

# **State of Alaska FY2003 Governor's Operating Budget**

## **Department of Health and Social Services Certification and Licensing Component Budget Summary**

## **Component: Certification and Licensing**

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### **Component Mission**

To maintain access to health care and to provide health coverage for Alaskans in need.

### **Component Services Provided**

The federal government has established minimum standards for providers who wish to participate in the Medicare or Medicaid programs. The Social Security Act, Section 1864, establishes the framework within which State health facilities licensure agencies carry out the Medicare certification process under agreements between the State and the Secretary of Health and Human Services. The Social Security Act stipulates that these same agencies are authorized to set and enforce standards for Medicaid. The Code of Federal Regulations requires the state agency to perform surveys (inspections) in order to support its certifications, both for Medicare and Medicaid. In Alaska, this is done by Health Facilities Licensing and Certification (HFL&C).

### **Component Goals and Strategies**

State and federal governments have long been charged with monitoring health care in the public interest. To promote and maintain quality health care in the State of Alaska, legislation was first enacted in 1949 to provide for development, establishment, and enforcement of standards for the care and treatment of persons in health facilities. Since that time, the Department has been given authority to adopt, amend, and enforce regulations and standards to promote safe and adequate treatment for individuals in health facilities in the interest of public health, safety, and welfare. The Department was also given the responsibility to conduct annual inspections and investigations, to issue and renew licenses, and to deny, suspend, or revoke licenses when there is substantial failure to comply with requirements.

### **Key Component Issues for FY2002 – 2003**

Please see Medical Assistance Administration BRU key issues.

### **Major Component Accomplishments in 2001**

The Balanced Budget Act of 1997 (Public Law 105-33) established the Medicare Rural Hospital Flexibility Program, a national program designed to assist states and rural communities in improving access to essential health care services through the establishment of limited service hospitals and rural health networks. The program created the Critical Access Hospital as a limited service hospital eligible for Medicare certification and reimbursement and supports the development of rural health networks consisting of Critical Access Hospitals, acute care hospitals, and other health care providers. Health Facilities Licensing & Certification has played a key role in the implementation of the Critical Access Hospital program. Alaska now has 4 hospitals which can now qualify as Critical Access Hospitals.

Health Facilities Licensing & Certification developed a "Self Survey" training manual for Critical Access Hospitals to incorporate into their quality assurance program to assist them in maintaining compliance with the required standards.

### **Statutory and Regulatory Authority**

Alaska Statutes:

AS 47.07 Medical Assistance for Needy Persons

AS 47.08 Assistance for Catastrophic Illness and Chronic or Acute Medical Conditions

AS 47.25 Public Assistance

Social Security Act:

Title XVIII Medicare

Title XIX Medicaid

Title XXI Children's Health Insurance Program

Administrative Code:

7 AAC 43 Medicaid

7 AAC 48 Chronic and Acute Medical Assistance

Code of Federal Regulations:

Title 42 CFR Part 400 to End

**Certification and Licensing**  
**Component Financial Summary**

All dollars in thousands

<b>Non-Formula Program:</b>	<b>FY2001 Actuals</b>	<b>FY2002 Authorized</b>	<b>FY2003 Governor</b>
<b>Component Expenditures:</b>			
71000 Personal Services	701.4	792.9	803.9
72000 Travel	135.5	87.6	87.6
73000 Contractual	217.7	267.2	267.2
74000 Supplies	5.8	5.0	5.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,060.4</b>	<b>1,152.7</b>	<b>1,163.7</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	736.3	773.3	782.9
1003 General Fund Match	157.3	215.6	212.2
1004 General Fund Receipts	163.5	163.8	168.6
1053 Investment Loss Trust Fund	3.3	0.0	0.0
<b>Funding Totals</b>	<b>1,060.4</b>	<b>1,152.7</b>	<b>1,163.7</b>

**Estimated Revenue Collections**

<b>Description</b>	<b>Master Revenue Account</b>	<b>FY2001 Actuals</b>	<b>FY2002 Authorized</b>	<b>FY2002 Cash Estimate</b>	<b>FY2003 Governor</b>	<b>FY2004 Forecast</b>
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	736.3	773.3	752.9	782.9	805.8
<b>Restricted Total</b>		<b>736.3</b>	<b>773.3</b>	<b>752.9</b>	<b>782.9</b>	<b>805.8</b>
<b>Total Estimated Revenues</b>		<b>736.3</b>	<b>773.3</b>	<b>752.9</b>	<b>782.9</b>	<b>805.8</b>

**Certification and Licensing**

**Proposed Changes in Levels of Service for FY2003**

There are no changes to the level of services provided.

**Summary of Component Budget Changes**

**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>379.4</b>	<b>773.3</b>	<b>0.0</b>	<b>1,152.7</b>
<b>Adjustments which will continue current level of service:</b>				
-Year 3 Labor Costs - Net Change from FY2002	8.3	16.6	0.0	24.9
-Transfer from HPG to cover the increased cost for new FY02 positions only partial funded in FY02	13.4	13.4	0.0	26.8
-Transfer 1 PFT position and funding to Health Purchasing Group ADN 0620002	-20.3	-20.4	0.0	-40.7
<b>FY2003 Governor</b>	<b>380.8</b>	<b>782.9</b>	<b>0.0</b>	<b>1,163.7</b>

**Certification and Licensing**

**Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	12	12	Annual Salaries	597,683
Part-time	0	0	COLA	14,932
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	211,934
			<i>Less 2.50% Vacancy Factor</i>	(20,614)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>12</b>	<b>12</b>	<b>Total Personal Services</b>	<b>803,935</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	1	0	0	0	1
Hlth Facil Cert Lic Adm	1	0	0	0	1
Hlth Facil Surv I	7	0	0	0	7
Hlth Facil Surv II	2	0	0	0	2
<b>Totals</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>