

# **State of Alaska FY2006 Governor's Operating Budget**

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

**Component: Certification and Licensing**

**Contribution to Department's Mission**

The Department's mission is to promote and protect the health and well-being of Alaskans. In support of this mission, Certification and Licensing (C&L) protects and reduces the risk to the health, safety, and exploitation of Alaska's citizens and ensures public confidence in the health care and community service delivery systems through regulatory, enforcement, and educational activities.

**Core Services**

The federal government has established minimum standards for providers who wish to participate in the Medicare or Medicaid programs. Section 1864 of the Social Security Act 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 certification, both for Medicare and Medicaid. In Alaska, this is done by Health Facilities Licensing and Certification (HFL&C).

Inspect and ensure necessary corrections or improvements are implemented for the safety of the residents of assisted living homes, nursing homes, and other health care facilities.

**FY2006 Resources Allocated to Achieve Results**

<b>FY2006 Component Budget: \$3,089,300</b>	<b>Personnel:</b>	
	Full time	26
	Part time	0
	<b>Total</b>	<b>26</b>

**Key Component Challenges**

Currently there is a confusing and often contradictory array of statutes and regulations establishing authority for licensing of various facilities and individuals caring for children, the elderly and the disabled. The Department of Law has proposed these statutes be rewritten and consolidated into a minimalist statutory framework with more of the detailed standards to be in regulation. Work has begun on this project and will continue into the coming year.

7 AAC 12 will be changed to add regulations that require safeguards for residents of nursing facilities and which implement AS 18.20.302, dealing with requirements for criminal background checks for persons hired or retained by nursing facilities. AS 18.20.302 was enacted in 1996, making Alaska one of more than 38 states that have enacted background check requirements for employees who work with the vulnerable, elderly, and disabled. C&L has begun designing and developing a Background Check unit to provide centralized background check support services for all programs subject to the licensing and certification authority of the department, and to develop training standards and requirements for the unit's professional competence and vitality. The overall goal of this unit is to:

- Improve the monitoring and enforcement of health and safety statutes and regulations for all department licensed and certified programs;
- Extend the background checks and fitness determinations to all staff serving vulnerable populations;
- Develop and implement a comprehensive set of measurements and reports across all department licensed and certified programs;
- Develop and implement electronic data interchange interfaces for submission and reporting background investigation requests; and

- Improve the overall safety and security of vulnerable individuals in state licensed and certified facilities and programs.

Recruitment and retention of qualified staff remains increasingly difficult due to stringent federal training requirements with limited availability of training courses, extensive travel involved with surveying facilities throughout the state, and inadequate salaries for professional/nursing staff.

## Significant Changes in Results to be Delivered in FY2006

Under the new C&L section, management responsibility and authority for the assisted living unit includes statewide licensing of all community-based assisted living homes/programs into one cohesive assisted living unit. The assisted living homes licensing program manager and the health facilities licensing and certification unit manager will work closely to accomplish the following:

- Design, develop and implement internal policies, procedures, staff orientation/training requirements, work and training schedules, program protocols, etc. for Certification and Licensing to assure they are consistent, integrated and standardized to the maximum extent possible. Staff assignment(s) and cross training will also be clearly identified and communicated.
- The design, development and implementation of a single point of contact/complaint intake process, with the assignment of a complaint coordinator, to assure an integrated complaint policy and plan for all complaints and self reported incidences, and the implementation of an effective intake and triage system.

In addition, the new C&L section will begin to transition responsibility for the “physical plant” inspections of residential facilities providing 24/7 care to children under the protection of the Office of Children’s Services. These inspections will incorporate the standard-by-standard reviews currently in place as part of this licensing process.

## Major Component Accomplishments in 2004

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 services 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 continues to play a key role in the implementation of the Rural Hospital Flexibility program. Alaska now has five hospitals designated as Critical Access Hospitals under the federal rules, and many Alaska communities have received assistance through the program to perform Community Needs Assessments, Financial Feasibility Studies and develop Emergency Medical System (EMS) Plans.

Health Facilities Licensing & Certification developed a “Self Survey” training manual for Critical Access hospitals to incorporate into their quality improvement program to assist them in maintaining compliance with 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

Contact Information
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**Certification and Licensing  
Component Financial Summary**

*All dollars shown in thousands*

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	618.9	1,593.5	1,928.2
72000 Travel	123.3	317.5	339.9
73000 Services	224.1	621.3	741.2
74000 Commodities	2.9	39.6	80.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>969.2</b>	<b>2,571.9</b>	<b>3,089.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	637.8	1,610.2	1,731.9
1003 General Fund Match	172.6	180.1	185.4
1004 General Fund Receipts	158.8	526.0	690.5
1037 General Fund / Mental Health	0.0	100.2	105.6
1092 Mental Health Trust Authority Authorized Receipts	0.0	145.0	145.2
1156 Receipt Supported Services	0.0	10.4	230.7
<b>Funding Totals</b>	<b>969.2</b>	<b>2,571.9</b>	<b>3,089.3</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	637.8	1,610.2	1,761.1
Receipt Supported Services	51073	0.0	10.4	230.7
<b>Restricted Total</b>		<b>637.8</b>	<b>1,620.6</b>	<b>1,991.8</b>
<b>Total Estimated Revenues</b>		<b>637.8</b>	<b>1,620.6</b>	<b>1,991.8</b>

**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>
<b>FY2005 Management Plan</b>	<b>806.3</b>	<b>1,610.2</b>	<b>155.4</b>	<b>2,571.9</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 05 Bargaining Unit Contract Terms: GGU	5.1	6.1	0.2	11.4
-Fingerprint Processing Transfer from OCS Foster Care Base Rate component	7.0	6.0	0.0	13.0
-Transfer funding to Administrative Support Services for Administrative Assistant position	-9.9	-43.7	-4.7	-58.3
-Transfer Residential Child Care Facility Licensing Activities from OCS/FLSW	150.9	128.4	0.0	279.3
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	18.8	23.5	0.0	42.3
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	1.4	0.0	1.4
<b>Proposed budget increases:</b>				
-Enhance Certification & Licensing Services through new fees	0.0	0.0	225.0	225.0
-Increase for second year Licensure of Midwifery Birth Centers CH 118 SLA 04 (SB 349)	3.3	0.0	0.0	3.3
<b>FY2006 Governor</b>	<b>981.5</b>	<b>1,731.9</b>	<b>375.9</b>	<b>3,089.3</b>

**Certification and Licensing  
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2005</u>	<u>FY2006</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	23	26	Annual Salaries	1,369,522
Part-time	0	0	COLA	16,741
Nonpermanent	2	2	Premium Pay	0
			Annual Benefits	699,235
			<i>Less 4.91% Vacancy Factor</i>	<i>(102,398)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>25</b>	<b>28</b>	<b>Total Personal Services</b>	<b>1,983,100</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	0	0	1	0	1
Community Care Lic Spec I	8	0	0	0	8
Community Care Lic Spec II	5	0	0	0	5
Health Program Mgr IV	1	0	0	0	1
Hlth Facil Cert Lic Adm	1	0	0	0	1
Hlth Facil Surv I	8	0	0	0	8
Hlth Facil Surv II	1	0	0	0	1
Project Coord	0	0	1	0	1
<b>Totals</b>	<b>26</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>28</b>