

House Finance Budget Subcommittee FY 10 Department of Health and Social Services

Subcommittee Report FY10

February 27, 2009

The House Finance Budget Subcommittee (HFBS) on The Department of Health and Social Services submits an operating budget for FY10 as follows:

GF \$ 849,332.2 Fed Funds \$1,056,715.9 Other Funds \$159,659.6 Total \$2,065,707.7

Department of Health and Social Services House Finance Budget Subcommittee FY10 Highlights

The HFBS budget authorizes \$17,013.3 less general funds and ten fewer employees below the Governor's FY10 Amended request. The FY10 subcommittee budget requests a total **decrement** from FY09 Revised Management Plan of \$66,094.2 general funds.

The approach taken by the subcommittee was to first fully fund all grantee rate or inflation increases for programs not receiving rate increases in FY09. Included in this category were prevention grants, family preservation grants, infant learning, child care grants, WIC grants, community health grants and grants to EMS providers.

There were several requests to complete projects or initiatives that began in FY09 or previous years. These types of requests were all approved. Included in this category is finalizing new staff for OCS Front Line Social Workers based on the recent workload study, funding the Fairbanks Detox Facility, funding operation of the new Virology Lab that is expected to open in FY10, and continuing the Alaska Heating Assistance program in FY10 at \$5 million and key investments in Autism services.

Requested funding to replace lost federal funds that are no longer available is approved at requested levels for Therapeutic Courts, Child Advocacy Centers, and Birth Defects and Cancer Registries in Public Health.

Requests for programs that received substantial funding in FY09 were reviewed and in most cases either half or two-thirds of the request was approved. These included grant increases for mentally ill and substance abuse services, Subsidized Adoption and Guardianships, second year rate increases for Medicaid dental services, Infant Learning grants and Child Care subsidies.

Requests for the Bring the Kids Home initiative in Behavioral Health were reviewed and approved to keep the momentum going for this important initiative that has reduced Medicaid costs.

The department's requests for expected growth in the Medicaid program were reviewed and approved at requested levels. In the last two years growth in the Medicaid program has slowed, so constant monitoring of spending levels will be critical to assure the appropriate amount of state general funds is authorized for the program.

Requests to enhance or continue staffing at the Pioneer Homes (funded with program receipts), Juvenile Justice (mental health clinicians and probation services), and Senior and Disability Services (eligibility assessments), were approved at requested levels. It was determined that without these increases critical activity would be diminished.

Requests for new initiatives were reviewed carefully; the requests for a new Behavioral Health pilot program for Corrections, year one of front line staffing increases at Juvenile Youth Facilities, the Alaska Health Care Commission created by Administrative Order, and the Governor's Live Well Alaska health initiative were not funded. However, a new initiative for Reversing Alaska's Childhood Obesity Trend was approved.

All Governor Budget Amendments were approved including increasing federal funding for Medicaid from the Economic Stimulus bill. The Medicaid Federal Matching Percentage (FMAP) was increased by 6.2 percent for FY10 resulting in a general fund decrease of \$73.5 million. Also included in the amendments was a reduction of \$5.1 million general fund from continuing to use Temporary Assistance for Needy Families (TANF) funding in the Office of Children's Services. The Governor's original budget had replaced the TANF funding with general fund, but it was reversed by the subcommittee and through the amendment process.

Several amendments were added in the subcommittee process for important initiatives not included in the Governor's Amended Budget. They included funding the operation of Volunteers of America's ARCH residential treatment center, Senior Community Based Grants to prevent reductions in service from the implementation of a new funding formula, and travel for the Office of Children's Services Citizen Review Panel.

The subcommittee reduced funding in a few key areas, including reducing Medicaid general funds to match new information on current trends at a middle level forecast and reducing the Senior Benefits Program to match new projections.

The final House Finance Budget Subcommittee recommendation funds the majority of the Governor's amended request for FY10. Since this department is so large, it is important for the legislature to critically analyze requests for new funding to assure the public that these investments are achieving the desired results.

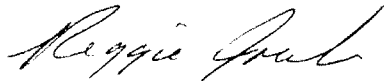
The following Subcommittee reports are attached:

1. FY10 Budget Subcommittee recommendations
2. FY10 Final Recommendations

The following Legislative Finance reports are attached:

1. Agency Totals – FY10 Operating Budget – House Structure
2. Appropriation/Allocation Summary (GF) – House Structure
3. Appropriation/Allocation Summary (all funds) – House Structure
4. Transaction Comparison (Adj. Base and House Subcom)
5. Transaction Comparison (Gov. Amd and House Subcom)
6. Wordage Report – FY10 Operating Budget – House Structure
7. Transaction Comparison (Gov. and House Subcom)

Submitted,



Representative Reggie Joule
House Finance Subcommittee Chairman
Department of Health and Social Services

**Department of Health and Social Services FY10 Budget
House Finance Budget Subcommittee Recommendations**

	<u>GF-GF/MH</u>	<u>Fed</u>	<u>Other</u>	<u>Total</u>
FY09 Revised Management Plan	915,426.4	1,008,215.0	171,864.8	2,095,506.2
FY10 Adjusted Base Budget	902,263.0	1,003,481.0	164,678.5	2,070,422.5
Governor's FY10 Budget	950,020.4	987,422.6	163,893.6	2,101,336.6
Governor's FY10 Budget Amendments	(83,674.9)	70,229.5	(4,309.0)	(17,754.4)
Governor's Amend FY10 Budget Total	866,345.5	1,057,652.1	159,584.6	2,083,582.2
Subcommittee Adjustments	(17,013.3)	(936.2)	75.0	(17,874.5)
Total Subcommittee FY10 Budget Recommendations Total	849,332.2	1,056,715.9	159,659.6	2,065,707.7

**Department of Health and Social Services
FY10 Budget Final Recommendations**

Changes to Gov's FY10 Amend	<u>GF Dollars</u>	<u>Other Dollars</u>	<u>Employee Count</u>
1. Reduce GF/MH in Behavioral Health Grants increment request of \$1.75 million; Received substantial increase in FY09; leaves \$1.0 million	(750.0)		0
2. Reduce GF/MH in Substance Abuse increment request of \$1.75 million; Received substantial increase in FY09; leaves \$1.0 million	(750.0)		0
3. Delete increase proposed for Bring the Kids Home Technical Assistance	(100.0)		0
4. Delete increase proposed for new Behavioral Health pilot program in Dept of Corrections; not the time to initiate new programs	(500.0)		0
5. Reverse proposed GF increase in OCS, Front Line Social Workers and Family Preservation from TANF transfer to Social Services Block Grant*	****		0
6. Reduce proposed GF increase for Subsidized Adoption and Guardianship by one-half; increase tied to Foster Care rate increase in FY09.	(703.5)	(436.2)	0
7. Reduce GF by 1/3 in proposed 20% increase to Infant Learning Grants; Leaves \$1.5 million or 15% increase which is closer to other grant increases	(500.0)		0
8. Decrement proposed increase for Infant Learning System grants	(100.0)		0
9. Decrement GF request for Infant Learning Coordinator; leave MHTAAR funds for same purpose.	(100.0)		0
10. Reduce proposed Year 2 rate increase for non-tribal dentists by one-half; Wait to see impact of FY09 increase	(500.0)	(500.0)	0
11. Decrement GF increase for McLaughlin Youth Center; Year one of six for enhancing Front Line staffing	(150.1)		(2)
12. Decrement GF increase for Fairbanks Youth Center; Year one of three for enhancing Front Line staffing	(264.2)		(3)
13. Decrement GF increase for Bethel Youth Center; Year one of two for enhancing Front Line staffing	(98.7)		(1)
14. Decrement GF increase for Johnson Center; Year one of three for enhancing Front Line staffing	(75.2)		(1)
15. Reduce proposed increase for Child Care rate increase by one-half; Proposed increase to pay 75th percent of market, reduce to 63% of market. Received increase in FY09 to 50th percentile.	(1,500.0)		0

**Department of Health and Social Services
FY10 Budget Final Recommendations**

	GF Dollars	Other Dollars	Employee Count
16. Decrement GF request for Alaska Health Care Commission created by Administrative Order	(500.0)		(1)
17. Decrement GF request for Governors Initiative-Live Well Alaska	(498.4)		(2)
18. Reduce GF request for opening new Alaska Virology Lab to minimum amount	(100.0)		0
19. Reduce GF request in Governor's Council for Early Intervention/Infant Learning Workforce program	(200.0)		0
Reductions to Gov's FY10 Amend	(7,390.1)	(936.2)	(10.0)

*****Duplicates Governor's Budget Amendment**

Additional Subcommittee Recommendations

1. Decrement GF in Behavioral Health Medicaid to current FY09 trends, equivalent to a Mid-Level forecast	(3,200.0)	0.0	0
2. ADD GF Funding for the operating costs of Volunteers of America's ARCH residential treatment center for individuals with severe emotional disturbances and substance abuse disorders	181.0		0
3. Add funding to maintain services for mental health substance abuse individuals in Palmer Mental Health Court	75.0	75.0	
4. Increase Funding for Citizens Review Panel travel in OCS Front Line Social Workers	15.0		0
5. Project ACCESS: Increase access to health care for low-income uninsured Alaskans using volunteer network of providers	250.0		
6. Reduce GF for the amount paid in Abortions in Medicaid for those not qualifying for federal Medicaid payment in 2008	(418.2)		0
7. Decrement GF in Senior Benefits program to match new projection for FY10	(235.9)		0
8. ADD GF funding for Senior Community Grants to prevent reduction in service from new distribution formula	609.9		0
9. Decrement GF in Senior and Disability Medicaid to current FY09 trends, equivalent to a Mid-Level forecast	(6,900.0)		0
Additional Subcommittee Recommendations	(9,623.2)	75.0	0.0

Total Reductions to Gov's FY10 Amend	(17,013.3)	(861.2)	(10.0)
Total Reduction All Funds		<u>(17,874.5)</u>	

**Department of Health and Social Services
FY10 Budget Final Recommendations**

	GF Dollars	Other Dollars	Employee Count
Concurrence with Gov's FY10 Amend			
1. Adjust Authorization to Reflect Current Medicaid Trends	(4,300.0)	(4,300.0)	0
2. Fund Change for Behavioral Health Medicaid FMAP from Economic Stimulus-up 6.2%	(10,399.9)	10,399.9	0
3. Decrement to Mental Health Trust Recommendations-Detox and Treatment capacity as alternatives to protective custody holds		(30.0)	0
4. Increase to Mental Health Trust Recommendations-Office of Integrated Housing		15.0	0
5. Decrement to Mental Health Trust recommendations Clinical position with Integrated Housing Office		(75.0)	0
6. Decrement to Mental Health Trust recommendations-BTKH Transitional Aged Youth		(100.0)	0
7. Fund Change for Children's Services Medicaid FMAP from Economic Stimulus-up 6.2%	(613.7)	613.7	0
8. Fund Change-Reverse Governor's Request TANF/SSBG Transfers in Front Line Social Workers	(4,200.0)	4,200.0	0
9. Fund Change-Reverse Governor's Request TANF/SSBG Transfers in Family Preservation	(900.0)	900.0	0
10. Fund Change for Foster Care Base Rate due to FMAP change up 6.2%	(243.6)	243.6	0
11. Fund Change for Subsidized Adoptions & Guardianships due to FMAP change up 6.2%	(780.0)	780.0	0
12. Increase for Adult Preventive Dental Program from Reauthorization of Program in FY10	448.7	705.9	0
13. Fund Change for Adult Preventive Dental FMAP from Economic Stimulus-up 6.2%	(521.0)	521.0	0
14. Decrement Public Health Nursing RSA and Medicaid Claim reduced	(2,000.0)	(2,000.0)	0
15. Fund Change for Health Care Services Medicaid FMAP from Economic Stimulus-up 6.2%	(34,724.2)	34,724.2	0
16. Accept Transfer of Senior Community Based Grants to Health Planning and Infrastructure 350.0GF	0.0	0.0	0
17. Accept Transfer from Community Health Grant component of Grant funds to Nursing and EMS components--1683.8	0.0	0.0	0

**Department of Health and Social Services
FY10 Budget Final Recommendations**

	GF Dollars	Other Dollars	Employ ee Count
18. Accept Transfer to Nursing of Nursing Grants from Community Health component-1192.7	0.0	0.0	0
19. Fund Change in Nursing from Nursing RSA and Medicaid Claim	4,000.0	(4,000.0)	0
20. Accept Transfer to EMS of EMS grants from Community Health Component-491.1	0.0	0.0	0
21. Decrement Authorization in Senior/Disabilities Medicaid to reflect current Trend	(3,000.0)	(3,000.0)	0
22. Fund Change for Health Care Services Medicaid FMAP from Economic Stimulus-up 6.2%	(27,241.2)	27,241.2	0.0
23. Decrement to Mental Health Trust Recommendations-Rural Long Term Care Development		(65.0)	0.0
24. Increment to Mental Health Trust Recommendations-Traumatic Brain Injury Service Coordination		150.0	0
25. Accept Transfer from Senior Community Based Grants to health Planning & Infrastructure--350.0GF	0.0	0.0	0
26. Decrement to Mental Health Trust Recommendations-Governor's Council Marketing strategies for beneficiary area service careers		(165.0)	0
25. Decrement to Mental Health Trust Recommendations-Governor's Council "Grow your own" recruitment strategy for youth		(39.0)	0
19. Fund Change in Administrative Support Services from Nursing RSA and Medicaid Claim	800.0	(800.0)	0
Total Concurrence with Govs FY10 Recs	(83,674.9)	65,920.5	0.0