

# **State of Alaska FY2009 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 helps patients to achieve their goals and be successful in their communities.

### Core Services

Alaska Psychiatric Institute (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 FY06 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 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 for 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 TeleBehavioral Health project.

### FY2009 Resources Allocated to Achieve Results

<b>FY2009 Component Budget: \$26,374,000</b>	<b>Personnel:</b>	
	Full time	226
	Part time	12
	<b>Total</b>	<b>238</b>

### 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 has 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 an actual patient account ledger to maximize revenue and control 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 1,231 acute care admissions. Quite often the hospital is at 'peak' census for the 50 available acute care beds. During periods of high utilization there is 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 FY2009**

Behavioral Health is requesting additional expenditure authority of \$2,200.0 Statutory Designated Program Receipt (SDPR). SDPR collections have increased over the past two fiscal years due to revenue enhancement strategies. The increased authority to collect will allow API to continue to improve patient care and treatment, provide assistance to the Veteran's Administration with psychiatric needs for Alaskans returning from active duty, pay for TeleBehavioral Health and the Electronic Medical Record system.

This funding request will be in addition to the \$3,133.8 SDPR approved in the FY08 budget. It was not known that additional SDPR authorization would be needed during the FY08 budget process. The new Medicaid billing and collection processes did not become apparent until late in FY07.

### **Major Component Accomplishments in 2007**

Passed an unannounced JCAHO full accreditation site visit.

Expanded the number of sites participating in the TeleBehavioral Health Program.

Continued to reduce court-ordered forced medication directives.

In collaboration with the Alaska Rural Behavioral Health Training Academy and University of Alaska Fairbanks, developed a 'cultural competency' immersion training program for implementation next fiscal year.

Key Performance Indicators located on the division's Website are transparent to employees and the general public.

Developed and implemented a procurement plan to obtain an Electronic Medical Record.

First department facility to become a 'smoke free' campus.

### **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	Regulation of Hospitals
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**

**Contact:** Laura Baker, Budget Chief  
**Phone:** (907) 465-1629  
**Fax:** (907) 465-1850  
**E-mail:** Laura.Baker@alaska.gov

**Alaska Psychiatric Institute  
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	19,431.5	19,028.6	20,903.9
72000 Travel	136.2	63.3	93.3
73000 Services	3,645.2	3,015.3	3,620.9
74000 Commodities	1,147.7	969.2	1,130.4
75000 Capital Outlay	7.9	47.3	26.1
77000 Grants, Benefits	187.8	169.4	599.4
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>24,556.3</b>	<b>23,293.1</b>	<b>26,374.0</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	186.8	61.3	65.4
1004 General Fund Receipts	0.0	660.4	590.2
1007 Inter-Agency Receipts	14,687.2	12,232.0	12,476.3
1037 General Fund / Mental Health	6,007.7	7,138.0	7,569.4
1092 Mental Health Trust Authority Authorized Receipts	0.0	67.6	0.0
1108 Statutory Designated Program Receipts	3,674.6	3,133.8	5,672.7
<b>Funding Totals</b>	<b>24,556.3</b>	<b>23,293.1</b>	<b>26,374.0</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
<b>Unrestricted Revenues</b>				
Unrestricted Fund	68515	0.1	0.0	0.0
<b>Unrestricted Total</b>		<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	186.8	61.3	65.4
Interagency Receipts	51015	14,687.2	12,232.0	12,476.3
Statutory Designated Program Receipts	51063	3,674.6	3,133.8	5,672.7
<b>Restricted Total</b>		<b>18,548.6</b>	<b>15,427.1</b>	<b>18,214.4</b>
<b>Total Estimated Revenues</b>		<b>18,548.7</b>	<b>15,427.1</b>	<b>18,214.4</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>7,798.4</b>	<b>61.3</b>	<b>15,433.4</b>	<b>23,293.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Reverse FY2008 MH Trust Recommendation	0.0	0.0	-67.6	-67.6
-Transfer out Statutory Designated Program Receipts to Administrative Support Services	0.0	0.0	-70.6	-70.6
-Delete one-time-authorization for First FY2008 Fuel/Utility Cost Increase Funding Distribution	-76.8	0.0	0.0	-76.8
-Transfer out PCN 06-2335 to Administrative Support Services	0.0	0.0	-75.7	-75.7
-FY 09 Health Insurance Increases for Exempt Employees	0.9	0.0	1.4	2.3
-FY 09 Bargaining Unit Contract Terms: General Government Unit	379.1	4.1	713.3	1,096.5
-FY 09 Bargaining Unit Contract Terms: Labor Trades and Crafts Unit	8.0	0.0	14.8	22.8
<b>Proposed budget increases:</b>				
-Feasibility Study on Privatization of API (Stat Change)	50.0	0.0	0.0	50.0
-SDPR Authorization Increase	0.0	0.0	2,200.0	2,200.0
<b>FY2009 Governor</b>	<b>8,159.6</b>	<b>65.4</b>	<b>18,149.0</b>	<b>26,374.0</b>

### Alaska Psychiatric Institute Personal Services Information

Authorized Positions		Personal Services Costs		
<u>FY2008</u>				
<u>Management</u>	<u>FY2009</u>			
<u>Plan</u>	<u>Governor</u>			
Full-time	225	226	Annual Salaries	12,845,776
Part-time	13	12	COLA	888,559
Nonpermanent	7	7	Premium Pay	0
			Annual Benefits	6,927,951
			<i>Less 6.92% Vacancy Factor</i>	(1,430,586)
			Lump Sum Premium Pay	1,672,236
<b>Totals</b>	<b>245</b>	<b>245</b>	<b>Total Personal Services</b>	<b>20,903,936</b>

### 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 Assistant II	1	0	0	0	1
Administrative Clerk II	9	0	0	0	9
Administrative Clerk III	4	0	0	0	4
Assistant Medical Director	1	0	0	0	1
Asst Nurse Directo	1	0	0	0	1
Building Maint Supt	1	0	0	0	1
College Intern IV	2	0	0	0	2
Correspondence Sec I	1	0	0	0	1
Correspondence Sec II	1	0	0	0	1
Correspondence Sec III	2	0	0	0	2
Custodial Services Spvr	1	0	0	0	1
Director of API	1	0	0	0	1
Enviro Services Journey I	5	0	0	0	5
Enviro Services Journey II	8	0	0	0	8
Health Practitioner I	4	0	0	0	4
Hospital Administrator	1	0	0	0	1
Industrial Therapist	1	0	0	0	1
IT Project Manager EMR	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	7	0	0	0	7
Mntl Hlth Clinician III	7	0	0	0	7
Mntl Hlth Clinician IV	2	0	0	0	2
Nurse Consultant I	1	0	0	0	1
Nurse I	10	0	0	0	10
Nurse II	2	0	0	0	2
Nurse II (Psych)	33	0	0	0	33
Nurse III (Psych)	13	0	0	0	13

### Position Classification Summary

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Nurse IV (Psych)	2	0	0	0	2
Nursing Director	1	0	0	0	1
Occ Therapist I	1	0	0	0	1
Occ Therapist II	1	0	0	0	1
Paralegal II	1	0	0	0	1
Pharmacist	2	0	0	0	2
Pharmacy Technician	1	0	0	0	1
Psych Nurse Asst I	2	0	0	0	2
Psych Nurse Asst II	6	0	0	0	6
Psych Nurse Asst III	55	0	0	0	55
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 III	1	0	0	0	1
Secretary	1	0	0	0	1
Social Services Specialist I	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
<b>Totals</b>	<b>245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>245</b>