

State of Alaska FY2006 Governor's Operating Budget

Department of Health and Social Services Adult Public Assistance Component Budget Summary

Component: Adult Public Assistance

Contribution to Department's Mission

Provide financial assistance for basic living expenses to needy elderly, blind or disabled individuals

Core Services

- In FY2006, the Adult Public Assistance Program (APA) will provide financial assistance and access to medical care for 5,195 elderly and 11,540 disabled Alaskans. The program was created to supplement Social Security disability benefits and provides the recipient with the income support needed to remain as independent as possible in the community.
- To be eligible for APA, a low-income individual must be over 64 or at least 18 years of age, blind, or diagnosed by a physician as permanently disabled, chronically ill, or terminally ill.
- Each month benefits are issued to APA clients in an amount equal to the maximum supplemental payment scheduled less adjustment for any income the individual reports.

FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: \$58,087,000	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

- The APA population is expected to continue to grow. This growth appears to be a combination of increased state population, improved medical technology, and an aging "baby boom" cohort. Some recipients experience permanent disabilities and are likely to rely on the APA program for their entire adult lives. Continued APA funding provides critical financial assistance enabling them to live with dignity in the community.
- Within the APA population there are some individuals who, despite their disability, would like to work. However, lack of workplace accommodations, financial disincentives, and, most notably, fear of the loss of Medicaid act as barriers to the goal of employment. Implementing the Working Disabled Medicaid option allows individuals whose earnings make them ineligible for traditional Medicaid to "buy-in" to the program by paying a premium.
- Enhanced services to APA recipients who wish to work, coupled with ongoing efforts to improve service delivery to working clients, are expanding the capacity of the APA program to promote employment and self-sufficiency.
- DPA continues to participate in the federally funded Alaska Works Project, a five-year initiative designed to address the major barriers that keep people with disabilities from success in the workplace. The project relies on a coordinated and innovative service delivery system that eliminates barriers preventing Alaskans with physical and mental disabilities from becoming employed.

Significant Changes in Results to be Delivered in FY2006

- The number of elderly and disabled Alaskans who rely on the Adult Public Assistance (APA) program to meet basic needs continues to grow - but at a lower rate of increase. FY04/05 program changes helped reduce the

rate of APA caseload and expenditure growth. The APA population is expected to grow at 2.1% in FY05 and 3.4% in FY06 resulting in a formula increase of \$558.9 general fund.

Major Component Accomplishments in 2004

- A new medical screening process implemented in September 2003 continues to result in a reduction in Interim Assistance approvals and expenditures.
- Individuals who apply for APA will be eligible for benefits effective the month after federal SSI approval. Retroactive APA benefits back to the date of their APA application was eliminated.
- Implemented changes to APA payment amounts to recipients who are assisted living home residents. This adjusted the way an individual's cost of care is financed but it will not reduce services.
- Utilization of enhanced systems to gather and analyze data on APA recipients and their service needs.
- Ongoing participation in the Alaska Works Project, the "Customized Employment Grant" in partnership with the Division of Vocational Rehabilitation, and other state initiatives aimed at helping persons with disabilities go to work.
- 192 APA households obtained employment and are receiving Medicaid through the Working Disabled Medicaid Buy-In program.

Statutory and Regulatory Authority

AS 47.25.430 - 615 Adult Public Assistance
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Contact Information

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Adult Public Assistance Component Financial Summary

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	90.7	114.0	114.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	57,436.2	57,047.4	57,973.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	57,526.9	57,161.4	58,087.0
Funding Sources:			
1002 Federal Receipts	1,076.2	734.0	1,030.0
1004 General Fund Receipts	52,748.4	52,635.1	53,194.0
1007 Inter-Agency Receipts	3,702.3	3,792.3	3,863.0
Funding Totals	57,526.9	57,161.4	58,087.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	1,076.2	734.0	1,030.0
Interagency Receipts	51015	3,702.3	3,792.3	3,863.0
Restricted Total		4,778.5	4,526.3	4,893.0
Total Estimated Revenues		4,778.5	4,526.3	4,893.0

**Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	52,635.1	734.0	3,792.3	57,161.4
Proposed budget increases:				
-Formula APA Caseload	558.9	296.0	70.7	925.6
FY2006 Governor	53,194.0	1,030.0	3,863.0	58,087.0