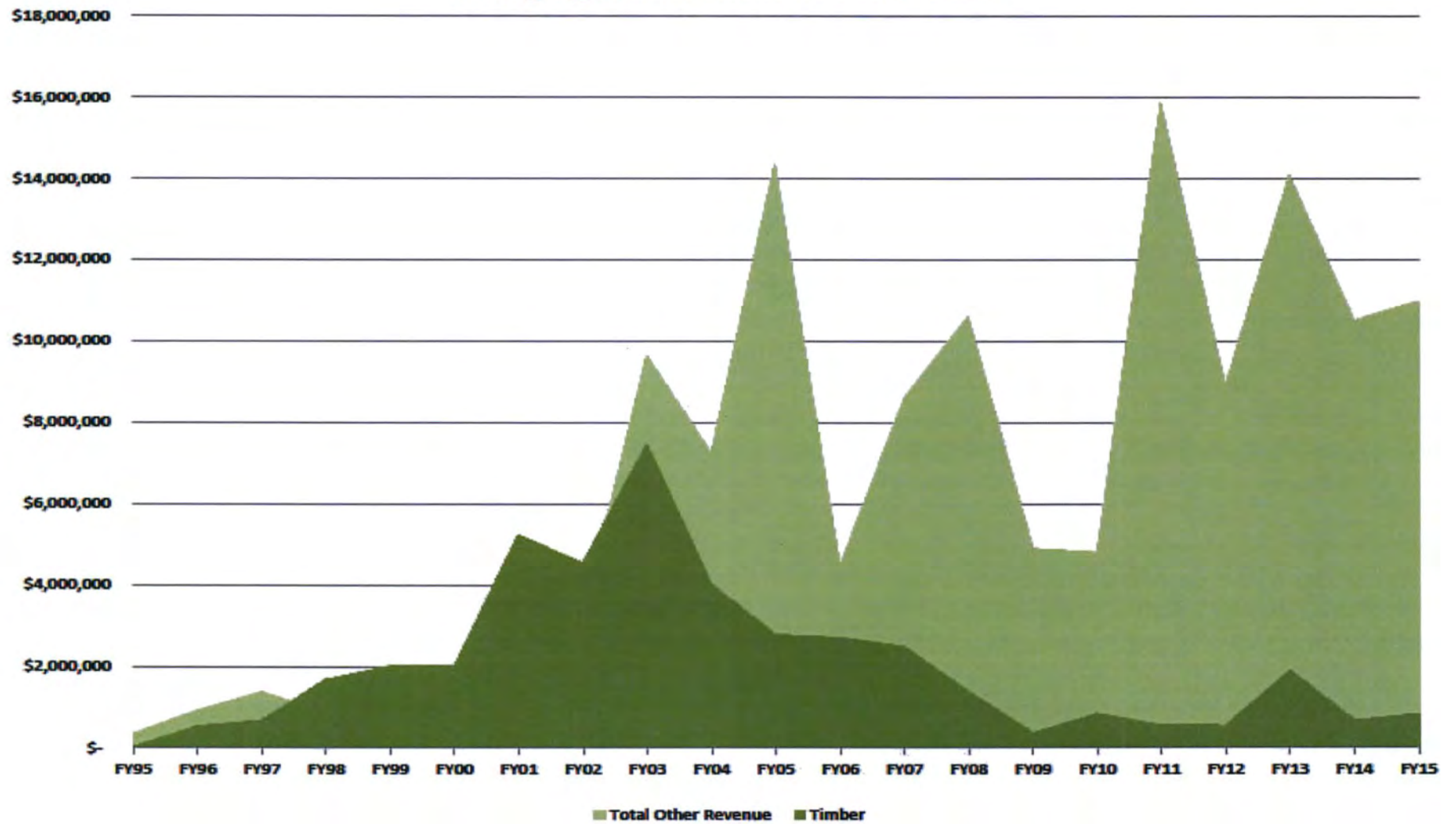
- **GOAL:** Match or exceed spendable income generated by cash investments
- **KEY STRATEGIES:**
 - Acquiring income-generating real estate
 - Exploring and marketing mineral resources
 - Land trade with Forest Service to increase marketable timber

Trust Land Office Annual Revenue - FY1995-FY2015

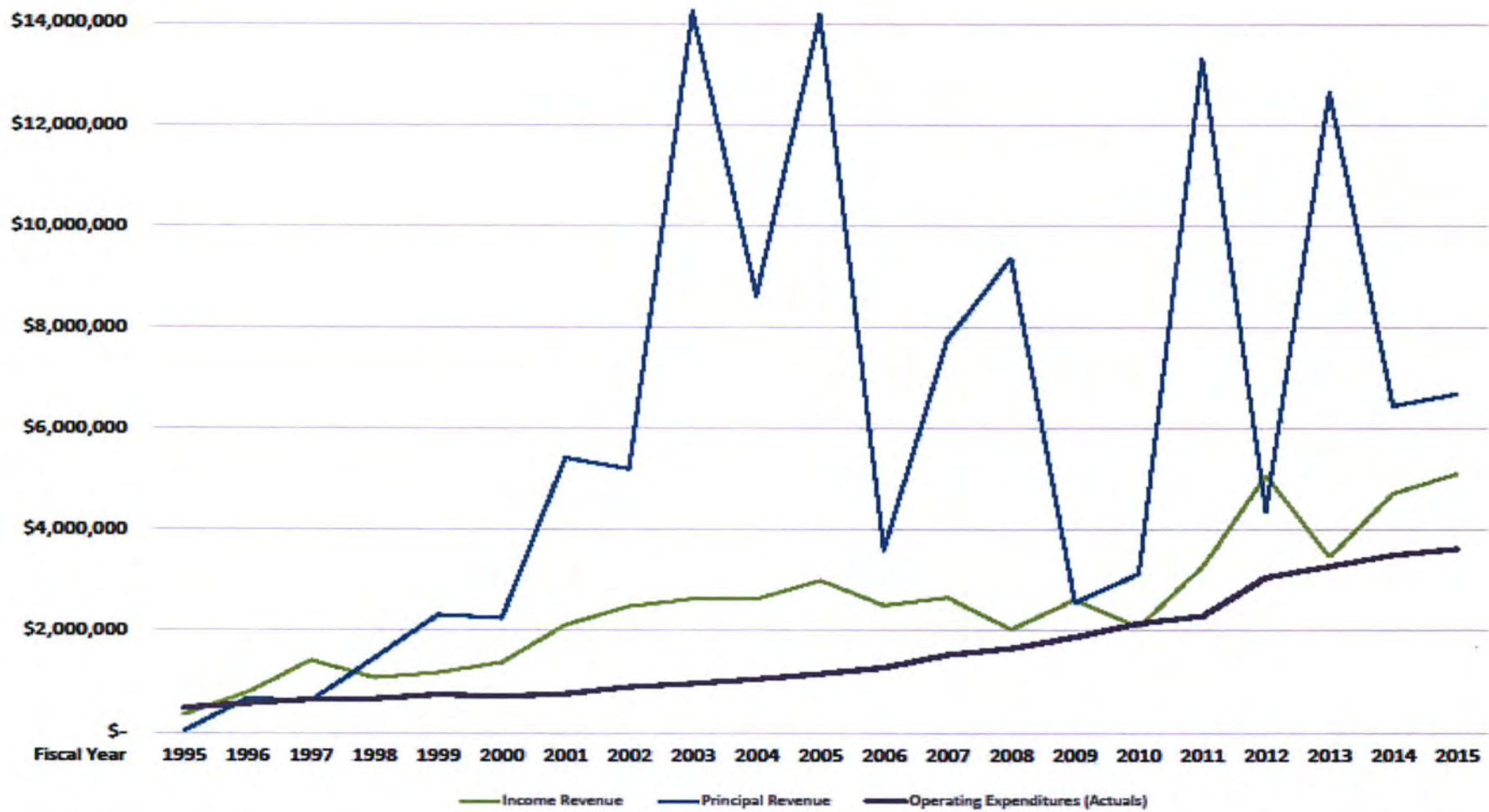


Total Revenue Generated
\$180 Million

Trust Land Office Changing Timber Revenue FY95 - FY15



Trust Land Office
Revenues vs. Expenditures FY1995 - FY2015



Thank You

Trust

Alaska Mental Health
Trust Authority

