

State of Alaska FY2008 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 FY07, the Adult Public Assistance Program (APA) will provide financial assistance and access to medical care for 5,000 elderly and 11,700 disabled Alaskans. The program was created to supplement Social Security 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 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 receives.

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$57,931,400	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

- The number of people applying for help from the Adult Public Assistance (APA) program is expected to continue to grow. The increased need mirrors the shifting demographics in Alaska and appears to be resulting from 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.
- Efforts continue to settle a class action lawsuit concerning the medical review policy implemented in FY04, that was intended to control the growth of Interim Assistance by instituting a more thorough assessment of a person's medical condition and approving payment to applicants likely to meet the Social Security disability criteria. The court ruled that retroactive benefits be paid to class members who were denied Interim Assistance payments prior to the department's adoption of an administrative code to support the medical review policy. Unclaimed funds may need to be set aside for final settlement of this lawsuit.

Significant Changes in Results to be Delivered in FY2008

- 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. Program changes implemented in FY04 and FY05 helped reduce the rate of APA caseload and expenditure growth. The APA population is expected to grow at 2.8% in FY07 and 2.5% in FY08.

Major Component Accomplishments in 2006

- New regulations have been adopted that allow the Interim Assistance medical review policy to continue. The medical review process continues to result in program savings by ensuring individuals approved to receive Interim

Assistance are likely to meet the Social Security definition of disability.

- Enhanced services to Adult Public Assistance (APA) recipients who wish to work, coupled with on-going 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, 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. The initiative is 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.
- An average of 209 individuals per month are purchasing Medicaid coverage through the Working Disabled Medicaid Buy-In program. These individuals are former recipients who are now employed and no longer receiving APA.

Statutory and Regulatory Authority

AS 47.25.430 - 615 Adult Public Assistance
7 AAC 40 Adult Public Assistance

Contact Information

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Adult Public Assistance Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	40.2	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	57,511.2	57,731.4	57,931.4
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	57,551.4	57,731.4	57,931.4
Funding Sources:			
1002 Federal Receipts	1,393.2	1,030.0	1,030.0
1004 General Fund Receipts	52,295.2	52,838.4	52,838.4
1007 Inter-Agency Receipts	3,863.0	3,863.0	4,063.0
Funding Totals	57,551.4	57,731.4	57,931.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	1,393.2	1,030.0	1,030.0
Interagency Receipts	51015	3,863.0	3,863.0	4,063.0
Restricted Total		5,256.2	4,893.0	5,093.0
Total Estimated Revenues		5,256.2	4,893.0	5,093.0

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	52,838.4	1,030.0	3,863.0	57,731.4
Adjustments which will continue current level of service:				
-Transfer I/A Authority from Tribal Assistance Program to Adult Public Assistance for Permanent Fund Hold Harmless	0.0	0.0	200.0	200.0
FY2008 Governor	52,838.4	1,030.0	4,063.0	57,931.4