

SENATOR PETER A. MICCICHE

Alaska State Legislature

SESSION ADDRESS:

Alaska State Capitol, Rm. 514
Juneau, Alaska 99801-1182
Phone: (907) 465-2828
Fax: (907) 465-4779
Toll Free: (800) 964-5733



INTERIM ADDRESS
145 Main Street Loop, Suite #2
Kenai, Alaska 99611-77
Phone: (907) 283-79
Fax: (907) 283-81
Toll Free: (800) 964-57

DEPARTMENT OF HEALTH AND SOCIAL SERVICES FY18 SENATE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT March 14, 2017

DISTRICT 0

Bear Creek

Cooper Landing

Crown Point

Funny River

Hope

Kalifornsky

Kenai

Lowell Point

Mackey Lake

Moose Pass

Nikiski

Primrose

Ridgeway

Salamatof

Seward

Soldotna

Verling

RECOMMENDATIONS:

The Senate Finance Budget subcommittee for the Department of Health and Social Services submits a recommended numbers and language operating budget for FY18 to the Senate Finance Committee as follows:

Numbers and Language	FY17MgtPln	FY18 GovAmd	FY18SenSub
Unrestricted General Funds	1,084,344.2	1,063,072.8	1,029,742.2
Designated General Funds	90,180.0	79,375.2	79,375.2
Other Funds	121,056.8	118,746.3	119,736.8
Federal Funds	1,440,250.9	1,463,744.8	1,463,558.9
TOTAL	2,735,831.9	2,724,939.1	2,692,413.1

5% UGF reduction from Num/Lang FY17 MgtPln to FY18SenSub \$54,602.0

BUDGET ACTION:

The subcommittee for the Department of Health and Social Services analyzed the Governor's budget and recommends the following changes from the Governor's amended FY18 request.

Deny \$17,523.1 contained within 3 increment requests relating to SB 74 (Medicaid Reform) fiscal note savings. The department testified during the subcommittee process that they are on target to achieve the projected savings. Because the FY18 Governor's budget request doesn't reflect the fiscal note savings, the UGF is removed from the FY18 budget.

Decrease Public Health Nursing UGF by 5% (\$1,136.8) and ask that DHSS find efficiencies through collaboration with Community Health Centers, Tribal Health and other clinics.

Decrease Adult Public Assistance UGF by \$3,500.0. Caseload projections indicate this reduction shouldn't impact benefits to recipients.

Decrease personal services UGF department-wide by 2.75%, saving \$5,724.1. Each appropriation that has UGF personal services will be reduced proportionally, and the department can spread the reduction within each appropriation as they see fit.

Decrease the Adult Temporary Assistance Program by \$3,000.0 UGF and direct the department to aggressively seek out state and other programs that can be used for Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE).

Add \$200.0 UGF one-time increment for the department to hire a consultant to identify state and other programs that can be used for MOE. The contractor should identify gaps in information collected by the state that would help justify MOE claims and make recommendations for changes to state program applications, where appropriate.

Decrease Foster Care Special Needs by \$1,727.1 UGF and replace with \$1,727.1 of federal receipts. The DHSS Performance Review recommended that if Alaska reached the national average eligibility for Title IV funding, it would allow for \$4,653.6 of UGF to be replaced with federal receipts. To date, we have replaced \$2,926.5 UGF, this transaction aligns the budget with the performance review recommendation.

Decrease Health Care Medicaid Services, optional prescription drugs by 4% (\$973.5 UGF and \$1,913.0 federal). The department should prioritize prescription drugs and find efficiencies.

Decrease Department Support Services, Administrative Support Services by 10% UGF (\$577.7) and direct them to charge the customers for those services. Customers will pay with all available sources of funding, not just UGF.

Decrease Department Support Services, Information Technology Services by 10% UGF (\$412.8) and direct them to charge the customers of that service. Customers will pay with all available sources of funding, not just UGF.

Decrease Medicaid Services, Health Care Medicaid Services by \$153.2 UGF, the estimated amount expended for abortions in FY16.

Decrease Medicaid Services, Adult Preventative Dental Medicaid Services by 10% UGF (\$288.3) and request that the department manage the program to find efficiencies.

Add \$1,486.0 UGF to Medicaid Services, Senior/Disabilities Services for Day Habilitation services. As a cost saving measure, the department has proposed that Day Habilitation services shift from 15 hours to 8 hours per week. This increment provides funding for 12 hours per week for Day Habilitation services.

WORDAGE:

Conditional Language

The following is a synopsis of the wordage proposed to be added by the subcommittee, the actual proposed wordage can be found in the attached wordage report.

- 1) At the discretion of the Commissioner, up to \$25,000,000 (all fund sources) may be transferred between all appropriations in the department.
- 2) No money may be expended for a non-mandatory abortion service under AS 47.07.030(a).
- 3) No money appropriated may be expended to pay for provider rate increases relating to an 'annual inflation adjustment'.

Intent Language

- 1) It is the intent of the legislature that the department provide two reports (1/30/18 and 9/1/18) to legislative finance detailing where they have moved money per the \$25,000.0 conditional language.

ATTACHED REPORTS:

Legislative Finance 2017 Legislature-Operating Budget

- #1 Transaction Detail-Senate Structure ssub Amends Column**
- #2 Allocation Summary-Senate Structure**
- #3 Wordage**



**Senator Peter Micciche, Chair
Senate Finance Health and Social Services Subcommittee
March 14, 2017**