

# **State of Alaska FY2009 Governor's Operating Budget**

## **Department of Health and Social Services Assessment and Planning Component Budget Summary**

## Component: Assessment and Planning

### Contribution to Department's Mission

The department's mission is to promote and protect the health and well-being of Alaskans. This component will improve planning to achieve the mission.

### Core Services

Planning, assessment and forecasting activities for the Medicaid program.

### FY2009 Resources Allocated to Achieve Results

<b>FY2009 Component Budget: \$250,000</b>	<b>Personnel:</b>	
	Full time	0
	Part time	0
	<b>Total</b>	<b>0</b>

### Key Component Challenges

- Medicaid policy makers need accurate and timely information on the Medicaid program to make informed decisions and formulate strategic planning. With a budget over \$1 billion dollars, accurately forecasting Medicaid expenditures and revenues is critical to management of limited state financial resources.
- The Medicaid program is broad in scope and constantly changing and evolving. The dynamic nature of the program makes forecasting trends in enrollment, utilization, and expenditures complex. The models developed to forecast the short- and long-term trends require constant evaluation and adjustment to keep them accurate.
- The Finance and Management Budget Section's Medicaid Budget Group continues to improve information dissemination by developing new management reports and a module to forecast "what-if" scenarios.

### Significant Changes in Results to be Delivered in FY2009

The Alaska Health Care Strategies Planning Council was created under Administrative Order 232 by Governor Sarah Palin on February 15, 2007. The purpose of the council is to develop a statewide plan to identify short-term and long-term strategies to effectively address the issues of access to, and cost and quality of, health care for Alaskans. The council is to prepare and submit to the Governor and the Legislature, by January 1, 2008, a health care action plan. Commissioner Karleen Jackson will operate and manage the Health Council. Funding for the Health Council comes from the Assessment and Planning component.

### Major Component Accomplishments in 2007

- In FY07, the Finance and Management Budget Section's Medicaid Budget Group developed a new short-term Alaska Medicaid projection (STAMP) model using the Statistical Package for the Social Science (SPSS) forecasting software. The new model is more accurate and less labor intensive than the previous model. The new model also provides more timely and useful management reports and is flexible enough to forecast "what-if" scenarios.
- The first annual update of the long-term Medicaid Enrollment and Spending in Alaska (MESA) forecast projected

a slightly lower growth rate in 20 years than the original forecast projected. This demonstrates the MESA model's sensitivity to policy changes first implemented in 2004 to control costs. The revised projection of total spending in 2025 is approximately \$4.5 billion, a \$172 million (3.7 percent) decrease from the baseline forecast of \$4.7 billion.

### Statutory and Regulatory Authority

AS 37.07 Public Finance, Executive Budget Act  
AS 47.07 Medical Assistance for Needy Persons  
7 AAC 43 Medicaid  
7 AAC 100 Medicaid Assistance Eligibility

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**Assessment and Planning  
Component Financial Summary**

*All dollars shown in thousands*

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	3.6	0.0	0.0
73000 Services	131.8	250.0	250.0
74000 Commodities	0.6	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	35.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>171.0</b>	<b>250.0</b>	<b>250.0</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	85.5	125.0	125.0
1003 General Fund Match	85.5	125.0	125.0
<b>Funding Totals</b>	<b>171.0</b>	<b>250.0</b>	<b>250.0</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b><u>Unrestricted Revenues</u></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><u>Restricted Revenues</u></b>				
Federal Receipts	51010	85.5	125.0	125.0
<b>Restricted Total</b>		<b>85.5</b>	<b>125.0</b>	<b>125.0</b>
<b>Total Estimated Revenues</b>		<b>85.5</b>	<b>125.0</b>	<b>125.0</b>

**Summary of Component Budget Changes  
From FY2008 Management Plan to FY2009 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2008 Management Plan</b>	<b>125.0</b>	<b>125.0</b>	<b>0.0</b>	<b>250.0</b>
<b>FY2009 Governor</b>	<b>125.0</b>	<b>125.0</b>	<b>0.0</b>	<b>250.0</b>