

State of Alaska FY2008 Governor's Operating Budget

Department of Health and Social Services Senior and Disabilities Services Results Delivery Unit Budget Summary

Senior and Disabilities Services Results Delivery Unit

Contribution to Department's Mission

The mission of the Division of Senior and Disabilities Services is to promote the independence of Alaska's Seniors and people with physical and developmental disabilities.

Core Services

- 1) Institutional and community-based services for older Alaskans and persons with disabilities.
- 2) Protection of vulnerable adults.

End Results	Strategies to Achieve Results
<p>A: Improve and enhance the quality of life for seniors and persons with disabilities through cost-effective delivery of services.</p> <p><u>Target #1:</u> Reduce % of Medicaid recipient not receiving medical assessments to less than 5%. <u>Measure #1:</u> % of clients not receiving medical review.</p>	<p>A1: Arrange for beneficiaries to receive a medical assessment to determine what services they are eligible for and at what level. Through prior authorization process, ensure beneficiaries only receive the services they are eligible to receive.</p>
End Results	Strategies to Achieve Results
<p>B: Promote improved service and compliance with federal/state regulations through provider agencies.</p>	<p>B1: Develop, implement and maintain an on-going system of review and improvement through Technical Assistance Plans for each grantee and provider agency. Provide 8 care coordination training sessions each year in Alaskan communities.</p> <p><u>Target #1:</u> Reduce incidence and severity of errors resulting in audit findings by 10% by providing adequate training to provider agencies. <u>Measure #1:</u> Show an overall reduction in error rates from audit findings for current rate by 10%.</p>
End Results	Strategies to Achieve Results
<p>C: Ensure manageable caseload number in Adult Protective Services and Quality Assurance Units to provide timely investigations.</p> <p><u>Target #1:</u> Reduce APS staff assigned case loads by 10% and length of time a case is "open" by 10%. <u>Measure #1:</u> Average length of time required to close a case in days per worker.</p>	

FY2008 Resources Allocated to Achieve Results

FY2008 Results Delivery Unit Budget: \$373,221,000	Personnel:	
	Full time	93
	Part time	2
	Total	95

Performance Measure Detail

A: Result - Improve and enhance the quality of life for seniors and persons with disabilities through cost-effective delivery of services.

Target #1: Reduce % of Medicaid recipient not receiving medical assessments to less than 5%.

Measure #1: % of clients not receiving medical review.

DSDS Outstanding Medicaid Assessments (FY05-FY07)

Fiscal Year	% Not Reviewed
FY 2005	30.9%
FY 2006	23.18%
FY 2007	0.00%

This chart shows the percentage of DSDS Medicaid recipients that have not been assessed using a standardized assessment tool by an objective assessor from FY05-FY07 (projected).

Analysis of results and challenges: The Personal Care Attendant Program is the only Medicaid program that has not required a state-approved medical assessment to receive services. Implementation of new regulations in early 2006 began requiring a state-approved medical assessment and prior authorization of Medicaid benefits ensuring that beneficiaries are only receiving the services they are eligible to receive. This table shows the percentage of outstanding Medicaid assessments from 2005-2007 (projected.) DSDS anticipates that all back-logged Medicaid Waiver assessments will be caught up by the end of FY2007.

A1: Strategy - Arrange for beneficiaries to receive a medical assessment to determine what services they are eligible for and at what level. Through prior authorization process, ensure beneficiaries only receive the services they are eligible to receive.

B: Result - Promote improved service and compliance with federal/state regulations through provider agencies.

B1: Strategy - Develop, implement and maintain an on-going system of review and improvement through Technical Assistance Plans for each grantee and provider agency. Provide 8 care coordination training sessions each year in Alaskan communities.

Target #1: Reduce incidence and severity of errors resulting in audit findings by 10% by providing adequate training to provider agencies.

Measure #1: Show an overall reduction in error rates from audit findings for current rate by 10%.

Myers and Stauffer Error Rates (FY05-FY06)

Summary of Meyers and Stauffers FY05 & FY06	Error Rate Fiscal Year 2005	Error Rate Fiscal Year 2006
Skilled Nursing	8.55%	0.00%
Home & Community Services	18.53%	6.33%
Assisted Living	26.28%	16.14%
Care Coordination	16.23%	1.61%
Personal Care	14.42%	4.75%
DSDS Total	15.83%	6.43%

This chart shows FY05 and FY06 initial payment error rates as determined by Myers and Stauffer, an independent auditing firm hired by the Department of Health and Social Services.

Analysis of results and challenges: The chart shows DSDS Medicaid programs that have been audited by Myers & Stauffer and the percentage of audit exceptions that have been assigned to each program. These audit numbers are preliminary until the provider agencies have had a chance to respond, so these numbers should decrease as providers respond to the findings. However, it does show that significant improvement was made in the error rates across DSDS programs from FY05 to FY06.

C: Result - Ensure manageable caseload number in Adult Protective Services and Quality Assurance Units to provide timely investigations.

Target #1: Reduce APS staff assigned case loads by 10% and length of time a case is "open" by 10%.

Measure #1: Average length of time required to close a case in days per worker.



*FY2007 - Projected Caseload

Annual Adult Protective Services Caseloads

Fiscal Year	Total Investigations	# Full-time Workers	Annual Cases per Worker
FY 2004	1173	7	168
FY 2005	1497 +27.62%	7 0%	214 +27.38%
FY 2006	1666 +11.29%	7 0%	240 +12.15%
FY 2007	1737 +4.26%	9 +28.57%	193 -19.58%

* FY07 reflects estimates only.

Analysis of results and challenges: The annual caseload for an Adult Protective Services (APS) case worker has been steadily on the rise since FY2004. From FY04 to FY05, the average caseload increased by more than 27%. From FY05 to FY06, the average caseload increased again, this time by more than 12%. Based on this unexpected growth, the Division requested and was given permission to establish two (2) new case worker positions in the FY07 budget. Because of these new positions, the Division anticipates being better able to keep up with estimated increases to reports of harm, abuse and neglect of vulnerable adults. The average length of time it took to investigate a new case was approximately 6 days in FY06, when there were only 7 case workers. Now DSDS has 9 case workers to perform investigations and the current trend shows there may be a decrease to the growth in the number of reported cases by more than 8%. If this trend continues, average caseload per case worker will be approximately 193 cases per year in FY07. With new staff numbers, it takes approximately 2.6 days to investigate a new report of harm. This represents a decrease in the number of days it takes to investigate a report of harm by approximately 56.7%! The division anticipates that if 2 new positions are approved in the FY08 budget that the number of days it takes to investigate a new case could drop to less than two (2) days!

Key RDU Challenges

Key issue for the Division of Senior and Disabilities Services is cost containment of the Medicaid Waiver and Personal Care Attendant (PCA) programs. To accomplish this, the division is:

1. Implementing regulations that will establish uniform accounting practices and reasonable reimbursement levels for necessary Medicaid waiver services; reimburse providers based upon each service provided rather than the bundling of services which has been the existing practice for the Mental Retardation/ Developmental Disabilities and Children with Chronic Medical Conditions Waivers.
2. Strengthening the Quality Assurance Unit including random audits, utilization reviews, and client satisfaction interviews to ensure program compliance, quality of services and detection of suspected fraud.
3. Promoting development of professional staff to allow for integration of waiver processing of all waivers.
4. Eliminating Developmental Disabilities Waitlist per Legislative mandate.
5. Controlling costs in Medicaid Programs.

In response to the use of the PCA assessment tool, a class action lawsuit was filed against the department in August 2006 over how individuals are assessed and terminated from the PCA program. The underlying premise of the class action is that department cannot terminate a person from the program without showing they have "materially improved" in the current year. Although the department is optimistic it will prevail in this lawsuit, significant cost reduction from the independent assessments will not be realized if the department is prevented by the court from continuing to remove beneficiaries based on the outcome of their Medicaid assessment.

Significant Changes in Results to be Delivered in FY2008

The division will work to maintain Medicaid services through a combination of refinancing and cost containment so that core services can be maintained for all eligible groups.

One of the major cost containment measures the division is undertaking in FY07 and in FY08 is to implement Medicaid assessments and prior authorization of payments for beneficiaries receiving services from the Personal Care Attendant Medicaid program. The Division anticipates this will result in significant cost savings in this program, as it will help ensure that beneficiaries are receiving only the benefits they are eligible to receive.

Major RDU Accomplishments in 2006

During FY06, the Division of Senior and Disabilities Services provided home and community based services to more than 6,000 individuals and their families. By providing these services in the community setting, the Division was able to delay the entry of these individuals into institutions.

Also in FY06, the division provided services to 1,100 individuals in Nursing Homes.

The division continued to provide technical assistance to Assisted Living Homes and to communities for the expansion of Home and Community Based services. They also continued participating in workforce development projects for the recruitment and retention of direct service workers.

The Division implemented regulation changes for the Personal Care Attendant Medicaid Program based on several different audits of the Personal Care Attendant program. New regulations became law on 4/1/06.

Contact Information

Contact: Janet Clarke, Assistant Commissioner
Phone: (907) 465-1630
Fax: (907) 465-2499
E-mail: janet_clarke@health.state.ak.us

**Senior and Disabilities Services
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2006 Actuals				FY2007 Management Plan				FY2008 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula												
Expenditures												
Senior/Disabilities Medicaid Svc	114,927.1	165,093.6	1,265.7	281,286.4	127,991.6	183,429.3	1,375.0	312,795.9	136,916.3	197,800.6	2,575.0	337,291.9
Non-Formula												
Expenditures												
Senior/Disabilities Svcs Admin	3,724.0	5,270.6	159.9	9,154.5	4,741.8	6,597.3	180.4	11,519.5	5,323.0	6,728.5	201.1	12,252.6
Protection and Comm Svcs	4,140.3	0.0	0.0	4,140.3	3,088.7	0.0	0.0	3,088.7	3,088.7	0.0	0.0	3,088.7
Senior Community Based Grants	5,414.4	4,585.0	812.2	10,811.6	4,656.9	6,043.4	590.3	11,290.6	4,656.9	6,043.4	510.3	11,210.6
Senior Residential Services	815.0	0.0	0.0	815.0	815.0	0.0	0.0	815.0	815.0	0.0	0.0	815.0
Community DD Grants	7,157.3	0.0	807.7	7,965.0	7,697.3	0.0	914.9	8,612.2	7,697.3	0.0	864.9	8,562.2
Totals	136,178.1	174,949.2	3,045.5	314,172.8	148,991.3	196,070.0	3,060.6	348,121.9	158,497.2	210,572.5	4,151.3	373,221.0

**Senior and Disabilities Services
Summary of RDU Budget Changes by Component
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	148,991.3	196,070.0	3,060.6	348,121.9
Adjustments which will continue current level of service:				
-Senior/Disabilities Medicaid Svc	-158.8	-173.1	0.0	-331.9
-Senior/Disabilities Svcs Admin	150.5	-331.0	-15.7	-196.2
Proposed budget decreases:				
-Senior Community Based Grants	0.0	0.0	-80.0	-80.0
-Community DD Grants	0.0	0.0	-50.0	-50.0
Proposed budget increases:				
-Senior/Disabilities Medicaid Svc	9,083.5	14,544.4	1,200.0	24,827.9
-Senior/Disabilities Svcs Admin	430.7	462.2	36.4	929.3
FY2008 Governor	158,497.2	210,572.5	4,151.3	373,221.0