

State of Alaska FY2008 Governor's Operating Budget

Department of Health and Social Services Alaska Psychiatric Institute Component Budget Summary

Component: Alaska Psychiatric Institute

Contribution to Department's Mission

To improve and enhance the quality of life for consumers impacted by mental disorders. In partnership with patients, families, and their communities, Alaska Psychiatric Institute (API) will provide appropriate, quality, individualized treatment that assists patients to achieve their goals and be successful in their communities.

Core Services

API provides seven day a week, twenty-four hour in-patient treatment for Alaskans with severe and persistent psychiatric disorders or serious maladaptive behaviors. Approximately 85% of API's clients are indigent, with no third-party resources (including Medicaid) to pay for services. Clients are admitted either voluntarily or involuntarily through a Peace Officer Application or *Ex Parte* commitment from a judge or magistrate, a mental health professional, or a community mental health center. API provides outreach, consultation, and training to mental health service providers, community mental health centers, and Pioneer Homes. API is presently budgeted, staffed and configured for 72 beds; however, as API may not turn away involuntary patients, the facility is often at risk of exceeding bed capacity (e.g., the highest daily census in FY2006 was in July at 76).

API provides diagnosis, evaluation and treatment services in accordance with its statutory mandates and the strict health care industry standards and requirements set by the Joint Commission on Accreditation of Healthcare Organizations, Centers for Medicare and Medicaid Services, and Alaska's Section on Certification and Licensing in the Division of Public Health. API's services include screening and referral; medication stabilization; psychosocial rehabilitation services, multidisciplinary assessments, individualized and group therapy and counseling; patient and family education; and inpatient psychiatric treatment services for adults and adolescents, as well as for court-ordered persons accused of criminal activity or found not guilty by reason of insanity, and adults with severe and persistent mental illnesses who need longer-term care. API serves as a backup to the community mental health centers, coordinating transitions from outpatient care to hospitalization and, alternatively, coordinating care with community mental health centers for patients being released from API. API is extending the clinical infrastructure of the hospital to reach remote areas with a Statewide Tele-Behavioral Health project.

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$25,646,100	Personnel:	
	Full time	221
	Part time	12
	Total	233

Key Component Challenges

API faces a number of challenges with recruitment and retention for psychiatry, registered nurses and mid-level practitioners. Wage and salary adjustments for nursing positions to market based competition have been established, but workforce shortages in API continue to be an issue. The API component has made nursing recruitment one of its six organizational priorities for the year, and a nursing vacancy rate had been established as an 'API Key Performance Indicator'.

API will continue to enhance revenue through third party collections. One such area for the potential of enhanced revenue is a cost-based methodology for Medicare Part B reimbursement. Another approach depends largely on the procurement of an Electronic Patient Care System which integrates clinical functions and a patient account ledger into a paperless medical record. This type of system will allow API to bill for many incidental charges that are currently not accountable.

An Electronic Patient Care System (also referred to as an Electronic Medical Record, or EMR) will provide adequate utilization revenue and control of ancillary medical costs.

Perhaps the most significant challenge for API is the increased demand for inpatient acute psychiatry services. This past year the hospital recorded 1,452 acute care admissions, the highest admission rate since 2002. Quite often the hospital is at 'peak' census with a waiting list for admissions. The consequences are serious: patients often back up in rural areas and require over night stays in less desirable alternatives such as jail. Even worse, they may be discharged from a local Emergency Department and fail to achieve appropriate intensive outpatient services.

The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) accredits API. The federal funding agency, Centers for Medicare and Medicaid Services (CMS), relies upon a hospital's accreditation as proof that the quality of care being provided meets an acceptable level and justifies federal reimbursement to the State for the cost of a portion of the care API provides to both adolescent patients and the indigent adult population. If a hospital loses its accreditation, it loses its federal reimbursement.

Significant Changes in Results to be Delivered in FY2008

API plans to become a 'smoke-free' campus by July 1, 2007. Smoking is the number one cause for morbidity in the seriously mentally ill adult population. Moreover, Municipality of Anchorage recently passed a restriction on smoking within 50 feet of a hospital.

In FY08 API intends to transition to a Person Centered Treatment Planning process which will have the patient as the primary 'author' of a Wellness and Recovery plan. This represents a significant change in the therapeutic treatment process.

Major Component Accomplishments in 2006

Maintained an increase in the quality of API's services while faced with a continued high rate of admissions with a higher acuity.

Continued to look at new ways for Revenue Enhancement.

Continued to reduce court-ordered forced medication directives.

Increased quality of clinical services in spite of near record admissions rate.

Established transparent Key Performance Indicators to track critical trends which affect patient care.

Continued working with Southcentral Counseling Center's Crisis Respite Center program and the Salvation Army's Clitheroe Treatment Center Enhanced Detoxification program. These programs are critical to reduce the bed demand at API.

Statutory and Regulatory Authority

AS 12.47.010 - 130	Insanity and Competency to Stand Trial
AS 47.30.655 - 915	State Mental Health Policy (Hospitalization of Clients)
AS 18.20.010 - 390	Hospital (Regulations)
AS 08.86.010 - 230	Psychologists and Psychological Associates
AS 18.70.010 - 900	Fire Protection
AS 08.68.010 - 410	Nursing
AS 08.64.010 - 380	State Medical Board
AS 08.95.010 - 990	Clinical Social Workers
AS 08.84.010 - 190	Physical Therapists and Occupational Therapists

Contact Information

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Alaska Psychiatric Institute Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	16,307.4	18,715.3	21,488.0
72000 Travel	93.5	63.3	63.3
73000 Services	3,099.4	2,908.9	2,908.9
74000 Commodities	819.7	969.2	969.2
75000 Capital Outlay	34.6	47.3	47.3
77000 Grants, Benefits	165.6	169.4	169.4
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	20,520.2	22,873.4	25,646.1
Funding Sources:			
1002 Federal Receipts	167.5	54.1	61.3
1003 General Fund Match	905.0	0.0	0.0
1004 General Fund Receipts	210.7	195.4	625.1
1007 Inter-Agency Receipts	10,510.7	12,321.2	12,322.3
1037 General Fund / Mental Health	6,282.8	7,164.5	9,499.2
1061 Capital Improvement Project Receipts	249.0	0.0	0.0
1108 Statutory Designated Program Receipts	2,194.5	3,138.2	3,138.2
Funding Totals	20,520.2	22,873.4	25,646.1

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	167.5	54.1	61.3
Interagency Receipts	51015	10,510.7	12,321.2	12,322.3
Statutory Designated Program Receipts	51063	2,194.5	3,138.2	3,138.2
Capital Improvement Project Receipts	51200	249.0	0.0	0.0
Restricted Total		13,121.7	15,513.5	15,521.8
Total Estimated Revenues		13,121.7	15,513.5	15,521.8

**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	7,359.9	54.1	15,459.4	22,873.4
Adjustments which will continue current level of service:				
-Transfer in Nursing Salary Market Based Pay	422.2	0.0	0.0	422.2
-Delete one-time-authorization for First FY2007 Fuel/Utility Cost Increase Funding Distribution	-38.0	0.0	0.0	-38.0
-FY 08 Health Insurance Increases for Exempt Employees	0.8	0.0	1.1	1.9
-Fund Source Adjustment for Retirement Systems Increases	1,435.4	0.0	-1,435.4	0.0
Proposed budget increases:				
-Add back authorization for First FY2007 Fuel/Utility Cost Increase Funding Distribution	38.0	0.0	0.0	38.0
-FY 08 Retirement Systems Rate Increases	906.0	7.2	1,435.4	2,348.6
FY2008 Governor	10,124.3	61.3	15,460.5	25,646.1

**Alaska Psychiatric Institute
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	221	221	Annual Salaries	12,432,537
Part-time	12	12	Premium Pay	15,237
Nonpermanent	42	41	Annual Benefits	9,162,172
			<i>Less 6.99% Vacancy Factor</i>	(1,511,324)
			Lump Sum Premium Pay	1,389,378
Totals	275	274	Total Personal Services	21,488,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk II	1	0	0	0	1
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	9	0	0	0	9
Administrative Clerk III	4	0	0	0	4
Administrative Manager I	1	0	0	0	1
Assistant Medical Director	1	0	0	0	1
Asst Nurse Directo	1	0	0	0	1
Clinical Pharmacist	1	0	0	0	1
Correspondence Sec III	4	0	0	0	4
Custodial Services Spvr	1	0	0	0	1
Director of API	1	0	0	0	1
Enviro Services Journey I	6	0	0	0	6
Enviro Services Journey II	8	0	0	0	8
Facilities Manager I	1	0	0	0	1
Health Practitioner I	3	0	0	0	3
Health Program Mgr II	1	0	0	0	1
Hospital Administrator	1	0	0	0	1
Industrial Therapist	1	0	0	0	1
Licensed Prac Nurse	3	0	0	0	3
Maint Gen Journey	1	0	0	0	1
Maint Gen Sub - Journey I	1	0	0	0	1
Maint Gen Sub - Journey II	1	0	0	0	1
Maint Spec Bfc Journey I	2	0	0	0	2
Maint Spec Bfc Jrny II/Lead	1	0	0	0	1
Maint Spec Plumb Jrny II	1	0	0	0	1
Medical Officer	1	0	0	0	1
Medical Record Admin	1	0	0	0	1
Medical Records Asst	2	0	0	0	2
Mntl Hlth Clinician II	8	0	0	0	8
Mntl Hlth Clinician III	6	0	0	0	6
Mntl Hlth Clinician IV	2	0	0	0	2
Nurse Consultant I	1	0	0	0	1
Nurse I	13	0	0	0	13
Nurse II	2	0	0	0	2
Nurse II (Psych)	41	0	0	0	41
Nurse III (Psych)	12	0	0	0	12
Nurse IV (Psych)	1	0	0	0	1
Nursing Director	1	0	0	0	1
Occ Therapist I	1	0	0	0	1

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Occ Therapist II	1	0	0	0	1
Paralegal II	1	0	0	0	1
Pharmacy Technician	1	0	0	0	1
Psych Nurse Asst I	31	0	0	0	31
Psych Nurse Asst II	7	0	0	0	7
Psych Nurse Asst III	46	0	0	0	46
Psych Nurse Asst IV	13	0	0	0	13
Psych Safety & Security Off I	5	0	0	0	5
Recreation Therapist I	3	0	0	0	3
Recreational Therapist II	1	0	0	0	1
Research Analyst I	1	0	0	0	1
Research Analyst III	1	0	0	0	1
Secretary	2	0	0	0	2
Social Services Specialist II	1	0	0	0	1
Staff Psychiatrist	8	0	0	0	8
Stock & Parts Svcs Sub Journey	2	0	0	0	2
Supply Technician II	1	0	0	0	1
Word Proc Cen Spvr	1	0	0	0	1
Totals	274	0	0	0	274