

ALASKA STATE SENATE

SENATOR PETER A. MICCICHE

SENATE FINANCE SUBCOMMITTEE CHAIR

Alaska State Capitol
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Juneau, Alaska 99801



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Senate Finance / Health and Social Services Subcommittee

Subcommittee Members: Senators Coghill, Giessel, Kelly, Olson

NARRATIVE CLOSE-OUT REPORT

March 27, 2015

RECOMMENDATIONS:

The Senate Finance Budget Subcommittee for the Department Health and Social Services submits a recommended operating budget for FY 2016 to the Senate Finance Committee as follows:

Unrestricted General Funds (UGF)	\$1,166,361.1
Designated General Funds (DGF)	103,724.3
Other Funds	94,354.2
Federal Funds	<u>1,255,040.1</u>
Total	\$2,619,479.7

BUDGET ACTION:

The Senate Finance Budget Subcommittee (Subcommittee) for the Department Health and Social Services held 3 meetings with the Department and analyzed all of the Governor's budget transactions, the recommendations of the House Subcommittee for Health and Social Services, and the transactions of the House Finance Committee.

Following are significant budget highlights:

Governor's Amended Budget Request:

- The Subcommittee accepted the Governor's Amended Budget Request except for transactions related to Medicaid Expansion. The reason for the denial of the Medicaid transactions is, in part, due to the fact that the Governor introduced a bill for Medicaid Expansion and, after a full discussion of the bill, funding will be included in fiscal notes if the bill passes.

Other Significant Senate Finance Subcommittee Actions:

- Behavioral Health Treatment and Recovery Grants: Replaced \$3.5 million of UGF with Alcohol and other Drug Abuse Treatment and Prevention Funding.
- Children's Services
 - Family Preservation Grants:
 - Reduced funding by \$330.5 UGF.
 - Replaced \$2,938.4 of UGF with I/A Receipts because federal TANF funding is available from Public Assistance to fund the Child Advocacy Centers.
 - Front Line Social Workers
 - Added \$2 million of Unrestricted Federal Receipts (from the CHIPRA Bonus) and 20 PFT positions to help address the growing caseload and existing need.
- Public Assistance Field Services was reduced by \$2,313.6 (\$1,212.4 Fed Rcpts, \$1,101.2 UGF) to reflect possible savings resulting from AIRES coming on-line.
- Public Health
 - Public Health Nursing: Reduced UGF by \$402.5
- Senior and Disability Services/Senior Community Based Grants. Because the Alaska Medicare Clinic was acquired by the Alaska Regional Hospital, the \$860.0 UGF state grant is no longer needed and the subcommittee decremented this funding.
- Departmental Support Services
 - The Subcommittee replaced a total of \$1,175.0 of UGF with I/A Rcpts in several allocations. To maintain services, charges to other agencies will need to be increased.
 - The Subcommittee removed the funding (\$350.0 UGF and \$150.0 Fed Rcpts) and the 2 PFT positions associated with the Health Care Commission.

- **Medicaid Services:**
 - Adopted wordage prohibiting the expenditure of funding in the Medicaid appropriation on the Medicaid Expansion population.
 - In recognition that UGF lapses occurred in FY12 and FY13, the SFC reduced the Medicaid Services appropriation by a total of \$31,818.3 UGF from the Governor's Amended request.
 - A \$173.2 UGF decrement for projected costs for abortion services in FY16 was adopted and the Subcommittee included wordage prohibiting Medicaid expenditures for an abortion that is not a mandatory service required under AS 47.07.030(a).

- **Agency-wide Unallocated.** The Subcommittee's budget includes an unallocated travel reduction of \$688.4 UGF and another unspecified reduction of \$1,530.1 0 UGF.

Intent Language added:

- **Behavioral Health/Alcohol Safety Action Program (ASAP)**
It is the intent of the legislature that the department draft regulations to maximize the collection of the cost of the 24/7 program from the participants.


- **Health Care Services**
It is the intent of the legislature that the Division of Health Care Services pursue federal authority to deny Medicaid travel when services can be provided in local communities.

- **Public Health**
It is the intent of the legislature that the Division of Public Health evaluate and implement strategies to maximize collections for billable services where possible.

ATTACHED REPORTS:

The Senate Finance Budget Subcommittee for the Department Health and Social Services adopts the attached reports:

- Budget Action Worksheet
- Agency Totals – FY 2016 Operating Budget
- Appropriation/Allocation Summary (All Funds)
- Appropriation/Allocation Summary (GF)
- Transaction Compare (16Adj Base to Senate Sub)
- Transaction Compare (16GovAmd+ and Senate Sub)
- Transaction Compare (House and Senate Sub)
- Wordage



Senator Peter A. Micciche, Chair



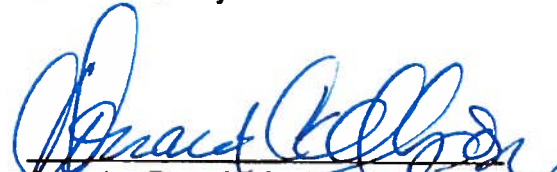
Senator John Coghill



Senator Cathy Giessel



Senator Pete Kelly



Senator Donald Olson