ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2790

ACTIVITY **Children's Justice Act Grants**

Children's Justice Act Grants funded by ACF provide funds to help States develop, establish, and operate programs designed to improve (1) the handling of child abuse and neglect cases, (2) the handling of suspected child abuse or neglect-related fatalities, and (3) the investigation and prosecution of child abuse and neglect cases.

ACTIVITY **Co-occurring State Incentive Grant Program**

The SAMHSA-funded Co-occurring State Incentive Grant (COSIG) program provides funds to States to increase their capacity to provide effective treatment and services for people with co-occurring mental and substance use disorders. The emphasis is on building or enhancing service system infrastructures to offer integrated treatment.

CONCLUSION

The Time for Action Is Now

Transformation of the mental health system in America is a monumental task, but one that cannot be delayed. This *Federal Mental Health Action Agenda* makes clear that the system must be redirected toward its primary goal—helping adults with serious mental illnesses and children with serious emotional disturbances achieve recovery to live, work, learn, and participate fully in their communities. This vision requires nothing short of a complete transformation of administrative policies, funding mechanisms, and the hearts and minds of everyone who has a stake in our nation's health care system. The time for action is now.

This *Federal Mental Health Action Agenda* represents the first "to do list" of a multi-year effort to alter the form and function of the mental health system from the top down and from the bottom up. This *Action Agenda* represents the Federal response to Executive Order 13263 and is informed by the New Freedom Commission's vision of a transformed mental health service system. However, transformation is a shared responsibility.

Shared Responsibility

Federal agencies can act as leaders and as facilitators, promoting shared responsibility for change at the Federal, State, and local levels, and in the private sector, in such areas as public education, research, service system capacity, and technology development. States, however, will be the very center of gravity for system transformation; many have already begun this critical work. Their leadership in planning, financing, service delivery, and evaluation of consumer and family-driven services will significantly advance the transformation agenda. Finally, an emphasis on individual recovery and resilience will transform not only service delivery systems, but also hearts, minds, and lives for future generations.

Unprecedented Federal Commitment

With this *Federal Mental Health Action Agenda*, the U.S. Department of Health and Human Services (HHS) and its Federal partners make an unprecedented commitment to collaborate on behalf of adults with serious mental illnesses and children with serious emotional disturbances to:

- Send the message that mental illnesses and emotional disturbances are treatable and that recovery is possible.
- Act immediately to reduce the number of suicides in the Nation through full implementation of the National Strategy for Suicide Prevention.
- Help States develop the infrastructure necessary to formulate and implement Comprehensive State Mental Health Plans that include the capacity to create individualized plans of care that promote resilience and recovery.

- Develop a plan to promote a mental health workforce better qualified to practice culturally competent mental health care based on evidence-based practices.
- Improve the interface of primary care and mental health services.
- Initiate a national effort focused on the mental health needs of children and promote early intervention for children identified to be at risk for mental disorders. Prevention and early intervention can help forestall or prevent disease and disability.
- Expand the "Science-to-Services" agenda and develop new evidence-based practices toolkits.
- Increase the employment of people with psychiatric disabilities.
- Design and initiate an electronic health record and information system that will help providers and consumers better manage mental health care and that will protect the privacy and confidentiality of consumers' health information.

Full Participation Now

The reason to begin is both simple and profound—people with mental disorders have a vital role to play in our families, our neighborhoods, our communities, and our country. Their ability to participate fully can no longer be derailed by outdated science, outmoded financing, and unspoken discrimination. They demand better, and they deserve better. Putting children and their parents, adults, and older adults with mental disorders at the heart of the health care system must be accomplished now.

APPENDIX A

Executive Order 13263

22337

Federal Register
Vol. 67, No. 86
Friday, May 3, 2002

Presidential Documents

Title 3—

The President

Executive Order 13263 of April 29, 2002

President's New Freedom Commission on Mental Health

By the authority vested in me as President by the Constitution and the laws of the United States of America, and to improve America's mental health service delivery system for individuals with serious mental illness and children with serious emotional disturbances, it is hereby ordered as follows:

Section 1. *Establishment.* There is hereby established the President's New Freedom Commission on Mental Health (Commission).

Sec. 2. *Membership.* (a) The Commission's membership shall be composed of:

(i) Not more than fifteen members appointed by the President, including providers, payers, administrators, and consumers of mental health services and family members of consumers; and

(ii) Not more than seven ex officio members, four of whom shall be designated by the Secretary of Health and Human Services, and the remaining three of whom shall be designated—one each—by the Secretaries of the Departments of Labor, Education, and Veterans Affairs.

(b) The President shall designate a Chair from among the fifteen members of the Commission appointed by the President.

Sec. 3. *Mission.* The mission of the Commission shall be to conduct a comprehensive study of the United States mental health service delivery system, including public and private sector providers, and to advise the President on methods of improving the system. The Commission's goal shall be to recommend improvements to enable adults with serious mental illness and children with serious emotional disturbances to live, work, learn, and participate fully in their communities. In carrying out its mission, the Commission shall, at a minimum:

(a) Review the current quality and effectiveness of public and private providers and Federal, State, and local government involvement in the delivery of services to individuals with serious mental illnesses and children with serious emotional disturbances, and identify unmet needs and barriers to services.

(b) Identify innovative mental health treatments, services, and technologies that are demonstrably effective and can be widely replicated in different settings.

(c) Formulate policy options that could be implemented by public and private providers, and Federal, State, and local governments to integrate the use of effective treatments and services, improve coordination among service providers, and improve community integration for adults with serious mental illnesses and children with serious emotional disturbances.

Sec. 4. *Principles.* In conducting its mission, the Commission shall adhere to the following principles:

(a) The Commission shall focus on the desired outcomes of mental health care, which are to attain each individual's maximum level of employment, self-care, interpersonal relationships, and community participation;

(b) The Commission shall focus on community-level models of care that efficiently coordinate the multiple health and human service providers and public and private payers involved in mental health treatment and delivery of services;

22338 Federal Register / Vol. 67, No. 86 / Friday, May 3, 2002 / Presidential Documents

(c) The Commission shall focus on those policies that maximize the utility of existing resources by increasing cost effectiveness and reducing unnecessary and burdensome regulatory barriers;

(d) The Commission shall consider how mental health research findings can be used most effectively to influence the delivery of services; and

(e) The Commission shall follow the principles of Federalism, and ensure that its recommendations promote innovation, flexibility, and accountability at all levels of government and respect the constitutional role of the States and Indian tribes.

Sec. 5. *Administration.* (a) The Department of Health and Human Services, to the extent permitted by law, shall provide funding and administrative support for the Commission.

(b) To the extent funds are available and as authorized by law for persons serving intermittently in Government service (5 U.S.C. 5701–5707), members of the Commission appointed from among private citizens of the United States may be allowed travel expenses while engaged in the work of the Commission, including per diem in lieu of subsistence. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(c) The Commission shall have a staff headed by an Executive Director, who shall be selected by the President. To the extent permitted by law, office space, analytical support, and additional staff support for the Commission shall be provided by executive branch departments and agencies.

(d) Insofar as the Federal Advisory Committee Act, as amended, may apply to the Commission, any functions of the President under that Act, except for those in section 6 of that Act, shall be performed by the Department of Health and Human Services, in accordance with the guidelines that have been issued by the Administrator of General Services.

Sec. 6. *Reports.* The Commission shall submit reports to the President as follows:

(a) *Interim Report.* Within 6 months from the date of this order, an interim report shall describe the extent of unmet needs and barriers to care within the mental health system and provide examples of community-based care models with success in coordination of services and providing desired outcomes.

(b) *Final Report.* The final report will set forth the Commission's recommendations, in accordance with its mission as stated in section 3 of this order. The submission date shall be determined by the Chair in consultation with the President.

Sec. 7. *Termination.* The Commission shall terminate 1 year from the date of this order, unless extended by the President prior to that date.

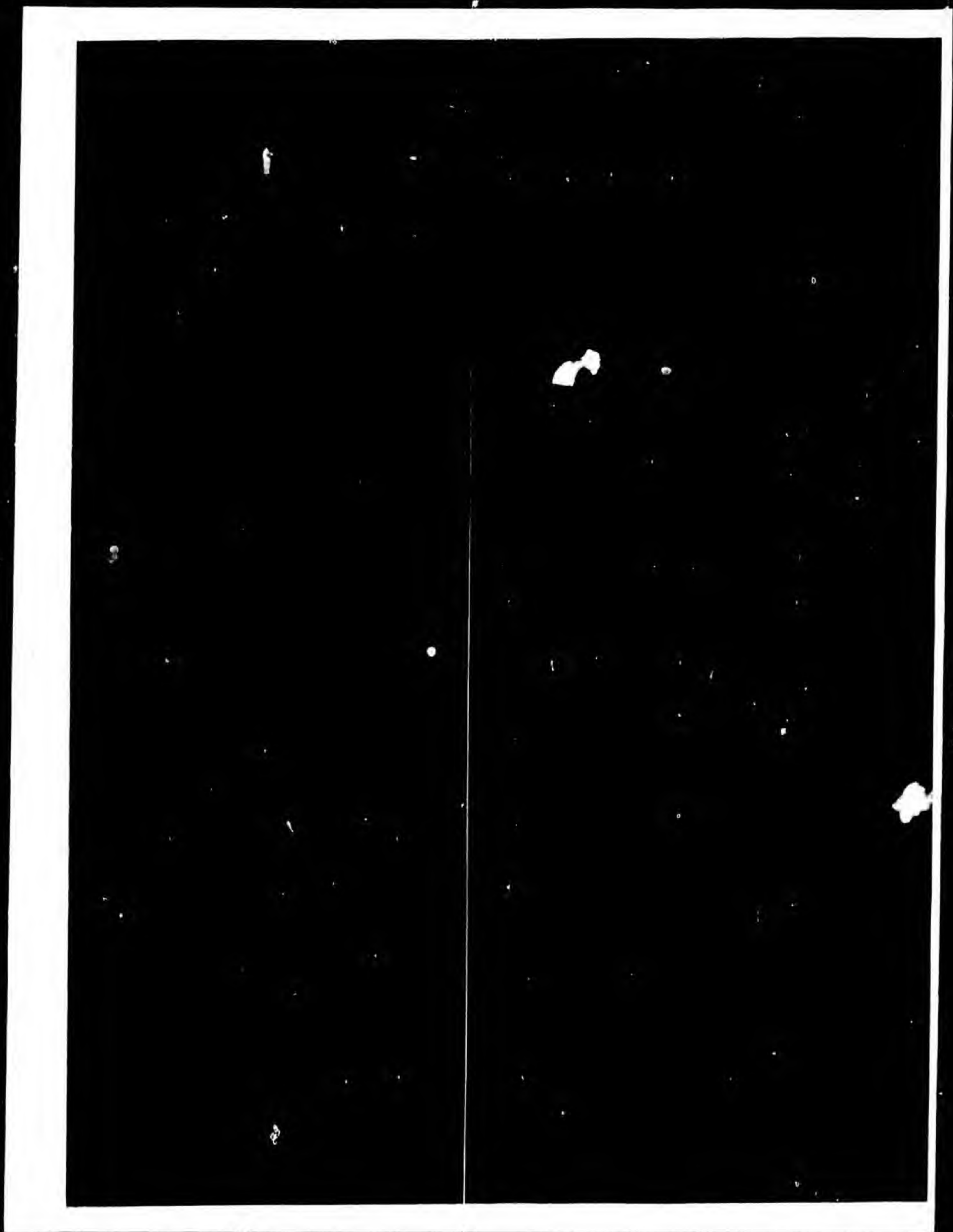
THE WHITE HOUSE,
April 29, 2002.

APPENDIX B

Acronym List

ACF	Administration for Children and Families
ADA	Americans with Disabilities Act
AHRQ	Agency for Healthcare Research and Quality
AOA	Administration on Aging
ASPE	Office of the Assistant Secretary for Planning and Evaluation
BPHC	Bureau of Primary Health Care
CDC	Centers for Disease Control and Prevention
CMHS	Center for Mental Health Services
CMS	Centers for Medicare and Medicaid Services
COSIG	Co-occurring State Incentive Grant
DOJ	U.S. Department of Justice
DOL	U.S. Department of Labor
ED	U.S. Department of Education
EPSDT	Early and Periodic Screening, Diagnosis, and Treatment
HELP	Hotline Evaluation and Linkage Program
HHS	U.S. Department of Health and Human Services
HIPAA	Health Insurance Portability and Accountability Act
HRSA	Health Resources and Services Administration
HUD	U.S. Department of Housing and Urban Development
IDEA	Individuals with Disabilities Education Act
IHS	Indian Health Service
NAMI	National Alliance for the Mentally Ill
NHII	National Health Information Infrastructure
NIAAA	National Institute on Alcohol Abuse and Alcoholism
NIDA	National Institute on Drug Abuse
NIH	National Institutes of Health
NIMH	National Institute of Mental Health
NREPP	National Registry of Evidence-based Programs and Practices
OCR	Office for Civil Rights
OD	Office on Disability
ODEP	Office of Disability Employment Policy
ONCHIT	Office of the National Coordinator for Health Information Technology
OJJ	Office of Juvenile Justice
OJP	Office of Justice Programs
OPHS	Office of Public Health and Science
OPM	U.S. Office of Personnel Management
ORR	Office of Refugee Resettlement
PAIMI	Protection and Advocacy for Individuals with Mental Illness

PTSD	Post-Traumatic Stress Disorder
RFA	Request for Applications
SAMHSA	Substance Abuse and Mental Health Services Administration
SCHIP	State Children's Health Insurance Program
SPRC	Suicide Prevention Resource Center
SSA	Social Security Administration
SSI	Supplemental Security Income
SSDI	Social Security Disability Insurance
TCE	Targeted Capacity Expansion
TEFRA	Tax Equity and Fiscal Responsibility Act
VA	Department of Veterans Affairs
WICHE	Western Interstate Commission on Higher Education



Keeping Alaskans Out of the Cold

STATE OF ALASKA
REPORT TO GOVERNOR FRANK MURKOWSKI
RECOMMENDED STRATEGIES TO ADDRESS HOMELESSNESS

OCTOBER 2005

Clare House provides temporary, emergency 24-hour shelter and case management for women and women with children.

The Office of

Governor Frank H. Murkowski

Homelessness is a wrenching problem that confronts an estimated 14,000 Alaskans a year, according to this report.

My goals in establishing the Interagency Council on Homeless were to find ways to address the prob em, encourage public discussion, and increase Alaskans' understanding of the complexities surrounding homelessness.

The Interagency Council looked at the many causes of homelessness in Alaska. It is no surprise that the primary reason is a change in economic status and the inability to pay increased housing cost.

The council recognized that many government and nongovernment organizations, including community and faith-based groups, are involved in helping. Yet, with all this effort, the problem persists. As a result of their efforts, the council made a number of recommendations for action that can help move toward the elimination of homelessness in Alaska.

My belief is that the best way to help someone meet the basic necessities of life is to have opportunities for job training and hence permanent employment. That is why my priority is creating employment opportunities for Alaskans by stimulating private sector investment through development of Alaska's natural resources.

I am grateful to the Lieutenant Governor, the commissioners, and other executives who served on the panel and produced this report. I thank in particular all of the citizens who participated, presented testimony, and made recommendations to the council.

I encourage Alaskans to read this report to gain insight into the complex problems surrounding homelessness in Alaska and look forward to further work on the recommendations.

Sincerely yours,

Frank H. Murkowski
Governor

Alaska Housing
FINANCE CORPORATION

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October 13, 2005

Governor Frank Murkowski
Office of the Governor
PO Box 110001
Juneau, Alaska 99811-0001

Dear Governor Murkowski

On behalf of the interagency Alaska Council on Homelessness, I am pleased to transmit to you this report and recommended strategies for addressing homelessness in Alaska. As you know, the members of the council include eight department commissioners, the executive director of the Alaska Mental Health Trust, and two ex-officio members: the Lieutenant Governor and the director of the Alaska HUD office. It was my honor to serve as the chair.

Over the past 17 months, we held a number of public meetings, discussions and hearings to develop this information. Council members were well qualified for the assignment. Each is knowledgeable about the complexities of the state's homeless problem, and each addressed it from a different perspective, based on his or her professional background.

We all agreed that homelessness is a costly and serious problem. It has the potential to become critical in times of a major economic downturn or, conversely, in times of another boom like the state experienced during the 1970s. Council members also agreed that the most cost effective strategy for the state is to prevent homelessness and thereby avoid dealing with its many consequences.

Although dozens of recommendations for a state strategy were discussed, council members agreed to pare the list to a realistic handful considered affordable and ones that could be acted upon relatively quickly. You will find in this report the following recommendations:

1. Support programs that assist low income families to preserve, maintain and weatherize homes and multi-family housing, so the families can continue living in their homes and not become homeless.

2. Expand renter education programs statewide so that new renters, including young people first leaving home and rural residents relocating to urban communities, have an understanding of their obligations as a renter and of the consequences of not paying rent on time or neglecting maintenance needs.

"Housing For Alaskans"

3. Create a working group of representatives from the departments of Health and Social Services, Public Safety and Corrections, the Alaska Mental Health Trust, and local community partners and stakeholders to identify policies and procedures that would provide individuals a well coordinated transition from institutionalization to independent living. Currently, about 5,000 Alaskans are released each year from a state hospital, a correctional facility or a foster care setting into homelessness status.

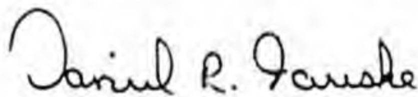
4. Increase the inventory of affordable housing and thereby ease the burden on community-funded shelter services by reducing homelessness. Accomplish this objective by bringing together a working group comprised of policy makers, local partners, and representatives of housing builders, financiers and providers, land use planners, Native corporations, and community and faith-based organizations to identify housing priorities and regions of the state most in need. The working group would be available to provide counsel and recommendations to the state executive and legislative branches of government.

5. Appoint a steering committee to assist the Governor and Legislature to establish an affordable housing trust that would help the state fund programs that increase the inventory of affordable housing and accomplish the recommendations to end homelessness, identified in this report.

With delivery of this report, the Interagency Council on Homelessness considers its assignment completed, and unless otherwise directed, dissolves. As the administration evaluates these recommendations and contemplates implementation, those of us who served stand ready to provide counsel and assistance, and to serve on working groups that may be formed.

Thank you for the opportunity to serve on the council. It has been a rewarding and enlightening experience for all of us. We hope that the recommendations in the report are of help to you as your administration continues to address the complex problem of Alaska's homeless population.

Sincerely,



Dan Fauske
Chair

A new 18,500-square foot Brother Francis Shelter opened in May 2005 in the same location, 1021 E. Third Avenue in Anchorage.

Introduction

It is estimated that 14,000 people experience homelessness in Alaska at some time each year. That's the equivalent of all the people in communities such as Ketchikan or Kodiak or the Bethel region living without housing. Homelessness is a complex problem surrounded by many issues in addition to housing. It is one of the most challenging domestic matters facing Alaska and the nation.

The costs of homelessness in Alaska are enormous – both in terms of human suffering and economic impact. Annually, more than $14 million are spent on homeless services in Alaska, and include assistance with housing, health, education, social services and public safety. A 2003 study of chronic homelessness in Fairbanks, conducted by the University of Alaska Center for Alcohol and Addiction Studies, revealed that more than $40,000 per person was spent in public intervention over a 20-month period.

Statewide strategies to address homelessness were first developed through the Alaska Coalition on Housing & Homelessness. Established in 1989, the Coalition is a partnership of faith-based and community organizations, public agencies and concerned citizens. Urban communities also have established similar networks of local partnerships, and mayoral task forces in several Alaskan communities have studied homelessness over the past 15 years. Despite these efforts, homelessness has continued to grow throughout Alaska.

Faith-based and community organizations over the years have fulfilled a critical role in providing assistance to Alaskans in need. In recognition of this, Gov. Murkowski in 2002 called upon Lt. Gov. Loren Leman to lead a task force that examined issues and ways in which the various organizations might be able to improve delivery of services and how the government might reduce hurdles that hinder this delivery. "This task force surveyed current needs in Alaska and determined that the concern voiced most often was the lack of adequate safe and affordable housing." (Alaska Faith Based and Community Initiatives Task Force Report, February 2004.)

In April 2004, Governor Murkowski furthered his commitment to address the needs of Alaskans by joining 44 other states in appointing an interagency council on homelessness. The Alaska Council on the Homeless is comprised of eight state commissioners (from the departments of Health and Social Services; Corrections; Public Safety; Transportation and Public Facilities; Education and Early Development; Labor and Workforce Development; Military and Veterans Affairs and Commerce, Community and Economic Development) and representatives from the Governor's office, Lt. Governor's office, the Alaska Mental Health Trust Authority (AMHTA) and the U.S. Dept. of Housing & Urban Development (HUD). The governor designated the CEO of the Alaska Housing Finance Corporation, Dan Fauske, to chair the Council and to provide the resources and staff time necessary for the Council to assess the problem and develop strategies.

A two-tiered strategy was adopted by the Council. First, the Council looked internally at the role state government should take. Following that, the Council explored ways to bring together other partners and stakeholders to identify actions that the state, federal, and local governments, along with non-profits faith-based and private organizations, could take to end homelessness in Alaska.

The Council held a series of six meetings and formal public hearings to gather information and to formulate strategies. All meetings included the opportunity for public comment. Active participation

was also sought from a number of identified partners, including the U.S. Dept. of Veterans Affairs, the Social Security Administration, Alaska Coalition on Housing & Homelessness, Alaska Policy Academy team on Homeless Families and Youth, the Anchorage Mayor's Task Force on Homelessness and representatives of the faith and community-based providers. Meaningful insights were also shared by people who had personally experienced homelessness.

This report examines homelessness in Alaska and offers potential strategies for further consideration. The report, along with other state and local planning documents, will assist stakeholders and policy makers to create a comprehensive statewide action plan to end homelessness.

Covenant House staff and friends from Homeward Bound at a vigil for homeless youth.

Overview of Homelessness in Alaska

How does homelessness impact the state?

Homelessness is a costly problem that threads its way throughout state systems. While only a few discrete programs are specifically related to homelessness, the needs of homeless people, families and children intersect among numerous state services. For example, homeless children will often require financial, nutritional and medical support from the Department of Health and Social Services or from state-sponsored social service partners. Additionally, these children will intersect with the Department of Education and Early Development (DEED). Not only does homelessness affect school performance, but it may also cause a reduction or channeling of federal funds for purposes outside the classroom. For example, schools are penalized for poor academic performance, and additional costs are borne by school districts to provide specialized tutoring and to transport homeless children to their home schools, no matter where they currently live in the district. During the 2004/2005 school year, the DEED reported 3,023 children were homeless or residing in inadequate housing at some time during the school term.

More than 3,000 Alaska children were homeless or in inadequate housing during the school term.

State and state-supported agencies address other needs of homeless families, as well. Without adequate housing, family stability becomes precarious. Work, child care and transportation may become tenuous, due to the uncertainty of where the family will be living from one day to the next. State job reemployment services assist these families in rebuilding economic stability, while government supported shelters and case managers are often called upon for transitional support purposes. Homeless families are a priority for public and subsidized housing, and often seek help with securing permanent housing from AHFC or regional housing authorities.

A stay at Alaska Psychiatric Institute costs $732 per day; a trip to a detox center costs $270 per day; incarceration costs $111 per day. By contrast, a supportive housing program costs $70 per day.

The impact of chronic homelessness upon state services is also significant. The underlying issues that result in chronic homelessness lead to crisis and public safety interventions that are especially costly to the State. The cost for a stay at Alaska Psychiatric Institute (API) is $732 per day. A trip to detox is $270 per day and incarceration is $111 per day. Prevention of homelessness is cost-effective. By contrast, placement in a supportive housing program is estimated to be only $70 per day, and can provide early intervention to avoid these additional human and financial costs. Placements in supportive housing may also lead to reductions in the secondary costs of homelessness to the many state, federal and community-based resources.

An estimated 14,000 Alaskans experience homelessness at some point each year.

How is homelessness defined?

The definition of homelessness varies among different federal funding sources. The definition from the McKinney-Vento Act is the most inclusive, and is used in determining eligibility for various health and education programs. The U.S. Department of Housing & Urban Development (HUD) provides a different and more restrictive definition. HUD defines homeless as: "an individual or family who lacks a fixed, regular, and adequate nighttime residence and an individual who has a primary nighttime residence that is

(a) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

(b) an institution where the person is within one week of discharge with no identified residence or resources to obtain a residence; or

(c) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings."

The HUD definition is not a perfect fit because it does not address several specific issues surrounding homelessness, such as homeless students or overcrowding caused by shared housing. However, the best available data on homelessness according to HUD's definition of those who are homeless is gathered annually for HUD's Continuum of Care process. Consequently, unless otherwise noted, the data presented in this report utilizes HUD's definition and should be treated as a conservative estimate of number and characteristics of the population.

How many homeless are there?

At least 3,500 Alaskans are identified as homeless, based upon point-in-time surveys regularly conducted by AHFC twice each year. This total represents only those who happened to interact with a homeless enumerator on that particular survey day. In communities where shelters or other related services are unavailable, homeless persons are not likely to be counted. According to a study by the Urban Institute, (Martha R. Burt, Oct. 1, 2001) "during a year's time, four or five times as many people experience homelessness as are homeless on any particular day." Annual service reports from Alaska providers support this estimate, thus indicating that in the course of a year, approximately 14,000 Alaskans experience a period of homelessness.

What are their characteristics?

28 percent of Alaska's homeless are families with children.

32 percent of Alaska's homeless are "chronically homeless."

Homeless Alaska Natives and African-Americans are over-represented compared to their proportion of the population.

There are many subpopulations among those who experience homelessness. These subpopulations include single men and women of all ages, single mothers with children, single fathers with children, two-parent or "blended" families with children, disabled persons, runaway or abandoned youth, victims of domestic violence and veterans. Over the last two years, the AHFC Homeless Survey reveals that approximately 28 percent of the reported households were families with children. Homelessness for many of these families may be the result of a sudden economic downturn from causes such as illness, injury, divorce or job loss. According to the Summer 2004 AHFC Homeless Survey, 32 percent of the homeless were "Chronically Homeless." HUD defines the chronically homeless as "single individuals with a disabling condition who have been homeless for a year or more, or who have experienced at least four episodes of homelessness within three years." In at least 50 percent of the chronic homeless cases, the "disabling" condition was mental illness and/or substance abuse.

Homeward Bound's Mission is to provide the homeless chronic alcoholic with the tools needed to travel the journey home.

Alaska Natives are over-represented among Alaska's homeless. They represent 36 percent of the homeless counted over the last 10 years of the survey, but are only 19 percent of the state's population. African-Americans are also over-represented, accounting for 8 percent of the homeless reported compared to 3 percent for the overall population in Alaska.

According to shelter providers around the state, some of the most difficult people to house are those recently released from institutions with no resources or family support and essentially nowhere to go. In a survey of inmates conducted in January 2005 by the Alaska Department of Corrections, 373 (35 percent) of the 1,067 respondents stated they either had no place identified to reside upon release, or they were certain they would enter a homeless shelter and/or live on the streets. Reports from Alaska Psychiatric Institute also indicate a 5-10 percent discharge rate each month to homelessness.

What services are currently in place?

Alaska has 1,229 emergency shelter beds, 817 transitional housing beds, 450 targeted permanent supportive housing beds.

The fundamental components of a "continuum of care" for homelessness include prevention, outreach/assessment/intake, supportive services, emergency shelter, transitional housing and permanent housing. Alaska's current HUD-defined "Continuum of Care" inventory consists of 1,229 emergency shelter beds (including 376 secure beds for domestic violence victims), 817 transitional housing beds, and 450 permanent supportive housing beds that specifically target homeless persons.

A critical component for housing retention is the provision of supportive services that reinforce housing stability and break the cycle of homelessness for people with complex problems. Testimony from formerly homeless people overwhelmingly confirmed the value of case management, particularly during the early stages of a housing crisis when someone to help "navigate the system" is vital. Existing "housing first" programs report that private landlords are more willing to accept persons with clouded housing histories when a case manager is available to call should problems arise. The Council also recognized employment assistance, transportation, and child care as other essential elements for housing retention.

How are homeless services currently funded?

$14 million is spent on homeless services in Alaska annually.

A combination of private and public funds is used to assist Alaska's homeless. Annually, Alaska spends more than $14 million for services ranging from housing, health, education, social services and public safety, as tabulated from the 2004 Continuum of Care applications for Anchorage and the remainder of the state. Many of the emergency shelters and food pantries serving the general public were developed by faith-based organizations such as the Salvation Army, Catholic Social Services, Lutheran Social Services and St. Vincent de Paul. These agencies generally rely on private donations and government support to keep their doors open. Pitted against a community's need for public safety, education and transportation, these shelters struggle every year to keep a line in their local government budget.

Numerous federal programs also contribute funding for services to the homeless. HUD's Emergency Shelter Grant provided $83,573 for Anchorage and $119,198 for the remainder of the state for the federal fiscal year (FFY) 2004. Federal funding for domestic violence shelters, under the Victims of Crime Act, totaled $867,100 in FFY03.

Federal funding plays a greater role in longer-term homeless assistance, most notably through the Stewart B. McKinney Act. Under this act, a combination of formula and competitive awards is made each year by the federal government to assist the homeless in Alaska. Formula awards include funds to the Alaska Department of Education and Early Development to provide continuity in the education of homeless children. In July 2003, 12 agencies throughout the state competed under HUD's Continuum of Care process to renew 17 projects that were

Clare House serves as a temporary haven through which homeless women and children are assisted on their paths toward independence and self-respect.

originally funded in the mid- to late 1990s. These projects ranged from transitional housing for victims of domestic violence to scattered-site housing for homeless persons with mental disabilities. The most recent FFY04 award totaled $3,574,089. To meet HUD's matching requirements, AHFC has annually awarded about $1 million to Continuum of Care grantees.

As the recipient of a number of federal formula funds, the State of Alaska is in a position to make a concerted effort to address homelessness. Federal funds awarded through block grants all come with provisions that allow states wide discretion to determine priority programs and beneficiaries, including homeless persons. The State can also play a key role in ensuring that federal grant funding which specifically targets homeless persons such as PATH (Projects for Assistance in Transition from Homelessness), Healthcare for the Homeless and Homeless Education are used in association with other State and local homeless programs to maximize benefits.

A growing concern among agencies in the homeless service sector is securing funding for operating and program expenses. Most of the private foundations operating in Alaska and many of the federal programs limit their awards to capital (building) projects or one-time program start-ups. The harsh reality of homelessness is that people in this situation are not in a position to pay for the services they need. Without a united effort from all sectors, Alaska cannot expect to break the cycle of homelessness.

Clare House served 452 clients in FFY04; 60 percent were children.

Strategies to End Homelessness

Major strategies emerged, including education, early crisis intervention, housing preservation and increase of affordable housing stock.

The Council conducted two fact-finding meetings and held a public hearing to examine the causes of homelessness. A list of 21 needs and issues was extracted from reports and plans generated by such groups as the Alaska Coalition on Housing & Homelessness, the Faith-Based & Community Initiatives Task Force, Continuum of Care applications and the Mental Health Trust Authority.

Throughout the planning process, Council discussions centered on the role the State of Alaska should or could play in ending homelessness. Council members were provided with strategies and recommendations contained in plans from other states and in local plans to assess best practices. In addition, the Council reviewed the draft plan created by the Alaska Policy Academy Team on Homeless Families and Youth, as well as the recently completed "Ten-Year Plan on Homelessness" for the Municipality of Anchorage. The Council also heard a presentation from the Chair of the Mayor's Task Force on Homelessness and the executive director of the Faith-Based and Community Initiatives, Alaska Department of Health and Social Services. Also, a public hearing was conducted on April 26, 2005, so people could respond to a draft report that proposed recommendations to address homelessness, and, in some cases, to offer additional recommendations.

After assessing all the information, the Council narrowed its focus to a few central themes. Three major areas emerged as cha[illegible] points to ending homelessness:

1. Sufficient affordable housing;
2. Well-coordinated transition from institutionalization to independent living and
3. Homeless prevention and housing retention.

Affordable Housing

16,000 new affordable housing units are needed.

National research has shown that the supply of affordable housing is directly related to the incidence of homelessness.

According to AHFC's 2005 Consolidated Housing and Community Development Plan and the 2005 Alaska Housing Needs Assessment, about 300 to 350 units of affordable housing are added annually in Alaska. But an estimated 16,000 new housing units are currently needed to meet population growth, relieve overcrowding and replace substandard housing. An annual average of 1,000 housing units are weatherized, repaired or modified for accessibility, but more than 20,000 units currently are in need of major repair. An estimated additional 25,000 units require weatherization improvements and/or accessibility modifications.

20,000 units are in need of major repair, and 25,000 units require weatherization improvements and/or accessibility modifications.

Alaska also faces challenges on the other side of the housing affordability equation – affordable rents. Alaska has relied upon a variety of federal and state programs to lower rental costs to make housing more affordable. Unfortunately, "affordable" rents are often more than the amount very low-income Alaskans can manage and various federal rental subsidy programs, as well as funds for public and Indian housing, are being significantly reduced.

Thirty-four states already have created housing trusts to supplement current funding for affordable housing development and rental subsidy programs. These states fund their trusts through unclaimed property funds, general fund appropriations and other methods. Nationwide, state housing trust funds commit $400 million annually to provide 50,000 units of affordable housing. On average, each housing trust fund dollar leverages eight additional dollars of housing funding.

Many state housing trust funds target specific purposes. Three states have homeless trust funds specifically addressing the needs of the homeless. These include the Georgia Trust Fund for the Homeless, Nebraska Homeless Assistance Trust Fund and Wisconsin's Interest Bearing Trust Account.

One successful multi-faceted housing trust fund is the Burlington (Vermont) Housing Trust Fund. During its ten-year history, this fund has supported the construction or rehabilitation of 750 units of low-income housing; the continuous operation, building maintenance and improvement of Way Station, a 36-bed shelter for the homeless; and the operation of Project HOME – a program that links people who have extra living space with those who are seeking affordable housing.

One important component of the Burlington Housing Trust Fund activities has been its funding support of the Burlington Community Land Trust projects providing low-income housing alternatives. Between 1984 and 2002, the Burlington Community Land Trust developed 259 affordable single-family homes and condominiums. All of these homes were sold to first-time homebuyers subject to durable controls over their occupancy and resale. These controls are designed to maintain availability and affordability for low-income households far into the future.

Over the past five years, AHFC has funded affordable rental housing development totaling more than 950 units at a total development cost of $170 million. During this same period, state funding of $15 million has leveraged $155 million in federal funds – a ten-fold leveraging. That leveraging came from low-income housing tax credits and mortgage financing and it made affordable housing projects feasible. Projects included 500 units set aside for households at or below 50 percent of median family income, with an additional 250 units set aside for households at or below 60 percent of median family income. The Council recognizes the importance of leveraging federal and other funds through commitment of state funds, and knows that such leveraging is critical to increasing affordable housing stock across the state.

AHFC has funded more than 950 units of affordable rental housing over the past five years.

AHFC has also proposed a federal legislative agenda involving modifications to the federal tax code that would increase funds for affordable housing. A number of housing authorities from other states support this initiative. The federal agenda can be accessed through the Reference Guide, which can be found at the end of the report.

Council Recommendation: Develop a State Affordable Housing Trust

The Council recommends the Governor and Legislature establish an affordable housing trust. A steering committee should be formed, representing public and private interests, to research options and develop a housing trust framework to present for the Governor's approval, which will maintain the affordability of housing. The steering committee should examine the various resources — statewide and nationwide — currently available to develop and operate affordable rental housing and ownership programs; develop a mission statement and performance measures for the housing trust; establish policies and procedures; determine the financing mechanism of the trust; and develop enabling legislation to be considered during the next legislative session.

Elsie entered the Homeward Bound program after spending most of her adult life on the streets of Anchorage. She graduated from the program this year and now enjoys her own apartment. She was recently reunited with her brother Ben, a counselor from Sitka, for the first time in 30 years.

Institutional Services Discharge

A growing body of research is showing significant cost savings when public funds are invested in a well-coordinated transition from institutionalization to independent living. Those leaving a state hospital, a correctional facility or a foster care setting are likely to have little or no income and lack significant social skills to make a positive transition into society. Without support from family or friends, these individuals may be vulnerable to homelessness. Often this risk is increased by lack of adequate support, or expectations to secure housing, employment, medical and mental health services and legal assistance. Some of these individuals require substantial and long-term support to achieve a successful and lasting transition. It is estimated that more than 4,700 Alaskans are released from institutional care into homelessness every year.

It is estimated that more than 4,700 Alaskans are released from institutional care into homelessness every year.

Council Recommendation: Institutional Services Discharge

The Council recommends the State of Alaska adopt policies to reduce the likelihood of homelessness upon discharge from institutions by creating a working group comprised of representatives from the departments of Health and Social Services, Public Safety and Corrections, the Alaska Mental Health Trust, and local community partners and stakeholders. This group would evaluate the barriers to effective discharge planning and make recommendations for modifications to policies that would reduce the risk of homelessness.

Homeless Prevention/ Housing Retention

Emergency shelters are expensive and problematic for local communities. The Council unanimously agreed that one of the best ways to reduce the need for shelters is to keep homelessness from happening. From the presentations and discussions on this topic, three major strategies emerged: education, early crisis intervention, housing preservation and increase of affordable housing stock. The Council also recognized the need for adequate supports in transportation, job opportunities and, in some cases, supportive services to assure housing stability.

Renter Education

According to testimony, young people first leaving home and rural residents relocating to urban centers often have a difficult time retaining housing. They are not fully prepared for, nor do they understand the consequences of not paying rent on time or neglecting the maintenance needs of their units. To mitigate this problem, several providers around the state, such as Catholic Social Services in Anchorage and St. Vincent de Paul in Juneau, have developed successful renter education programs that cover such topics as budgeting, housing search techniques, understanding and negotiating a lease, maintenance do-and-don'ts and skills for dealing with guests and roommates. AHFC currently provides free day-long seminars throughout the state to educate prospective home buyers about various aspects of buying and caring for a new home. This program could be modified easily to provide information pertinent to renters. Several other states such as Minnesota, Wisconsin, Virginia and Michigan provide renter education courses through their Cooperative Extension Service.

Homeward Bound has served 212 program participants since April 1997. Participants have repaid $330,670 in debt previously considered unrecoverable.

Council Recommendation: Expand Renter Education

The Council recommends the expansion of renter education opportunities in Alaska through existing delivery systems and educational programs, such as the Department of Education and Early Development, the University of Alaska Cooperative Extension Service, AHFC and community and faith-based groups.

Housing Preservation and Increasing Inventory of Affordable Housing

Other critical elements of homeless prevention are the preservation of existing housing stock and increasing the inventory of affordable housing. Programs that assist low-income homeowners make needed repairs or modifications, improve energy efficiency, or create additional affordable housing can ease the burden on community-funded shelter services by reducing homelessness. Additionally, support for maintenance and weatherization programs aids in reducing the rising costs of utilities and extend the life of existing homes.

Council Recommendation Long-Term: Appoint a Working Group to Continue the Discussion on Homelessness and its Solutions

The Council recommends the Governor bring together policy makers, partners from within our communities, and other stakeholders as a working group to address ongoing housing issues mentioned in this report, including the goal of expanding the affordable housing inventory and preserving existing housing stock. This working group should include housing builders, housing financiers, current housing providers, land use planners, Alaska Native corporations, and faith-based and community organizations.

The working group's primary charge should be to address community and statewide barriers and solutions to ending homelessness. It should work closely with the housing trust to encourage investments in affordable housing in areas most in need. Documents created from state and local planning efforts to address homelessness, community "best practices" and resources can be shared and used to craft an ongoing action plan that produces measurable results, and achieves the goal of ending homelessness in Alaska.

Alaska Council on the Homeless

Members

Dan Fauske, CEO/Executive Director, Chair
Alaska Housing Finance Corporation

Lt. Governor Loren Leman

Mark Antrim, Commissioner
Department of Corrections

Mike Barton, Commissioner
Eric Taylor, Manager of Statewide Plan & Transit
Department of Transportation & Public Facilities

Colleen Bickford, Anchorage Field Office Director
U.S. Department of Housing & Urban Development

Major General Craig Campbell,
Adjutant General/Commissioner
Jerry Beale, Deputy Director
Department of Military & Veterans Affairs

Dennis DeWitt, Special Assistant
Office of the Governor

Karleen Jackson, Commissioner
Department of Health & Social Services

Jeff Jesse, Executive Director
Alaska Mental Health Trust Authority

Greg O'Claray, Commissioner
Department of Labor & Workforce Development

Roger Sampson, Commissioner
Department of Education & Early Development

William Tandeske, Commissioner
Department of Public Safety

Alaska Council on the Homeless
(l to r) Eric Taylor, Mark Antrim, William Tandeske, Jeff Jesse, Karleen Jackson, Colleen Bickford, Dennis DeWitt, Loren Leman, Dan Fauske, Roger Sampson and Jerry Beale.

Reference Guide

Links to the following information can be found at www.ahfc.us/homeless/homeless.cfm#reference.

A. 2004 Gaps Analysis for the Continuum of Care, Balance of State

B. 2005 Policy Academy for Improving Access to Mainstream Services for Families with Children Experiencing Homelessness Action Plan

C. Alaska Mental Health Trust Authority Strategic Plan on Housing

D. Alaska Wage/Rent Disparity Chart

E. Consolidated Housing and Community Development Plan for the State of Alaska, 2005 - 2010

F. "Costs of Serving Homeless Individuals in Nine Cities," Corporation for Supportive Housing, November 2004.

G. Continuum of Care Housing Activity Charts

H. Continuum of Care Service Activity Chart

I. Fair Market Rent Chart

J. Faith-Based & Community Initiatives Task Force

K. Governor's Administrative Order No. 214 forming the Alaska Council on Homeless

L. Homeless Funding Matrix

M. AHFC Homeless Surveys

N. Alaska Council on the Homeless minutes and public hearing proceedings

O. Municipality of Anchorage Ten Year Plan on Homelessness

P. "Innovative Services for Alaska's Homeless Persons with Mental Illness," Bernard Segal, PH.D., Center for Alcohol and Addiction Studies, University of Alaska, 2003.

Q. AHFC federal legislative agenda for affordable housing

R. "Keeping Alaskans Out of the Cold," State of Alaska, Report to Governor Frank Murkowski, Recommended Strategies to Address Homelessness, October 2005.

The TRUST

The Alaska Mental Health
Trust Authority

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[illegible]

[illegible]
[illegible]

The Office of
Governor Frank H. Murkowski

February 2006

Dear Alaskan,

Congratulations to The Alaska Mental Health Trust Authority (The Trust) on completing ten years of working to improve the lives of their beneficiaries. This annual report highlights many successful projects over the first ten years that prove that working together we can make significant improvements that enhance the lives of Alaskan's.

Fiscal year 2005 continued to be an exciting time for The Trust as we worked together on our shared visions. My "Bring the Kids Home" initiative, in partnership with The Trust, made progress toward providing mental health services for young Alaskans in state—closer to their families and loved ones. We are also working on the other Trust focus areas including appropriate housing and working toward solving housing issues over the long term for the homeless. The Justice for Persons with Disabilities focus area, working with the Court System and Department of Corrections, continues to show progress in expanding alternatives to incarceration, increasing treatment availability, protecting victims' rights, and improving transitions after incarceration to deter recidivism.

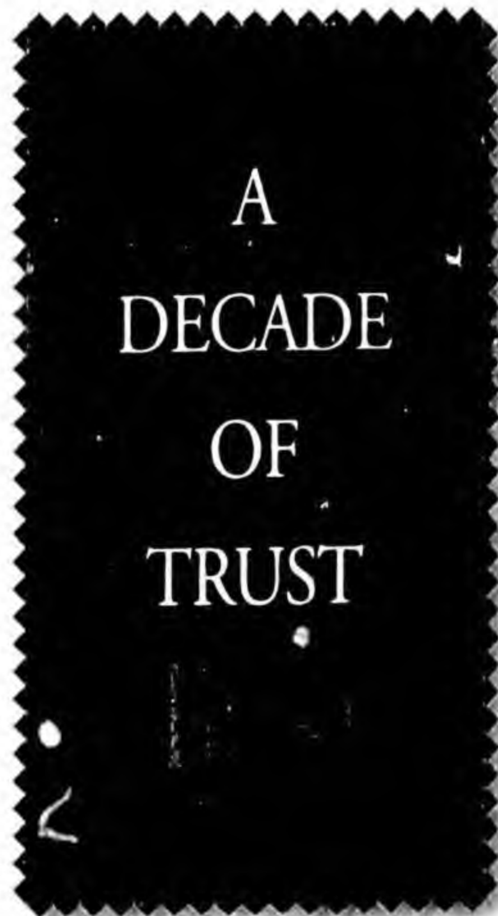
As Governor, I want every Alaskan to have the best quality of life our state can offer. I am committed to making this happen and I commend The Trust and all those who partner with them for their efforts and their success.

Sincerely yours,

Frank H. Murkowski
Governor

A decade of achievement.

A decade of learning.



A decade of growth.

A decade of leadership.

A decade of partnerships.

A decade of trust.

A DECADE OF TRUST

1 *Letter from the Chairman*

2 *Board of Trustees*

The Beginning

4 *Early Projects*

6 *Challenges*

FY2005 Year in Review

FY2005 Key Financial Outcomes

FY2005 Land Office Financial Outcomes

Vision and Mission

The Alaska Mental Health Trust Authority administers the Mental Health Trust established in perpetuity. It has a fiduciary responsibility to its beneficiaries to enhance and protect the Trust and to provide leadership in advocacy, planning, implementing and funding of a comprehensive integrated mental health program to improve the lives and circumstances of its beneficiaries.

To Governor Murkowski, Members of the Alaska Legislature and the Alaska Public:

Ten years ago I was appointed to serve on the Mental Health Trust Authority Board of Trustees. I joined six other appointees, sitting around a table entrusted with a legislative mandate to preserve The Trust and serve our beneficiaries to the best of our abilities. Wh a journey it has been.

The Trust Authority history dates back further than 10 years. This year we also recognize the 50th anniversary of the Mental Health Trust Enabling Act of 1956, a plan to bring Alaskans home from institutions in the Lower 48. More of that history appears in this report.

We spent our first years organizing how we would handle The Trust and stay true to the vision of enhancing and protecting The Trust and to providing leadership toward a comprehensive integrated mental health program for Alaska. We realized that treatment wasn't enough, that our beneficiaries needed a holistic approach. They needed housing, health care, job training and other of life's necessities. Without all of these elements in place, many people could not live up to their full potential. So, our strength became how we dealt with the whole picture.

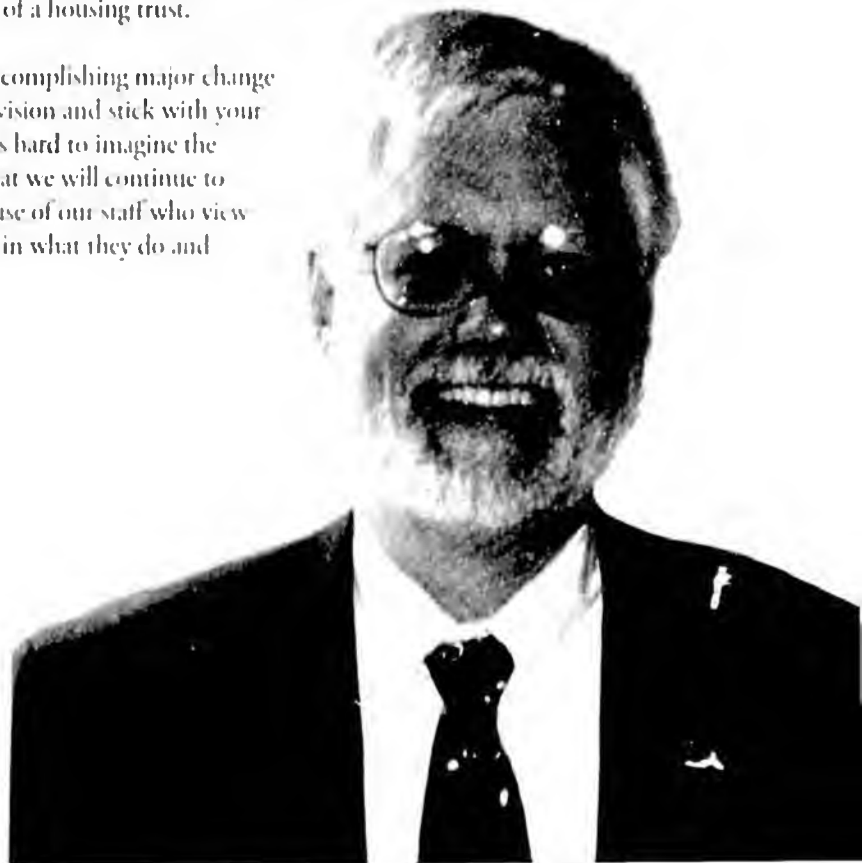
Our experience over the last 10 years led us to work outside the boundaries of traditional state organizations. The Trust has made partnering the cornerstone for accomplishing its mission. Our partnerships have allowed us to leverage dollars with foundations, grants, and other organizations. Together with our partners we've become stronger and more effective.

These leadership and partnering practices led The Trust to direct the majority of its funding for the next three to five years into four major focus areas (Housing, Disability Justice, Beneficiary Initiatives, and Bring the Kids Home) and to work with our partner advisory groups to develop joint advo acy priorities. The FY2006 legislative session advocacy priorities include expanding adult dental Medicaid services, the maintenance of Medicaid services for beneficiaries, and support for the creation of a housing trust.

During the past 10 year Tr stees have learned that accomplishing major change is difficult and you must in the wisdom of your vision and stick with your plans. The Trust has truly accomplished just that. It's hard to imagine the progress we will make in the next 10 years. I know that we will continue to grow not only because of the Board's vision, but because of our staff who view their work as more than just a job. They truly believe in what they do and for that, I, and the rest of the board are thankful.

It has been a privilege.

John Pugh
FY2005 Chair



The FY2005
Board of Trustees

John Pugh
Chair, Board of Trustees
Chair - Comprehensiv
Integrated Mental Heal[illegible] *Plan*

William Doolittle, MD.
Vice Chair,
Board of Trustees

Phil Younker, Sr.
Trustee

Caren Robinson
Chair - Legislative Adhoc
Committee

Nelson G. Page
Chair - Finance Committee

John E. Malone
Chair- Program & Planning
Committee

Tom Hawkins
Chair - Resource Management
Committee

The Alaska Mental Health Trust marked its 50th anniversary in 2005. Many people are surprised to learn that The Trust has been part of the mental health landscape for a half century. Its legacy dates back to the transition from a territory to a state and when Congress passed the Alaska Mental Health Enabling Act of 1956. The Act transferred the responsibility for providing mental health services from the federal government to the Territory of Alaska and ultimately the State of Alaska.

The intent was to bring Alaskans home. Prior to statehood, the federal government sent people who experienced mental disabilities to live in an institution in Portland, Oregon. The Enabling Act created the Alaska Mental Health Trust that was to be funded from income generated by one million acres of prime land selected from the federal government. Those lands would be managed to generate income for a comprehensive integrated mental health program.

It didn't happen the way the Congress intended. Although the state legislature was responsible for managing these lands to fund mental health services, it did not do so. The state transferred the most valuable parcels of land to private individuals and the government. By the 1980s only about 45 percent of the land trust remained unencumbered and in state ownership.

In 1982 a private citizen, Vern Weiss from Nenana, filed a class action suit against the state that ultimately prevailed in the State Supreme Court. The court ordered restoration of the original trust. In 1994 a final settlement reconstructed The Trust with 565,000 acres of original Trust land, 395,000 acres of replacement land, and $200 million dollars. The settlement established an independent Board of Trustees appointed by the governor and confirmed by the legislature to oversee the assets of The Trust and spend the income on behalf of the beneficiaries.

Once the seven Trustees were appointed they began setting a course to optimize The Trust assets on behalf of its beneficiaries. The mission was to oversee the prudent management of the $200 million and the one million acres of land and to work to improve the lives of beneficiaries. In the first six months, The Trust signed a memorandum of understanding with the Department of Natural Resources to manage Trust lands. During that same time, the Trust fund cash was transferred to the Alaska Permanent Fund Corporation for investment.

In 1994, a final settlement reconstructed The Trust with 565,000 acres of original Trust land, 395,000 acres of replacement land and $200 million. It established an independent Board of Trustees appointed by the governor and confirmed by the legislature.

The first Board of Trustees on the day of the signing. Front row: Nelson Page and Tom Hawkins. Back row: [illegible] *John Malone,* *Phil Younker Jr., John Pugh and* [illegible]

The creation of a statewide Comprehensive Integrated Mental Health Plan was a central task set out for The Trust. This Plan was to provide policy direction, intended to promote a continuum of care and service that fosters individual well-being, personal safety, economic security, and life with dignity for all Alaskans. The Plan guides the programs and services provided to Alaskans who are beneficiaries of the Alaska Mental Health Trust and is developed by the Department of Health and Social Services in conjunction with The Trust.

The structure of The Trust settlement empowered four Governor-appointed boards to advise on and advocate for the plan of services for Trust beneficiaries: The Alaska Mental Health Board, Governor's Council on Disabilities and Special Education, Alaska Commission on Aging and the Governor's Advisory Board on Alcoholism and Drug Abuse. A central role for The Trust was to ensure that everyone agreed on what the problems are, the number of people affected, and the impact and solutions to these problems.

Beneficiaries of The Trust are people with mental illness, developmental disabilities, chronic alcoholism, and Alzheimer's disease and related disorders. However, The Trust feels that its role must go beyond its direct beneficiaries and also support prevention and early intervention services for persons at risk of becoming beneficiaries.

A
DECADE
OF
TRUST

1995

The seven founding Trustees were appointed by the Governor and confirmed by the Legislature.

Land Office opened in December 1994.

The FY2005 Board of Trustees:
(L to R) Jim Hasbrouck, William Doolittle, M.D., Phil A. Younker, Sr., Carol Robinson, Nelson G. Page, John Pugh, John F. Malone

Harborview

Supporting the original intention of the Enabling Act to bring residents home to Alaska, The Trust took that notion a step further with its first major project: closing Harborview in Valdez and moving residents to their home communities. Haborview housed Alaska's most profoundly disabled citizens, and at its height cared for 180 residents.

All the data had shown that people do better in their own communities, near their own families. However, first the communities needed the services to support those Harborview residents. Working with the State, The Trust funded Harborview services while the State used its funding to implement new community services. In 1997, the last resident left for home. Follow-up studies since Harborview's closing demonstrate that Alaskans do lead fuller and richer lives near their homes and families.

Alaska Psychiatric Institute

At the same time The Trust worked on the Harborview project, it worked with the State and began due diligence to replace the aging Alaska Psychiatric Institute (API) with a smaller, more appropriate facility. However, for a smaller facility to work, short-term crisis admissions would need to be reduced enabling API to focus on its role as Alaska's longer term psychiatric hospital. Working with a congressional earmark, a psychiatric emergency system was developed in Anchorage to reduce demands on API. With those community services in place, a smaller less expensive building has just been completed to replace the original API.

A DECADE OF TRUST

Finding out about our beneficiaries

As The Trust began to establish its operating procedures and make headway toward its mission and vision, it was time to survey its beneficiaries and learn more about their needs.

- Under health, The Trust learned that beneficiary resources were too low to meet their basic health needs, such as getting eyeglasses, dental work or hearing aids.
- Under Safety, beneficiaries noted that about 37 percent had been to jail and that half of that number felt they should have received medical care instead. Emotional, physical, and sexual abuse were also listed as major problems.
- Half of the study participants said they needed additional help to fund services not covered by Medicaid or Medicare.
- According to the survey, 66 percent of the respondents were unemployed and 24 percent were employed full time or part time year-round.
- A survey during that same year revealed that more than 25 percent of all inmates and 38 percent of female inmates qualify as Trust beneficiaries, most suffering from mental illness. This made the Department of Corrections the largest mental health provider in Alaska. Further, women inmates didn't have equal access to mental health services.

With this information in hand, it became clear that The Trust needed to take a holistic approach with its beneficiaries. Addressing jobs, adequate housing, proper health care, and other elements will ensure that beneficiaries are living with dignity.

1996

Provided leadership in developing the State's Comprehensive Integrated Mental Health Program through the adoption [illegible]

[illegible]

1997

[illegible]

[illegible]

[illegible]

Experts agree that alcohol abuse in is the number one social and health problem in Alaska. To address this concern, Trustees have worked closely with the state administration, the Governor's Advisory Board on Alcohol and Drug Abuse, and communities to fund strategies to address problems related to substance abuse. These have included treatment programs for inmates in Corrections, encouragement of local-option laws, the use of the State's involuntary commitment laws, a detox facility in Fairbanks, and many other projects. However, a coordinated statewide effort by all Alaskans will be needed to make significant progress on this problem

Over the past several years the State refinanced many state grants using the Medicaid program. While the federal money is important, Medicaid's medical model and dependency-promoting structure is sometimes a poor fit for Alaska. As we have recently experienced, over dependence on this funding source makes Alaska subject to the budgetary whims of the federal government. At the same time, Medicaid is at the core of the funding mechanism for Alaska's mental health program and must be protected and strategically expanded to meet Alaskan needs.

Trustees understood from the beginning that due to the remoteness, cultural variations, and poor economies of scale, rural Trust beneficiaries received limited levels of service. The first action was to sensitize State leaders and Trustees by visiting rural communities. The only way you can truly understand the successes and challenges in rural communities is to spend at least one night there.

Each year since 1998, Trustees, staff and board members from the Trust-related boards, State administrators, legislators, and legislative aides have traveled together to visit different regions of Alaska and meet with community members to understand rural issues.

In addition, the out-of-state placement of hundreds of Alaskan children, the continued over-involvement of beneficiaries with the criminal justice system, the lack of affordable, safe, accessible housing, and the desire of the beneficiaries to do as much as possible for themselves continue to be the major challenges facing The Trust.

[illegible]

Future

Over the last 10 years, The Trust has learned to work outside the boundaries of traditional public organizations to fully meet the mandates of The Trust's unique statutory mission. One method used provides active support for many of the grantees, to better ensure the success of projects. Leadership techniques are also used that mobilize stakeholders to clarify what matters most, in what balance, and with which tradeoffs.

The Trust often acts as a convener and works with stakeholders to plan and prioritize for the future. Partnering has become the cornerstone of the work in which The Trust is involved. The Trust rarely funds projects on its own, rather it creates partnerships with other entities, partnerships that then become stronger than the sum of their parts. These leadership and partnering practices led The Trust to direct the majority of its funding for the next 3 to 5 years into four major focus areas and to work with its partner advisory groups to develop joint advocacy priorities.

Susan LaBelle, an Alaska Native leader, became a Trustee in 199[illegible]. It was her suggestion that State leaders and Trustees visit rural communities to better learn of their needs.

A Decade of Trust

1998

Assisted with the development of the first Women's Substance Abuse Treatment Program for women in Alaska's prisons.

Negotiated a $900,000 land exchange with the City and Borough of Juneau setting the stage for redevelopment of the Trust's valuable waterfront lands in Juneau (Subport).

1999

Sponsored the first Rural Outreach Trip.

Converted the Fort Knox mill site lease to a regional mill site lease, thereby allowing off site ores to be processed at the mill. Rents increased by 400%, from $30,000 per year to $150,000 per year.

A DECADE OF TRUST

The Trust spent much of 2005 preparing and planning activities in four focus areas for 2006.

Disability Justice

Beneficiaries of the Mental Health Trust are at increased risk of involvement within the criminal justice system both as defendants and as victims. Trust beneficiaries who have committed no crime are incarcerated nearly 4,000 times each year because appropriate service alternatives are unavailable to provide for their safety and treatment.

Because of their disorders, individuals with mental disabilities are at greater likelihood of becoming involved in the criminal justice system. Once involved, they are at greater risk of repeated cycling through the system.

A long-term partnership with the Alaska Court System began FY2001 to assist Alaska's Courts to become more capable of providing an accessible forum for justly resolving cases involving Trust beneficiaries and better equipped the courts to achieve positive outcomes for the beneficiaries and the communities.

Bring the Kids Home

Between 1998 – 2004, the children's behavioral health system in Alaska had become increasingly reliant on out-of-state residential psychiatric treatment center (RPTC) care for treatment of severely emotionally disturbed youth. Out-of-state placements in RPTC care grew by nearly 800%. At any given time, approximately 350-400 children were being served in out-of-state placements. In 2004, these statistics caused Trustees to pick this as a focus area and earmark over $2 million each year to begin in July 1, 2005, for addressing the "Bring the Kids Home" issue, in partnership with the Dept. of Health & Social Services.

The goals of the project are to:

- Build/develop and sustain the community-based and residential capacity.
- Develop an integrated, seamless service system in Alaska.
- Significantly reduce the existing numbers of children and youth in out-of-state care and ensure that the future use of out-of-state facilities is kept to a minimum.

2000

Held the first Mental Health Trust Mover Awards to recognize individuals and organizations who have helped improve the lives of Trust beneficiaries.

Negotiated the first phase [illegible] on Trust Lands.

2001

Final redevelopment strategy completed for the API / McLaughlin parcel.

Resolved public use conflicts associated with a popular recreation parcel in Fairbanks (Chena River Wayside) by agreeing to sell the parcel to the State for about $[illegible].

Affordable, Safe, Accessible Housing

Alaska Mental Health Trust beneficiaries have many unmet housing needs. Safe, decent, affordable, accessible, and appropriate housing is often the key for beneficiaries in maintaining a healthy lifestyle and it is an important component of The Trust's holistic approach and living with dignity. The statewide shortage of affordable, safe, accessible, and appropriate housing disproportionately affects Trust beneficiaries. Some beneficiaries will require supportive living situations or accommodations to meet special needs. The goal of the Trust's Housing initiative is to increase the availability of a continuum of housing options that are best suited to Trust beneficiary needs and desires that improves/sustains their quality of life.

Affordable Housing

Supportive housing is a cost-effective approach to addressing beneficiary needs.

Service	Cost per day
Hospital	$1,600
API	$732
Nursing Home	$400
Detox	$270
Jail/Prison	$114
Supportive Housing	$70

Source: OMB, API, DOC, Clitheroe Center & AHFC data

Trust Beneficiary Group Initiatives

There is a growing interest among Trust beneficiaries and their family members to use services provided by fellow consumers/clients and family members. These services create a sense of empowerment and choice that often helps in promoting quality sustainable services and recovery.

The state has existing models for consumer-controlled services that may be adapted or replicated by beneficiaries. The initiative will examine how this service and the mutual understanding between individuals may also improve outcomes and be part of the cost-effective services provided to beneficiaries.

FY06 Legislative Priorities

The FY06 advocacy priorities include expanding adult dental Medicaid services, the maintenance of Medicaid services for beneficiaries, and the establishment of a housing trust.

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For the second consecutive year, the cash assets of the trust benefited from a healthy stock market. Investments with the Alaska Permanent Fund Corporation (APFC) increased from $333,152,000 at the end of FY2004 to $363,826,000 at the end of FY2005.

Income from these investments was $30,811,000 for FY2005 and $42,322,000 for FY2004. Statutory net income determined by APFC (which does not include unrealized gains) was $21,008,000 for FY2005 and $18,811,000 for FY2004. This market rebound has offset the market losses of the three prior years and has validated our four-year Budget Reserve financial model. The budget reserve is set at 400 percent of the annual payout to allow disbursement during market downturns.

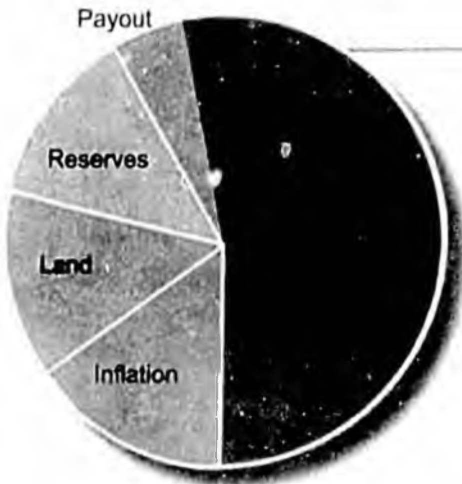
The remainder of the Budget Reserve is managed by the Treasury Division of the Department of Revenue (DOR). This portion of the Budget Reserve earned $778,440 in FY2005. To equalize the two halves of the Budget Reserve, $3.45 million was transferred from the APFC Budget Reserve to the DOR Budget Reserve.

The Trust was able to add approximately $10 million to the Principal account for inflation proofing.

The Trust's payout rate, based on a percentage of market value, which is used to determine the disbursement (or payout) for the mental health budget was increased at the end of FY2004 from 3.5% to 3.75% beginning with the FY2006 budget. At the end of FY2005, the payout rate was further increased to 4.0% beginning with the FY2007 budget. This rate is applied to the amount of the Trust Fund (Principal and Budget Reserve) at the end of a fiscal year to calculate the payout for the subsequent year.

The following performance for FY2005 is available for funding the FY2006 mental health budget:

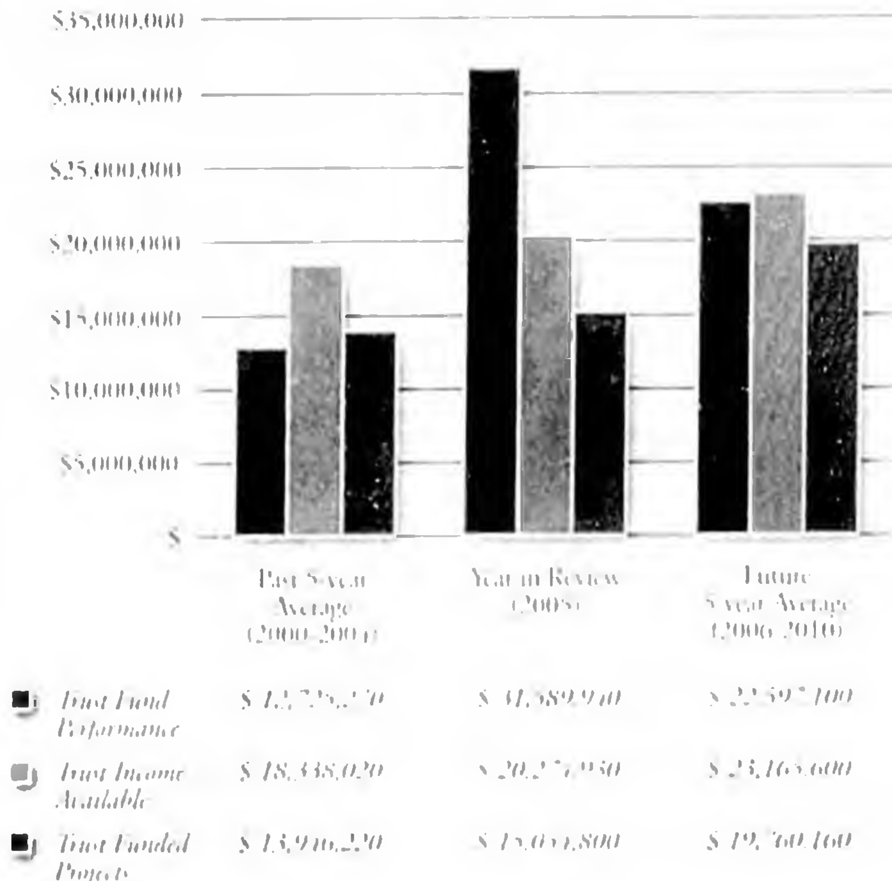
- Disbursement (payout) rate of 3.75%, for a payout of $14,607,972. This represents an increase of 17.8% over FY2004.
- Resource management revenue allocated as income was $3,009,923.
- Interest on the Income Account at Treasury Division was $923,747.
- Lapsed funds from prior fiscal years were $5,220,114.
- Total funding available for the Mental Health Trust budget in FY2006 is $23,761,255. This is an increase of 14% over FY2005.



Trust Cash Assets at End of FY2005

Settlement	58.0%	$ 200,000,000
Inflation	17.9%	$ 61,836,475
Land	15.8%	$ 54,527,213
Reserves	16.9%	$ 58,429,886
Payout	3.75%	$ 14,607,472

Trust Fund Performance



	Past 5-year Average (2000–2004)	Year in Review (2005)	Future 5-year Average (2006–2010)
Trust Fund Performance	$ 12,725,270	$ 31,589,940	$ 22,597,100
Trust Income Available	$ 18,338,020	$ 20,2[illegible],950	$ 23,163,600
Trust Funded Projects	$ 13,916,220	$ 15,0[illegible],800	$ 19,760,160

A DECADE OF TRUST

2002

Advocated for the successful passage of the statewide alcohol tax increase.

Signed API-McLaughlin parcel subdivision plat, setting stage for conveyance of a 16-acre tract to the Department of Health and Social Services as the new API site, sale of a 25-acre tract to Providence Hospital for hospital expansion or University trade purposes and future leasing of Tract Lake Otis and Providence corner parcel.

2003

Partnered with the Alaska Court System to sustain and expand Alaska's therapeutic courts and therapeutic justice practice statewide.

Land Office gross revenues increase to over $16.8 million.

A DECADE OF TRUST

The Trust Land Office exceeded its gross revenue projections by 123 percent, with final revenues equaling about $17.6 million compared to a goal of $7.9 million. Much of the revenue was attributable to multi-year transactions, which were not guaranteed to close in FY2005 and so were not included in the FY2005 gross revenue projections. It is important to note that Spendable Income exceeded projections by only 15 percent, with a year-end outcome of about $3.0 million, compared to projections of $2.6 million. Since The Trust Authority relies heavily on the Spendable Income projections of the TLO, it is important that this projection be as accurate as reasonably possible.

FY2005 Land Office Highlights for the Year

The real estate program and Community Enhancement Initiative accounted for over 76 percent (about $13.4 million) of gross revenue. Successful efforts included the sale of about 4,060 acres of waterfront property in Gustavus to The Nature Conservancy and Department of Natural Resources for $3.2 million, the completion of the reconfigured MHTL Subdivision in the U-Med District in Anchorage into Providence-Chester Creek Subdivision and the payoff of Providence Hospital's $3.4 million promissory note for Tract A.

The TLO completed its eighth annual land sale, selling 58 parcels through a sealed bid process with a value of $3,176,570. New subdivisions were completed at West Lake and Twin Island Lake both in the Mat-Su Borough, with full sellout in the 2004 land sale, valued at $776,000.

The Trust acquired ownership of an office building located in East Anchorage. The building, formerly known as the Family Resource Center has been renamed the Trust Authority Building and is the future home of the Alaska Mental Health Trust Authority.

FY2005 timber revenue accounted for over 16 percent (about $2.8 million) of gross revenue, with sales in Wrangell and the combined areas of Signal Mountain, Gravina Island, and Minerva Mountain in Ketchikan. The TLO also signed a contract with Alcan Forest Products LP for the multi-year Leask Lake Timber Sale with revenues anticipated from FY2006 through FY2010.

2004

Launched new budgeting method, Budget Recommendation Planning Process that will guide decision-making and funding process for the next five to 10 years.

Completed the purchase of the [illegible] site for the new [illegible] Center.

2005

Concentrated on planning activities in four focus areas for 2006: Disability Justice, Bring the Children Home, Affordable Safe Accessible Housing, and Trust Beneficiary Group Initiatives.

[illegible]

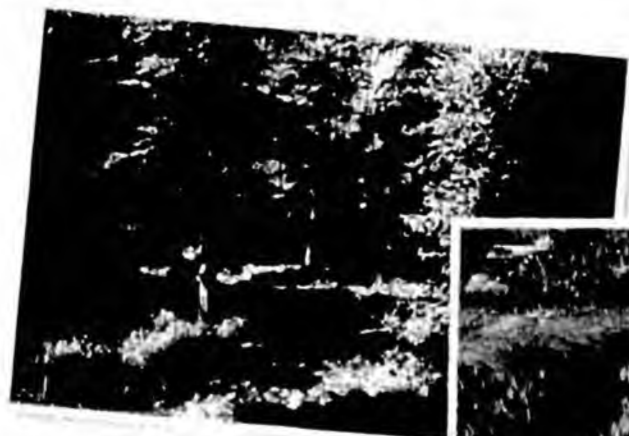
View from Trust land, [illegible] Alaska

Trust land, Kodiak, Alaska

[illegible]

The Cook Inlet Oil & Gas Lease Sale conducted in the fall of 2004 resulted in $780,000 in income to The Trust from bonus bids and first year rental payments. Overall, the oil and gas program accounted for over 6 percent (about $1.1 million) of gross revenue with about 150,000 acres under lease.

The minerals and materials program accounted for almost 2 percent of gross revenue (about $356,000). AngloGold Ashanti was the successful bidder for the competitive mineral lease offering northwest of Salcha (Caribou Creek) resulting in a lease of about 5,060 acres of Trust mineral land. Freegold Ventures LTD USA was the high bidder for 750 acres of Trust mineral land north of Cleary Summit, and the TLO received its second royalty payment of $68,000 from the Fort Knox Gold Mine near Fairbanks.



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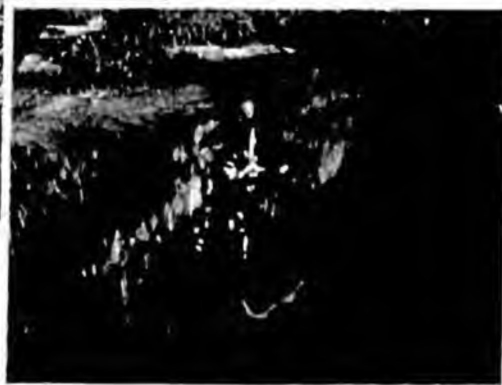

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The TRUST

The Alaska Mental Health
Trust Authority

550 West 7th Avenue, Suite 1820
Anchorage, AK 99501

www.mhtrust.org

This report was printed at a cost of $.18 each

Alaska Mental Health Trust Authority

Senate Finance

FY 07 Budget Priorities

Trust FY07

TRUST Distributable Income	
Land Office Income	$ 2,600,000
Trust Fund Payout ***4.00%*** (up from 3.75%)	$16,028,605
Prior Year Lapse	$ 1,500,000
Interest	$923,750
Total Trust Projected	$21,052,355
Expenditure Recommendations	$12,854,400 Operating $2,250,000 Capital $5,581,000 Direct Grants
Total Recommendations	$20,685,400

Four Focus Areas

- Bring the Kids Home
- Affordable, Appropriate Housing
- Justice for Persons with Disabilities
- Trust Beneficiary Group Initiatives

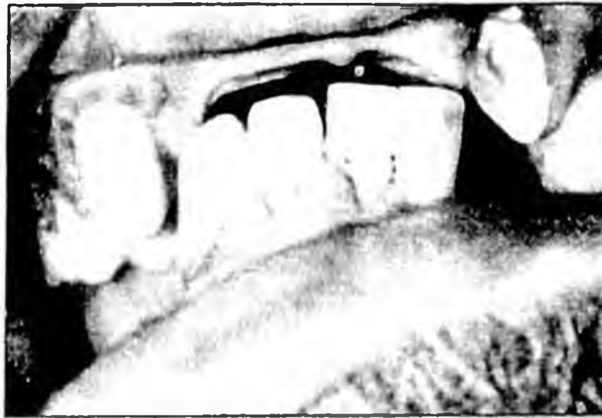
Guiding Direction for Trust Program Investment

- Focused on results.
- Investing in policies, programs, services that make a difference.
- Example in Justice Focus Area:
  - Therapeutic Courts
    - Apply sound scientific principles of behavior change – effective use of incentives and sanctions, with treatment and other new technologies.
    - Effectively coordinates the persuasive and coercive power of the court with essential treatment and supports and oversight of treatment and behavioral compliance
    - Results measured in reduction in recidivism rates

AI

A
DECADE
OF
TRUST
5
TRUST

Would You Hire Them?



Poor Oral Health = Reduced Employability

HB 105/SB 79

BRING THE KIDS HOME (BTKH)
FY06 – FY12
Trust, DHSS, & Tribal Collaboration

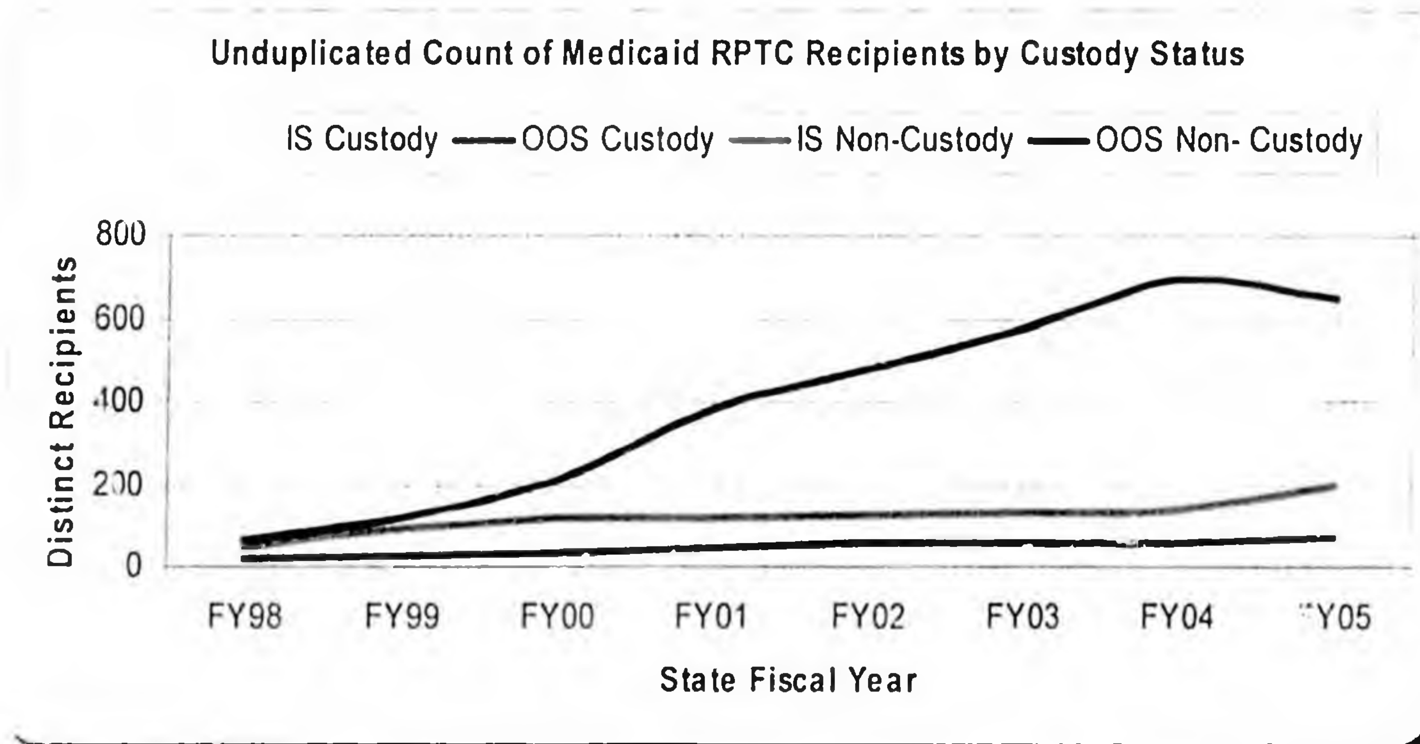
- BTKH model provided by DHSS expertise
- Trust Work Group formed (meets quarterly):
  - Established 7 indicators of progress
  - 20 stakeholders: tribal reps (40% AK Native), family, providers
  - Reviews progress of 4 subcommittees:
    - Care Coordination
    - Home & Community-based services
    - Work force development
    - Data

Seven Indicators of Progress

- *Indicator 1:* ***Client Shift*** *– A reduction in the total number of SED children/youth placed out of state by 90 percent by SFY 12. (15 percent per year)*
- *Indicator 2:* ***Funding Shift*** *- Ninety percent reduction in Medicaid/General Fund match dollars from out-of-state services to SED children/youth with a corresponding increase in Medicaid/General Fund match dollars for in-state services by SFY 12. (15 percent per year)*
- *Indicator 3:* ***Length of Stay*** *– Reduction in the average length of stay for in-state and out-of-state residential institutions by 50 percent by SFY12. (8.3% per year.)*
- *Indicator 4:* ***Service Capacity*** *– Increase in the number of children /youth receiving home and community based services in communities or regions of meaningful ties by 60 percent by SFY 12. (10 percent per year)*
- *Indicator 5:* ***Recidivism*** *- Decrease in the number of children/youth returning to residential care by 75% by SFY 12. Defined as children/youth returning within one year to the same or higher level of residential care. (12.5% per year)*
- *Indicator 6:* ***Client Satisfaction*** *– Via annual reporting. 85 percent of children and families report satisfaction with services rendered.*
- *Indicator 7:* ***Client Improvement*** *- 85% of children and youth show functional improvement in one or more life domain areas at discharge and one year after discharge.*

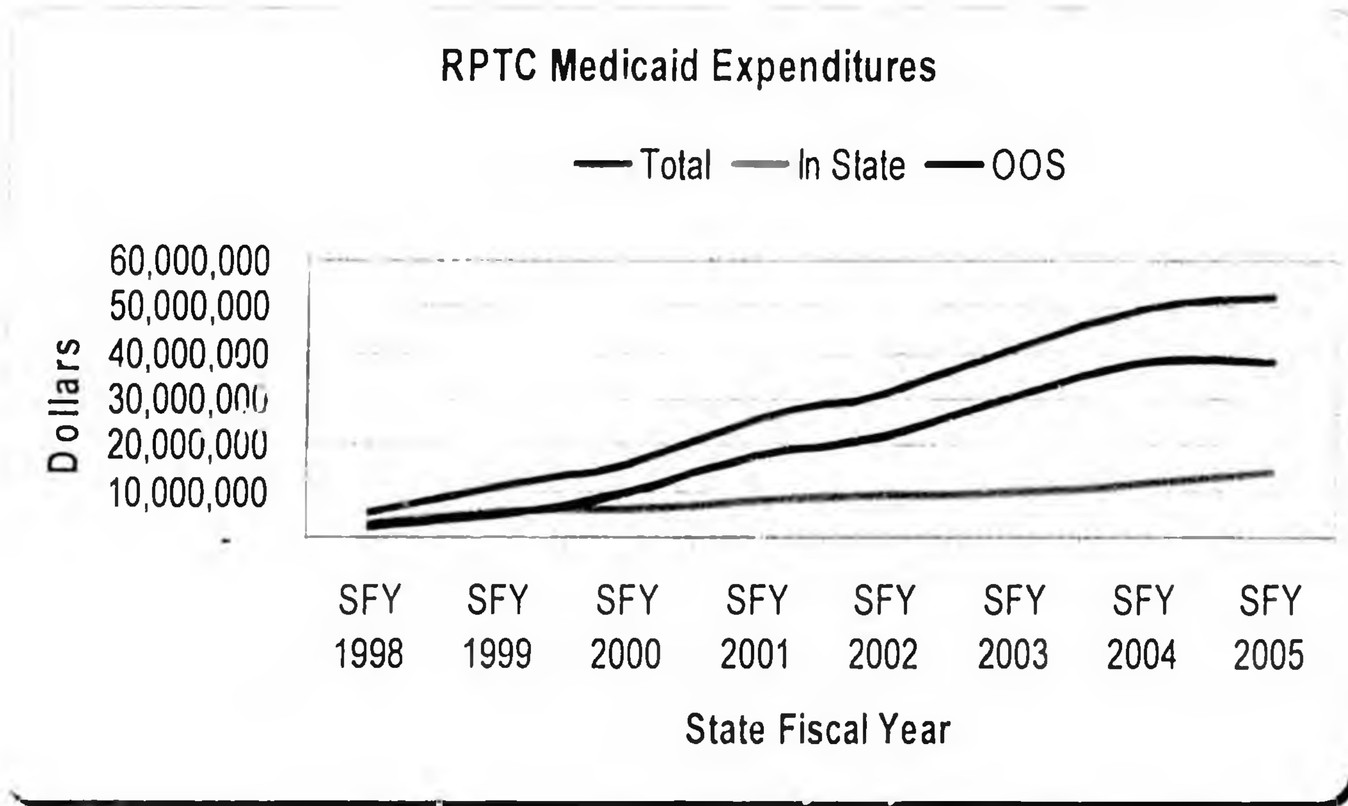
Indicator 1: ***Client Shift***

Number of youth out of state is declining. Increases have been largely experienced in non-custody youth.



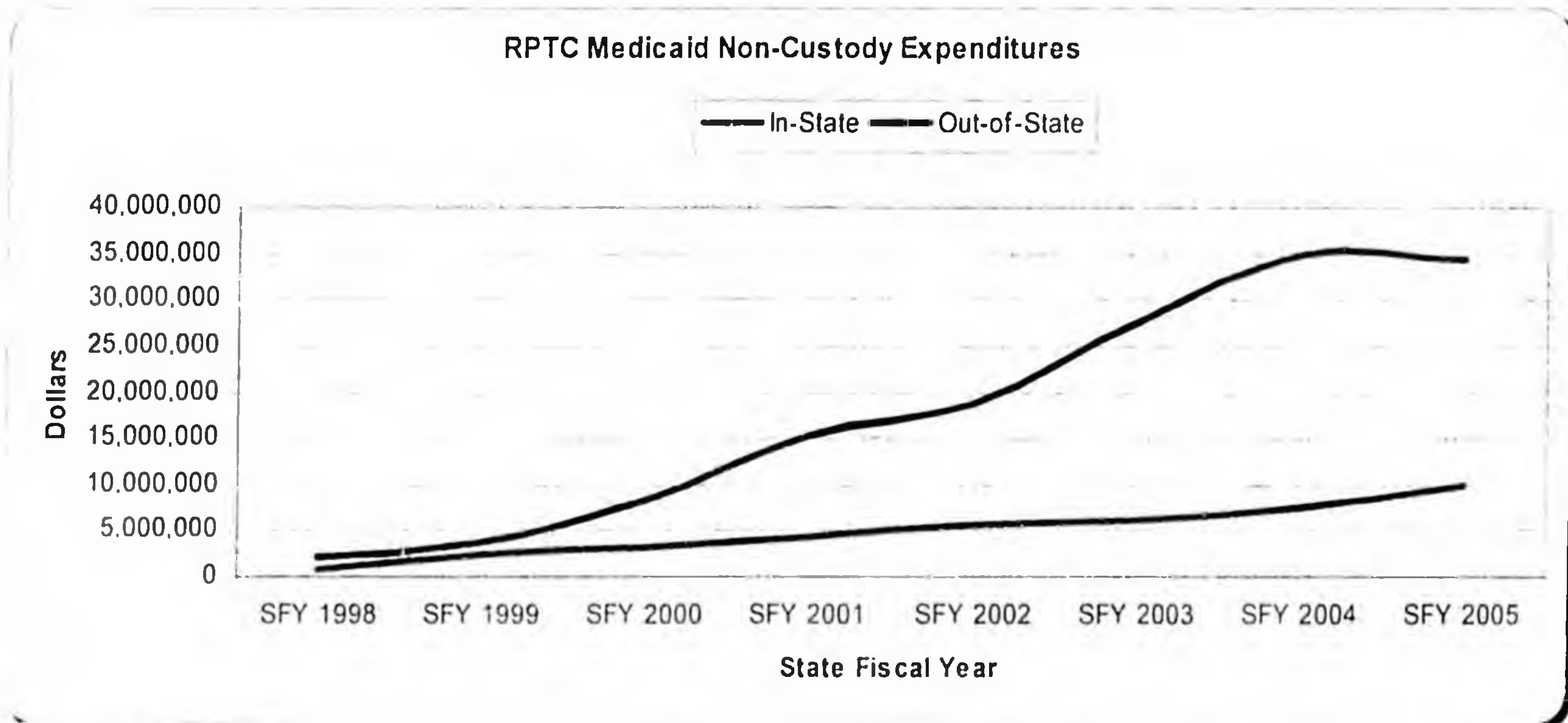
Indicator 2: **Funding Shift**

Medicaid expenditures out of state are declining with a corresponding increase in state.



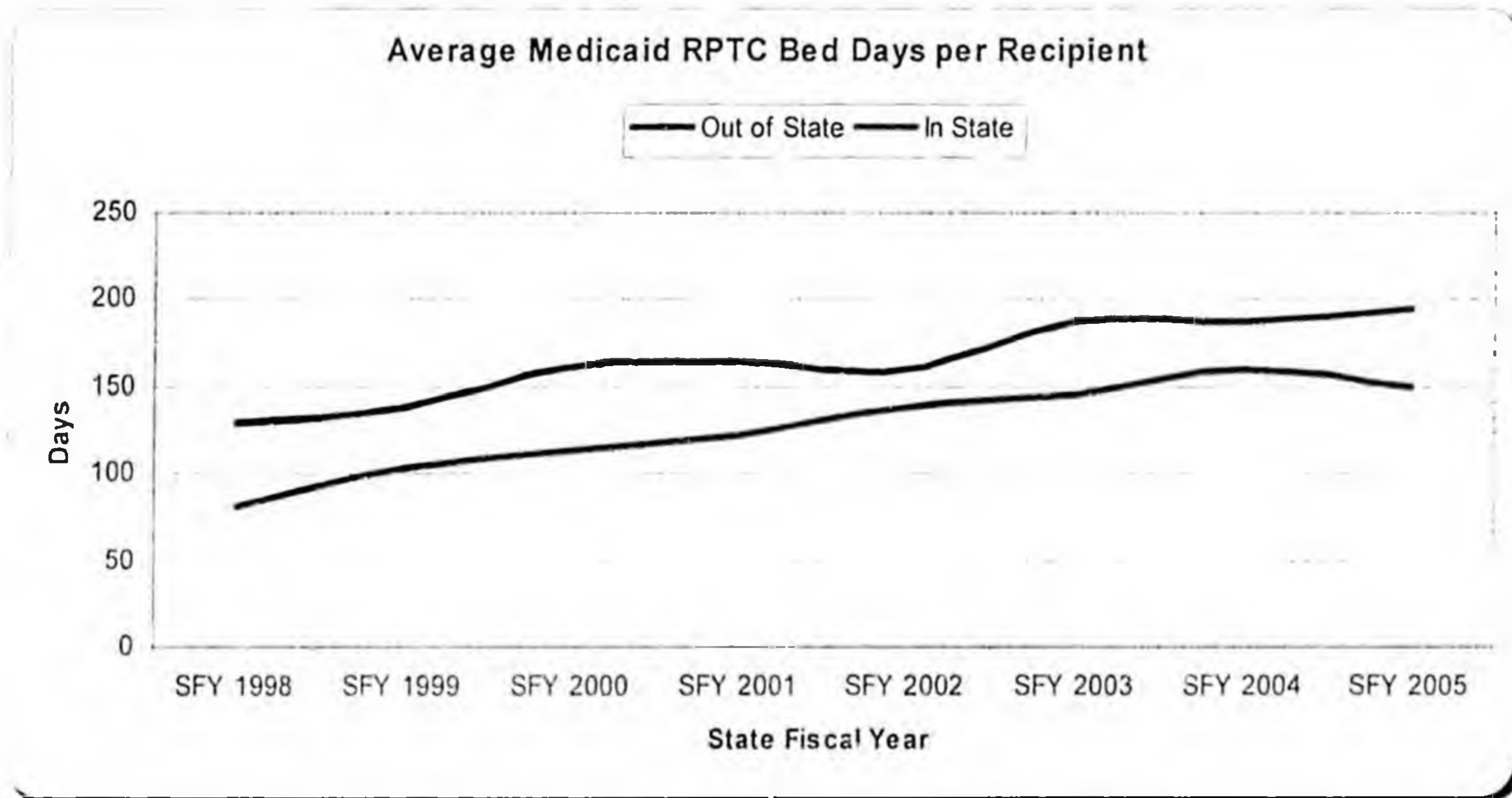
Indicator 2: ***Funding Shift***

Again, large increases have been related to non-custody youth.



Indicator 3: **Length of Stay**

Length of stay for out of state youth is increasing, however in state length of stay is decreasing.



Strategies

- Strategy 1: **Theory of change** Articulate and communicate a formal theory of change and continue ongoing communication.
- Strategy 2: **Strong family voice** Develop a strong family and youth voice in policy development, advocacy, family education and support, and quality control/assurance and evaluation.
- Strategy 3: **Examine financing & policy issues**
- Strategy 4: **Performance & QA measures** Ensure that strong performance measurement/continuous quality improvement procedures are in place.
- Strategy 5: **Home & community-based services** Develop a wide range of accessible home and community-based services that reduce the need for kids to enter residential care and ease transition back into the community for those in out of home care.
- Strategy 6: **Work force development** Build the capacity and core competencies of in-state providers to provide services that meet the needs of kids with severe behavioral health disorders.
- Strategy 7: **Assessment & Care Coordination** Develop "gate keeping" policies and practices and implement regional resource committees to divert kids from psychiatric residential care.

Strategy 2: **Strong family voice**
FY06 $25.0 Trust

- Managed by Alaska Mental Health Board
  - Ensures youth & family member involvement in planning
  - Statewide teleconferences with each Work Group quarterly meeting
  - Assists Resource Committees with
    - Provider representative
    - Consumer representative

Strategy 3: **Examine financing & policy issues**

FY06 $1,150.0 Trust in Individualized Services

- Individualized Services Assists with non-Medicaid services to keep youth near home
- Medicaid Rate Review (BRS) will ensure reimbursement fits each level of care appropriately (BRS – Behavioral Rehabilitation Services)
- BRS regs change adds 54 OCS/BRS residential beds
- School-based Medicaid provides funding incentives for early intervention services in schools
- Out of State regulations will enhance negotiations with out of state providers on funding issues

Strategy 5: **Home & Community-based Services**

FY06 $1,050.0 Trust (Operating)

FY06 $350.0 Trust (Capital)

FY 05 $4,150.0 Denali Commission (Capital)

- FY06 increased in-state service capacity
  - Start up operating provided for expanded capacity for ten grantees
  - Types of care: group, therapeutic foster & transitional care homes; respite beds, etc.
  - 186 additional youth to be served annually
  - Available by spring 2006
  - Another RFP is planned for FY07 reaching more providers
- Some capital dollars are available to increase service capacity
  - $ 674.0 Trust and Denali Commission
  - $1.25 million Denali Commission
- BRS changes will assist in keeping kids in state
  - Recommendations for Rate increases are currently under review and will enhance system capacity
  - Expansion of facility use to non-custody kids will allow 54 new beds

Strategy 6: **Work force development**

FY06 $500.0 Trust (with U of A)
FY06 $140.0 Trust (CoDI)
FY 06 $200.0 DHSS (CoDI)

- Part of a larger Trust initiative
  - U of A SE offering Behavioral Health Certification for BTKH workers
  - UAF Training Academy for continuing training
- Co-occurring Disorders Institute (CoDI)
  - includes BTKH work force training
  - training to BRS residential care providers

Strategy 7: **Assessment & Care Coordination**

FY06 $132.0 Trust

FY 06 $431.5 DHSS

- Regional & Out-of-State Resource Committees
  - New law asserts state "gate-keeping" function for ALL children
  - Committees will partner with local agencies to review each youth placement to encourage in-state and lowest level of care
- Utilization Review staff
  - To review RPTC and acute care placements, and refer to lower levels of care
- "InterQual" Level of Care Assessment
  - Ensures consistent review of each youth's situation
  - Currently being piloted at two sites

DHSS Certificate of Need

- CON ensures against overbuilding of highest levels of care
- For BTKH facilities over $1 million
- Establishes formula, based on underserved populations, referral trends
- If >29 beds are proposed, CON requires campus-like setting with secure & non-secure beds
- So far, only North Star Anchorage approved for 60 beds with 20 secure

BTKH Funding FY06 & Proposed FY07

	FY06 Trust	FY07 Trust	FY07 GF/MH	FY07 AHFC	Denali Comm
07 OPERATING					
Develop a Strong Family Voice	25.0	25.0			
BTKH Oversight & Placement Comm Staffing			390.0		
Home & Community-based Services	1,110.0	1,110.0			
OCS BRS Increased Rate and Beds			1,250.0		
Care Coord/Individualized Svs	1,193.0	700.0	2,120.0		
Operating Totals	**2,328.0**	**1,835.0**	**3,760.0**		
07 CAPITAL					
Group Home Development	350.0	150.0		250.0	
BTKH Operating & Capital Total	**2,678.0**	**1,985.0**	3,760.0	**250.0**	
Denali Comm BTKH Facilities (@50%)					5,500.0
07 Proposed State Match for BTKH Facil			5,000.0		
Work Group Meetings Qtrly (off budget)	40.0	40.0			

Unduplicated Medicaid RPTC Recipients by Ethnicity

		FY03	FY04	FY05
Alaskan Native		280	338	381
American Indian		14	16	18
Asian		5	12	11
Black		39	45	52
Hispanic		24	28	21
Pacific Islander		4	4	6
Unknown		54	46	44
White		432	476	469
	Totals	852	965	1,002

Percentage Medicaid RPTC Recipients by Ethnicity

		FY03	FY04	FY05
Alaskan Native		33%	35%	38%
American Indian		2%	2%	2%
Asian		1%	1%	1%
Black		5%	5%	5%
Hispanic		3%	3%	2%
Pacific Islander		0%	0%	1%
Unknown		6%	5%	4%
White		51%	49%	47%
	Totals	100%	100%	100%

Recipients by Gender

Unduplicated Count of Medicaid RPTC Recipients

		FY03	FY04	FY05
Female		403	432	424
Male		449	533	578
	Totals	852	965	1,002

Unduplicated Percentage of Medicaid RPTC Recipients

		FY03	FY04	FY05
Female		47%	45%	42%
Male		53%	55%	58%
	Totals	100%	100%	100%

Additional Resources

- Bring the Kids Home Documents can be found on-line at the DBH webpage at http://www.hss.state.ak.us/dbh/ under System Re-design. Select the Bring the Kids Home Work Group and you will find more materials to inform you about this exciting project.
  - BTKH Data 2005 Update (Preliminary)
  - Annual Report FY 05

Maintenance of Medicaid

- Medicaid funding is critical to beneficiaries of The Trust.
  - Refinanced Grants
  - Waivers avoid more costly care
  - Fairshare replacement
  - Inflation
  - Uninsured population growing

FY 07 GF/MH Budget Recommendations

Not in Governors Budget

- $500.0 Capital funds for Fairbanks Detox
- $5000.0 50% match for Denali Commission
- $500.0 Flexible Long Term Care for Seniors
- $400.0 Integrated Behavioral Health Services for Older Alaskans
- $6360.0 Developmental Disabilities Waitlist Reduction and Base Grant Restoration

Advisors to The Trust

- *Alaska Mental Health Board*
- *Advisory Board on Alcoholism & Drug Abuse*
- *Governor's Council on Disabilities & Special Education*
- *Alaska Commission on Aging*
- *Commissioners of the departments of Health and Social Services, Natural Resources and Revenue.*
- *Alaska Traumatic Brain Injury Board*
- *Suicide Prevention Council*

State of Alaska

DEPARTMENT OF HEALTH & SOCIAL SERVICES

Frank H. Murkowski, Governor

Karleen Jackson
Commissioner
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Juneau, Alaska 99811-0601

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January 11, 2006

Bringing — and Keeping — the Kids Home

The Department of Health and Social Services is requesting $3.76 million in new general funds in the Fiscal Year 2007 budget to invest in the Bring the Kids Home initiative. This funding will enhance the two-year effort underway in partnership with the Mental Health Trust Authority to invest $5 million in FY06 and FY07 to bring and keep kids home. Of that amount, the Trust is contributing about $2.2 million. Additionally, the Denali Commission is providing $5.5 million federal funding over two years to help with half of the capital improvement costs to expand in-state capacity.

During the period from 1998 to 2004, the children's behavioral health system in Alaska became increasingly reliant on institutional care — Residential Psychiatric Treatment Center (RPTC) care for treatment of severely emotionally disturbed youth. Out-of-state placements in RPTC care grew by nearly 800 percent during that time. At any given time, approximately 350-400 children are being served in out-of-state placements. Alaska Native children represent 49 percent of children in state custody sent to out-of-state placements and 22 percent of the non-custody children sent to out-of-state placements.

"We've only heard talk about this for the last decade, but the sad fact remained that the state had failed to develop local treatment services. As a result, our young people had to leave their villages and their families to seek services Outside. That's unacceptable."

Governor Murkowski speaking to Alaska Federation of Natives Convention, October 2004

Bring the Kids Home project

The Department of Health and Social Services initiated the Bring the Kids Home project in 2004, in partnership with the Mental Health Trust Authority, the Denali Commission and other stakeholders. The mission is to return children being served in out-of-state facilities back to in-state residential or community-based care. The intent is to reinvest funding now going to out-of-state care to in-state services and build capacity to serve children closer to home.

More

Provided 2/8/06

The following long-term goals guide the direction of the Bring the Kids Home project:

- Build/develop and sustain the community-based and residential capacity to serve children with all intensities of need within the service delivery system in Alaska.
- Develop an integrated, seamless service system in Alaska that will allow children and youth to be served in the most culturally competent, least restrictive setting, as close as possible to home as determined to be safe and appropriate.
- Significantly reduce the existing numbers of children and youth in out-of-state care and ensure that the future use of out-of-state facilities is kept to a minimum.

Bring the Kids Home: Activities for FY05

The scope of this project requires that four levels of the system of care must be addressed concurrently: community, regional, in-state, and out-of-state care.

Community level of care

- Using about $1.1 million from the Mental Health Trust Authority, a Request for Proposals was issued for home and community based capacity enhancements in summer 2005, to provide operational funding for therapeutic alternatives close to home for youth diagnosed as severely emotionally disturbed.
- With Mental Health Trust Authority funding, the department began a planning initiative to define and implement Individualized Service Agreements to ensure youth diagnosed as severely emotionally disturbed are served as close to their community as possible, providing clinically necessary services to prevent institutional care.

Regional level of care

- The department is expanding the role of resource committees to provide gate keeping functions for Alaska children, ensuring that in-state resources at the appropriate level of care are fully utilized as matched with the client's clinical needs, as close to community and family as possible.
- The department contracted with McKesson Corporation in the use of a Level of Care Assessment at two pilot sites, both of which will be implemented in early 2006.

State level of care

- Trust funding helped create three Utilization Review positions in Behavioral Health to ensure that all in-state resources are used prior to a young person being placed in an out-of-state Residential Psychiatric Treatment Center.
- The department is soliciting for further services to assist in the Bring the Kids Home Initiative by the end of FY06, including therapeutic oster homes, home and community based capacity enhancements, and residential psychiatric treatment beds.
- The Dept. of Health and Social Services and the Dept. of Education and Early Development are developing a memorandum of agreement to ensure that the needs of all Alaskan children with intensive behavioral heath issues will be reviewed by regional and out-of-state placement committees.
- Juneau Youth Services and the Southeast Area Regional Health Corporation received $90,000 for planning and design and $1.5 million of capital funding for their proposed 15-bed Residential Treatment Center.

Groundbreaking ceremony for the new Juneau Residential Treatment Center, October 2005

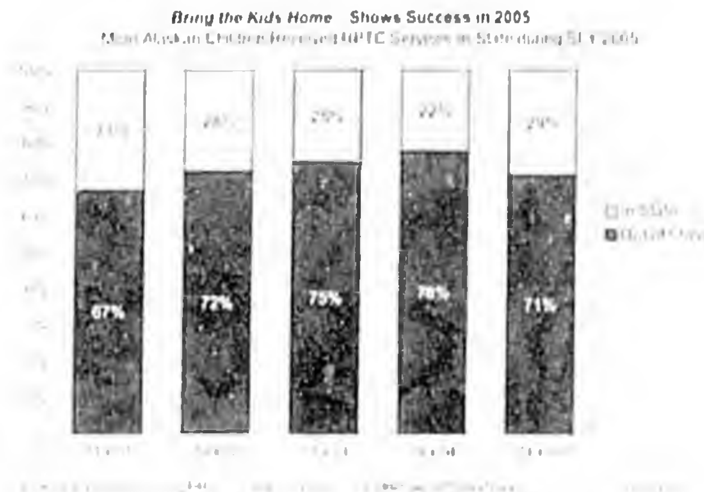
Out-of-State level of care

- The department has been working to amend the regulations for out-of-state placement to give Behavioral Health regulatory authority to manage and authorize out-of-state providers.
- Behavioral Health has negotiated with contractor First Health Services to provide two additional Care Coordinators to monitor length of stay and ensure timely discharge of youth from Residential Psychiatric Treatment Centers.

Bring the Kids Home: Outcomes for FY05

Due to the efforts of the partners in the Bring the Kids Home initiative, with creative collaboration with some urban providers, the numbers of Alaska children placed out-of-state declined in FY05 — for the first time. This is significant and shows that we are making progress.

Between FY98 and FY04 the unduplicated number of youth diagnosed as severely emotionally disturbed receiving out-of-state residential psychiatric treatment care has steadily increased an average 46.7 percent per year. During the same time period the distinct number of in-state residential psychiatric treatment care recipients has remained relatively flat, showing little change. The Residential Psychiatric Treatment Center population as a whole has also shown steady increase from FY98 to FY04, an average annual increase of 24.8 percent.



Between FY04 and FY05:

- The unduplicated number of Out-of-State Residential Psychiatric Treatment Center Medicaid recipients **decreased 5.1 percent** — the first decrease in the Out-of-state Residential Psychiatric Treatment Center population since 1998.

Distinct Counts of Medicaid RPTC Recipients by State Fiscal Year								
	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Out-of-state	83	149	247	429	536	637	749	711
In State	139	217	221	211	208	215	216	291
Total	**222**	**366**	**468**	**640**	**744**	**852**	**965**	**1,002**

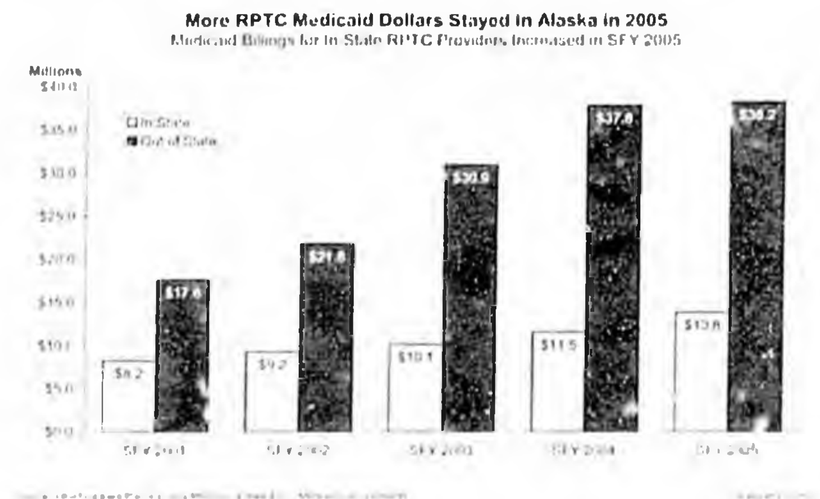
- The unduplicated number of In-State Medicaid Residential Psychiatric Treatment Center recipients increased 34.7 percent.
- After years of steady increases, the number of out-of-state Alaska youth not in state custody receiving Medicaid assistance for Residential Psychiatric Treatment decreased 6.6 percent between FY04 and FY05.

— More —

Between FY98 and FY04 out-of-state Residential Psychiatric Treatment Center Medicaid expenditures annually increased an average of 59.2 percent and increased overall 1300 percent. During the same time period in-state Residential Psychiatric Treatment Center Medicaid expenditures increased a little more than 300 percent and with smaller average annual increases of 29.6 percent.

Between FY04 and FY05:

- Out-of-State Residential Psychiatric Treatment Center Medicaid expenditures **increased by only 1.1 percent** — the smallest annual increase since 1998.
- In-State Residential Psychiatric Treatment Center Medicaid expenditures **increased by 19.8 percent.**



- Total Residential Psychiatric Treatment Center Medicaid expenditures increased by 5.5 percent — the smallest annual increase since 1998.
- Residential Psychiatric Treatment Center Custody expenditures for the out-of-state youth in custody decreased 1.3 percent from FY04 to FY05. Whereas this may seem minor, this decrease in out-of-state expenditures is significant considering the explosive annual historical increases. In-state expenditures for youth not in state custody increased 34.6 percent during the same time period.

Governor Frank Murkowski's FY07 budget request

Governor Murkowski's FY07 budget includes a request for an additional $3.76 million in state general fund investment for the Bring the Kids Home initiative to build on the successes of the past and to continue to make progress. The proposal focuses on three main areas:

- $390,000 general fund to improve oversight and staffing of the regional placement committees to form the gatekeeping system to review placement of all Alaskan youth.
- $1.25 million general fund to expand lower level residential care beds for children not in state custody. This will allow the state to purchase unused bed capacity for in-state use at a lower cost.
- $2.12 million general fund to provide for individualized services for children who remain in Alaska and need community services.

Contact: Sherry Hill, (907) 465-1618, Cell (907) 321-2838
Jeff Kasper, (907) 465-8194, Cell (907) 321-3158

24-GH1081\G

CS FOR HOUSE BILL NO. 105(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 2/11/05
Referred: Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to coverage for adult dental services under Medicaid; and providing**
2 **for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:
6 PURPOSE; INTENT. (a) The purpose of this Act is to increase adult dental care
7 services for an eligible recipient of Medicaid under AS 47.07 to ensure that services critical to
8 a recipient are implemented first, while controlling the overall growth of the costs of the
9 increase in services.
10 (b) It is the intent of the legislature that the Department of Health and Social Services
11 implement the increase in adult dental care services authorized by this Act through the
12 adoption of regulations consistent with the department's obligation to contain the costs of the
13 increased services in order to provide the services within appropriation limits. It is further the
14 intent of the legislature that the Department of Health and Social Services implement

1 mechanisms to contain costs, which may include establishing a maximum amount of benefits
2 for each eligible recipient in a fiscal year for the services and specifying the scope of the
3 services.
4 * Sec. 2. AS 47.07 is amended by adding a new section to read:
5 **Sec. 47.07.067. Payment for adult dental services.** (a) The department shall
6 pay for adult dental services provided under AS 47.07.030(b) and under regulations
7 adopted by the commissioner in conformity with applicable federal requirements and
8 this chapter. Regulations adopted under this section may include the following:
9 (1) a maximum amount of benefits for adult dental services for each
10 eligible recipient in a fiscal year; this paragraph does not apply to minimum treatment
11 for the immediate relief of pain and acute infection provided by a licensed dentist; and
12 (2) specification of the scope of adult dental services.
13 (b) As used in this section, "minimum treatment" means the application or
14 prescription of a medication or material deemed necessary by the dentist for the
15 palliative treatment of pain or for the reduction of the spread of infection.
16 * Sec. 3. AS 47.07.900(1) is repealed.
17 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section to
18 read:
19 TRANSITION: REGULATIONS. The Department of Health and Social Services
20 may proceed to adopt regulations necessary to implement the changes made by this Act. The
21 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
22 effective date of the statutory changes.
23 * Sec. 5. Section 4 of this Act takes effect immediately under AS 01.10.070(c).
24 * Sec. 6. Except as provided in sec. 5 of this Act, this Act takes effect July 1, 2005.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB105CS(HES)-DHSS-DHCS-01-25-06
( ) Publish Date:

Revision Date/Time (Note if correction):

Dept. Affected: Health & Social Services

Title: ADULT DENTAL COVERAGE UNDER MEDICAID

RDU: Health Care Services

Component: Medicaid Services

Sponsor: (RLS) BY REQUEST OF THE GOVERNOR

Requester: HOUSE (FIN)

Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	3,469.4	11,548.1	11,912.5	11,081.4	10,814.9	11,166.7
Miscellaneous						
TOTAL OPERATING	3,469.4	11,548.1	11,912.5	11,081.4	10,814.9	11,166.7
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts	2,285.1	7,608.7	7,790.9	7,212.5	7,058.8	7,356.6
1003 GF Match	759.3	2,514.4	2,696.6	2,818.9	3,056.1	3,460.1
1004 GF						
1037 GF/Mental Health						
1092 MHTAAR	425.0	1,425.0	1,425.0	1,050.0	700.0	350.0
Other(Specify Type-do not abbreviate)						
TOTAL	3,469.4	11,548.1	11,912.5	11,081.4	10,814.9	11,166.7

Estimate of any current year (FY2006) cost:

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

POSITIONS	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

Historically Medicaid Dental Benefits for recipients 21 years or older, have been limited to immediate relief of pain and acute infection. Routine preventive or restorative services have not been covered.

Under this bill, Dental Benefits for Adults would be expanded to include preventive and resorative care up to a cap of $1,150 per person annually. Examples of services that could be provided at that level are: one exam, 4 bitewing radiographs, cleaning and about 8 restorations or extractions, or; one exam and an upper or lower full denture.

con't on next page

Prepared by: Janet Clarke, Assistant Commissioner — Phone 465-1630

Division: Finance and Management Services — Date/Time 01/24/2006

Approved by: Karleen Jackson, Commissioner — Date 01/25/2006

Agency: Department of Health and Social Services

FISCAL NOTE
FN #

STATE OF ALASKA
2006 LEGISLATIVE SESSION

BILL NO. HB105CS(HES)-DHSS-DHCS-01-25-06

ANALYSIS CONTINUATION
Analysis Con't

It is estimated that approximately 41,000 individuals would be eligible for the expanded Medicaid Dental Benefits, including adults with disabilities and seniors. Not all eligible individuals will seek dental benefits, and those that do will utilize services at varying rates. Of the 41,000 eligible persons, 50% of Alaska Native adults and 35% of non-Native adults are expected to access dental care - about 15,800 individuals.

Based on the assumptions below on utilization of dental benefits, the weighted average benefit for a full fiscal year is about $730 per recipient.

- Of adult recipients that access dental care it is estimated that:
  - 15% will receive up to $250 in benefits
  - 25% will receive up to $500 in benefits
  - 25% will receive up to $750 in benefits
  - 20% will receive up to $1,000 in benefits
  - 15% will receive the maximum $1,150 in benefits.

The SFY08 estimated expenditure for a full year ($11,548.1) represents the costs for the 15,800 individuals projected to receive the additional benefit at an estimated weighted average cost of $730.

These utilization rates are based on provider capacity (the extent of dental access through tribal and community health center dental programs, and the extent of private dental participation in the Medicaid program) and treatment needs (not all eligible individuals will seek dental benefits, and those that do will utilize services at varying rates.)

Factoring in those individuals who are eligible for 100% federal reimbursement, the federal contribution (through FY 2012) will cover approximately 66% of the costs. State GF will constitute about 25% and Mental Health Trust about 9% of the matching funds.

It is anticipated that the program will be operational the last quarter of FY07 so costs in that year are calculated at approximately 25% of FY08 costs and adjusted higher to allow for pent up demand.

A 3% growth in utilization is included to reflect possible increases in eligible adults and/or an increased percentage of adults accessing the dental services. This utilization is partially offset by projected lower expenses in FY10, FY11 & FY12 under the assumption that adults on the program for several years would eventually have their major treatment needs met and move to a "maintenance" level of care (e.g., routine exam and cleanings but less restorative needs and less dental emergencies).

It is anticipated that this service expansion will reduce dental emergencies, however there will always be adults who avoid the dentist until there is an acute need. Because the service would not be implemented until the 4th quarter of FY07, claims for emergency dental services will likely remain the same in FY07.

CS FOR SENATE BILL NO. 79(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 2/18/05
Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to coverage for adult dental services under Medicaid; and providing**
2 **for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:
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14 intent of the legislature that the Department of Health and Social Services implement