

State of Alaska FY2006 Governor's Operating Budget

Department of Health and Social Services Office of Program Review Component Budget Summary

Component: Office of Program Review

Contribution to Department's Mission

The Office of Program Review's efforts have been to maximize federal funding and operational efficiencies assisting the department in maintaining programs that promote and protect the health and well-being of Alaskans, especially during periods of reduced state resources.

Core Services

Reduce the need for state general funding by maximizing the use of federal funds and other financing/refinancing mechanisms. This includes the enhancement of tribal resources, developing additional federal funding opportunities across divisions and programs and program integrity, including enhanced fraud and abuse activities and process improvements in departmental operations.

Cultivate faith and community-based partnership to share and support the department's mission.

Develop additional efficiencies through improved program coordination, performance and outcome measurement, and continued examination and refinement of the department's organizational structure and functions.

Serve as department's lead with the federal government to obtain increased federal funding and coordinate federal information flow, and lead with Alaska's DC office on federal funding requests.

The Office of Program Review also provides staff support for several ongoing committees and work groups, such as Suicide Prevention and the Medical Care Advisory Committee.

FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: \$2,450,900

Personnel:

Full time	15
Part time	1
Total	16

Key Component Challenges

Most components of the tribal and refinancing activities must be done in partnership with tribal organizations, federal agencies, health care providers, and other entities. Maintaining the current state expertise and developing additional staff expertise in these areas will be critical to the long-term success of the refinancing projects.

It is becoming more difficult and taking more time to obtain the federal approvals necessary to obtain increased federal financial participation. Alaska has two major tribal issues in the federal appeals process currently and it appears additional appeals and even litigation may be necessary in order to compel federal agencies to comply with statutory and regulatory requirements. Many other states are facing similar challenges. There is the possibility of Alaska joining with other states in some of the legal actions. While confident Alaska will eventually prevail on most of these financial issues, increased federal funding will be delayed until the legal appeals process is complete.

Significant Changes in Results to be Delivered in FY2006

By the end of FY05 one or more of the current tribal appeals should be settled in the state's favor, which means the availability of federal funding in place of state GF.

The legislative proposal to add Targeted Case Management (TCM) was approved during the last legislative session. The department is submitting medicaid state plan amendments for the Infant Learning Program, children in the care and custody of the state, Alaska Native programs, and children under Individuals with Disabilities Education Act (IDRA).

During FY05 and FY06 additional services will be added to the school based health services program to maximize the school's ability to leverage additional federal funding to support the IDRA services.

The department will address the demand for more human services by increasing the number and type of collaborative partnerships with faith and community based organizations.

In FY06, the Department of Health and Social Services, is seeking to expand the Program Integrity/Quality Improvement functions in the Office of Program Review. This expansion is necessary to comply with new federal regulations to conduct Medicaid Program and State Children's Health Insurance Program (SCHIP- a.k.a. Denali KidCare) Payment Error Rate Measurement (PERM) pursuant to 42 CFR Parts 431 and 457. This rule requires State agencies to estimate improper payments in the Medicaid Program and SCHIP program.

Major Component Accomplishments in 2004

We've "educated" 300+ people on the do's and don'ts of Faith Based Community Initiatives (FBCI) and as a result there has been an increase in the number of grant applications to federal funding sources from faith and community groups.

Assisted the Alaska Food Coalition reorient themselves so they are now distributing more food to more hungry people.

Assisted Public Assistance to award \$500,000 in TANF Performance Bonus funds to faith and community groups to support the formation and maintenance of married, two-parent families.

Worked with a federal contractor to get Alaska included as one of ten states to participate in a FBCI award and recognition program through the Pew Charitable Trusts.

Assisted Public Health in a federal grant application process to receive 100% federal funding to do a background check demonstration project for long-term care providers.

In fiscal year 2005, the school based services state plan was approved by CMS, regulations were promulgated and training was provided to schools to enable them to bill for speech, physical and occupational therapies.

The DHSS obtained a favorable ruling from the Departmental Appeals Board (DAB) on the tribal provision of emergency transportation at the 100% FMAP.

The final administrative appeal for Fair Share claiming was denied and this is now on appeal at the 9th Circuit Court of Appeals.

Private Proshare claiming continues under negotiation with CMS.

Several tribal funding appeals are pending with DAB pending settlement of an 8th Circuit Court of Appeals regarding 100% FMAP for services provided through tribal 638 organizations.

Statutory and Regulatory Authority

No statutes or regulations were required for the creation of the Office of Program Review. Future legislative proposals can be expected as additional federal funding opportunities are identified and developed.

Contact Information

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**Office of Program Review
Component Financial Summary**

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	823.0	943.5	1,367.1
72000 Travel	95.2	106.4	183.4
73000 Services	141.6	200.0	784.5
74000 Commodities	7.4	6.1	24.1
75000 Capital Outlay	4.0	0.0	91.8
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,071.2	1,256.0	2,450.9
Funding Sources:			
1002 Federal Receipts	599.1	798.9	1,136.2
1003 General Fund Match	257.5	267.8	1,097.1
1004 General Fund Receipts	145.2	141.5	169.8
1007 Inter-Agency Receipts	69.4	47.8	47.8
Funding Totals	1,071.2	1,256.0	2,450.9

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	599.1	798.9	1,136.2
Interagency Receipts	51015	69.4	47.8	47.8
Restricted Total		668.5	846.7	1,184.0
Total Estimated Revenues		668.5	846.7	1,184.0

**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	409.3	798.9	47.8	1,256.0
Adjustments which will continue current level of service:				
-FY 05 Bargaining Unit Contract Terms: GGU	2.8	0.0	0.0	2.8
-Transfer Medical Care Advisory Committee from Medical Assistance Administration (MAA)	13.5	13.5	0.0	27.0
-Transfer in GF savings from HCS to sustain OPR Staff	300.0	0.0	0.0	300.0
-Transfer out of excess federal funds to IT Component	0.0	-200.0	0.0	-200.0
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	17.4	0.0	0.0	17.4
Proposed budget increases:				
-Implement New Payment Error Rate Measurement Program	523.9	523.8	0.0	1,047.7
FY2006 Governor	1,266.9	1,136.2	47.8	2,450.9

**Office of Program Review
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	10	15	Annual Salaries	947,684
Part-time	0	1	COLA	7,819
Nonpermanent	1	1	Premium Pay	0
			Annual Benefits	455,612
			<i>Less 0.90% Vacancy Factor</i>	<i>(12,715)</i>
			Lump Sum Premium Pay	0
Totals	11	17	Total Personal Services	1,398,400

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
Coordinator	0	1	0	0	1
Medical Assist Admin I	1	0	0	0	1
Medical Assist Admin III	2	0	0	0	2
Medical Assist Admin IV	1	0	2	0	3
Nurse Consultant I	1	0	0	0	1
Project Coordinator	2	0	2	0	4
Project Director	0	0	1	0	1
Research Analyst III	1	0	0	0	1
Secretary	0	0	1	0	1
Totals	10	1	6	0	17