

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Fairbanks Counseling and Adoption****Federal Tax ID: 92-0064069****Project Title:****Project Type: Other**

Fairbanks Counseling and Adoption - Critical Needs Transition Funding

State Funding Requested: \$200,000**House District: Fairbanks Areawide (7-11)**

One-Time Need

Brief Project Description:

Fairbanks Counseling and Adoption (FCA) is requesting critical needs transition funding for personnel and operating expenses to continue programs and services due to the shortfall created by the new Medicaid regulations that took effect on December 1, 2011.

Funding Plan:

Total Project Cost:	\$200,000
Funding Already Secured:	(\$0)
FY2013 State Funding Request:	<u>(\$200,000)</u>
Project Deficit:	\$0

Detailed Project Description and Justification:

The recent change in Medicaid regulations has so significantly and so quickly impacted our financial situation that our future stability is in jeopardy. FCA is requesting critical needs transition funding in the amount of \$200,000 to help us cover personnel and operating expenses while we adjust to these changes, get our two clinicians licensed, or have sufficient time to search for and hire another licensed clinician and build their caseload to full time.

FCA is a professional family service agency committed to strengthening families, promoting healthy parenting and advocating for children. FCA provides a full range of services to children, adolescents, families and individuals. Our clients are from diverse economic backgrounds with the majority of services being partially or fully subsidized. FCA provides services for Medicaid eligible clients, clients who self pay, and are covered by insurance plans, or services are provided free of charge. FCA contracts with the State of Alaska to provide grant services for Adoption and Guardianship Families for Children in State custody, Family Preservation Services, Family Support Services and Youth Suicide Prevention and Intervention Services. FCA also provides federally funded grant services for our Youth Street Outreach and Drop In Center Program. It is essential that FCA be able to maintain its commitment and ability to provide these services for the Fairbanks area community and the Interior Northern Region.

7 AAC 135.030(d)(2)(C) requires clinicians in Mental Health Physicians' Clinics, such as FCA, to be licensed by the State of Alaska which is a change from long-time previous practice. FCA became aware of the Medicaid regulation change on September 27, 2011. The new regulation does not affect the State's Community Behavioral Health Clinics -- they may continue to use unlicensed Master's level degree clinicians to provide therapeutic counseling services for Medicaid clients.

FCA had 2 unlicensed Masters Degree level clinicians providing full time therapeutic services to Medicaid clients. We immediately stopped these two clinicians from taking on any new Medicaid clients and began melding their Medicaid clients into our licensed clinicians' caseloads, referring out clients and closing cases so that we could meet the December 1, 2011 deadline for the new Medicaid regulations.

We also immediately appealed to the Division of Behavioral Health for a waiver or change in these new regulations; however, our request for such change or waiver was denied and the new regulations took effect on December 1, 2011. At that time both of our unlicensed Masters Degree level clinicians had to stop seeing their Medicaid clients, which was the majority of their case load.

We have calculated that during October 1st to December 31st 2011, we lost approximately \$45,000 in income; and we have calculated that we stand to lose an additional \$155,000 income from January 2012 to June of 2013 due to the loss of hours that could be filled with Medicaid eligible clients that we are not allowed to serve now due to these Medicaid regulation changes. This makes an overall loss of income at about \$200,000. The loss of this income impacts FCA's ability to remain open and serve the community.

One of our clinicians has applied for licensure, and is expected to be licensed hopefully by the end of March or April of 2012. Once he is licensed, we will need to rebuild his case load which takes several months -- but, by June of 2012, we expect this clinician's case load and income level to return to what it had been at the end of September, 2011. But we will suffer from the loss of income from this clinician from October 1, 2011 to sometime in June of 2012 -- or approximately \$64,000 for 9 months of income loss.

Our second clinician will not meet the requirements to be eligible for licensure for at least another 18 months -- or, until June of 2013; making the period of loss of income 21 months total, for an anticipated loss of approximately \$136,000.

There is a shortage of licensed clinicians in the Fairbanks region. It took FCA a year of advertising in the newspaper and online at various sites to find and hire our most recent licensed Masters level clinician. We anticipate that it will take at least this long again to replace our unlicensed Masters level clinician with a licensed clinician.

This immediate and prolonged loss of income impacts the stability of FCA and our ability to remain open and serve our community and the Interior Northern Region. FCA is a non-profit charitable agency that operates on a very bare bones budget with the majority of our clients being from a limited to lower income status; many have Medicaid coverage. Not only has FCA lost income, but our ability to serve the lower income community for their mental health services needs has been greatly diminished.

Project Timeline:

July 2012: Obtain licensure and develop a full caseload for one of two clinicians. October 2012: Continue working with 2nd unlicensed clinician toward licensure. January 2013: Continue the search for a licensed clinician and working with 2nd unlicensed clinician towards licensure. June 2013: Hire licensed clinician or apply for licensure for 2nd unlicensed clinician. After new hire or license is received, work towards building a full caseload for this clinician.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Fairbanks Counseling and Adoption

Grant Recipient Contact Information:

Name:	Camille Connelly-Terhune
Title:	Executive Director
Address:	912 Barnette Street Fairbanks, Alaska 99708
Phone Number:	(907)479-4729
Email:	cterhune@fcaalaska.org

Has this project been through a public review process at the local level and is it a community priority? Yes No



Fairbanks Counseling and Adoption

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P.O. Box 71544
Fairbanks, Alaska 99707
(907) 456-4729 - Telephone
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E-mail: fca@fcaalaska.org
Website: <http://www.fcaalaska.org>

MEMORANDUM

February 14, 2012

To: Interior Delegation Legislators

RE: Background for Support for Critical Needs Transition Funding

From: Camille Connelly-Terhune, Executive Director, Fairbanks Counseling and Adoption

FCA is applying for critical needs transition funding from the Alaska Legislature to cover personnel and other operating costs due to loss of income we have experienced, and will continue to experience, from the impact of recent State Medicaid regulation changes mandating that therapeutic services for Medicaid-eligible clients be provided only by licensed clinicians in private mental health clinics such as FCA. We became aware of these Medicaid regulation changes on September 27, 2011; the regulations came into full effect for our agency on December 1, 2011. *NOTE:* These regulations do not apply to the State's Community Behavioral Health Clinics that may continue to use unlicensed Master's degree level clinicians to provide therapeutic services to Medicaid-eligible clients.

Attached is a full Description of Need and well as a Description of Services FCA's programs provide in the community.

Due to recent Medicaid changes that no longer allow FCA to use Master's degree level clinicians to provide mental health therapeutic counseling to Medicaid-eligible clients, the billable caseload for FCA has dropped significantly. Income loss from October 1, to December 31, 2011 is estimated at over \$45,000; and our best predictions for the continued loss – until we can get our two Master's degree level clinicians licensed – is that we stand to lose an additional \$155,000 or more by June of 2013.

One of our two unlicensed clinicians is expected to be licensed by March or April of 2012, and will be able to build his caseload back up to its original numbers by June of 2012. However, our second clinician will not be eligible to apply to the state for licensure until June of 2013.

Though we will attempt to hire a licensed clinician, there exists a grave shortage of licensed clinicians in this region. FCA advertised through numerous media for over a year before hiring a licensed clinician in the fall of 2011. So, in order to keep our doors open and continue to serve those in need in this community and region, we are applying to the Legislature for funds to fill the gap for the lost income we will continue to experience until we can get our two Master's degree level clinicians licensed.

Our Board, staff and I sincerely Thank You for support for our application for these critical funds to continue the mission and services we provide to a large majority of limited to lower income Medicaid-eligible families, individuals, adolescents and children in need of mental health services and advocacy for a variety of reasons such as drug, alcohol or sexual abuse, domestic violence, homelessness and suicidal tendencies.



A United Way Member Agency

**Fairbanks Counseling and Adoption
Critical Needs Transition Funding – Background Information**

Brief Project Description:

FCA needs critical transition operating funds due to the impact that the new Medicaid regulation changes have made in FCA's ability to provide mental health services to Medicaid-eligible clients.

Description of Need:

7 AAC 135.030(d)(2)(C) requires clinicians in Mental Health Physicians' Clinics, or private clinics such as FCA, to be licensed by the State of Alaska which is a change from long-time previous practice. FCA became aware of the Medicaid regulation change on September 27, 2011. This new regulation does not affect the State's Community Behavioral Health clinics – they may continue to use unlicensed Master's degree level clinicians for their therapeutic counseling for Medicaid clients.

FCA immediately appealed to the Division of Behavioral Health for a waiver or change in these new regulations; however, our request for such change or waiver was denied and the new regulations took effect on December 1, 2011. At that time both of our unlicensed Master's degree level clinicians had to stop seeing their Medicaid clients, which was the majority of their case load.

FCA has two unlicensed Master's degree level clinicians providing full time therapeutic services to Medicaid clients. We immediately stopped these two clinicians from taking any new Medicaid clients and began melding their Medicaid clients into our licensed clinicians' caseloads, referring out clients and closing cases so that we could meet the December 1, 2011 deadline for the new Medicaid regulations to take effect.

We have calculated that during October 1st to December 31st 2011, we lost approximately \$45,000 in income; and we have calculated that we stand to lose an additional \$155,000 income from January 2012 to June of 2013 due to the loss of hours that could be filled with Medicaid-eligible clients that we are no longer allowed to serve under new Medicaid regulation changes. This will result, by June of 2013, in total lost income of about \$200,000. This loss impacts FCA's ability to remain open and serve the community.

One of our clinicians has applied for licensure, and is expected to be licensed, hopefully, by the end of March, 2012. Once licensed, we expect this clinician's case load and income level to return to what it had been at the end of September, 2011. But we will suffer from the loss of income from this clinician from October 1, 2011 to sometime in June of 2012 – or approximately \$64,000. Our second clinician will not meet the requirements to be eligible for licensure for at least another 18 months – or, until June of 2013 – or 21 months total, for an anticipated income loss of approximately \$136,000.

This immediate and prolonged loss of income impacts the stability of FCA and our ability to remain open and serve our community and the Interior Northern Region. FCA is a non-profit charitable agency that operates on a very bare bones budget with the majority of our clients being from a limited to lower income status; many have Medicaid coverage. Not only has FCA lost income, but our ability to serve the lower income community for their mental health services and needs has been greatly diminished.

Description of FCA Services to the Community:

FCA is a non-profit 501 (c) (3) corporation – EIN 92-0064069. We are a professional family service agency committed to strengthening families, promoting healthy parenting and advocating for children. Our clinicians help individuals and families heal from trauma and improve their lives and well-being. FCA provides a full range of services to children, adolescents, families and individuals. Our clients are from diverse economic backgrounds with the majority of services being partially or fully subsidized. FCA provides services for Medicaid eligible clients, as well.

FCA provides therapeutic services for children, individuals and families experiencing difficulties in areas related to family dysfunction, child physical and sexual abuse, child neglect, domestic violence, substance abuse and disruptive behaviors. We currently have a state grant to provide suicide prevention and intervention services for youth and young adults.

FCA's Adoption counselors provide a wide range of adoption services and support for local, national and international adoption, as well as long term support for adoptive families. FCA has a grant with the State Office of Children's Services (OCS) to provide home studies for people who want to adopt or become a guardian for a foster child in state custody. Pregnancy counselors provide counseling and support for pregnant and parenting teens and young women and their family members or partners.

FCA continues to contract with the State OCS for child and adolescent victims of abuse, neglect and violence. We provide early intervention to intensive intervention in home-based services under our Family Support and Family Preservation Programs.

FCA has a federal grant to provide outreach to youth who are out of their home and need prevention services for physical and sexual violence, crisis intervention, counseling, family mediation, and case management as well as food and basic survival needs.

For 35 years FCA has provided consistent, valuable, professional services for children, adolescents and families in need in the Fairbanks North Star Borough and throughout the Interior Northern Region. This change in Medicaid regulations has so significantly and so quickly impacted our financial situation that our future stability is in jeopardy. FCA is requesting critical needs transitional funding in the amount of \$200,000 to help us adjust to these changes, get our two clinicians licensed, or have sufficient time to search for and hire another licensed clinician and build their caseload to full time.



CITY OF FAIRBANKS

Jerry Cleworth, Mayor

800 CUSHMAN STREET
FAIRBANKS, ALASKA 99701-4615

OFFICE: 907-459-6793

FAX: 907-459-6787

jcleworth@ci.fairbanks.ak.us

February 16, 2012

The Honorable Governor Sean Parnell
State of Alaska
PO Box 11001
Juneau, Alaska 99811-0001

Dear Governor Parnell:

I want to express my support for Fairbanks Counseling and Adoption's request for \$200,000 in critical transition funds.

FCA has been seriously affected by revised Medicaid regulations that took effect without appreciable time for FCA to come into compliance. The new regulations prohibit FCA from utilizing two Master's degree level clinicians to provide therapeutic mental health services to Medicaid-eligible clients. Because FCA serves a majority of lower income clients who depend on Medicaid, FCA has had to make drastic reductions in the number of Medicaid clients they are able to serve. This has in turn caused a loss of billable income which will reach over \$200,000 by June of 2013.

FCA is making strides to become compliant with the new regulations requiring state licensure of the two staff affected by the changes. However, this cannot be done in time to avert a huge financial loss, as well as the negative impact to many of FCA's Medicaid-eligible clients. Loss of income jeopardizes the ability of the agency to remain open and able to continue serving the community – and the community is in dire need of the services FCA has been providing for 35 years.

Please consider granting FCA the funds for which they are applying – the Fairbanks community and Northern Region benefits from the mental health services FCA provides for children, youth, individuals, and families, as well as their family services, adoption, pregnancy and outreach to homeless youth programs.

Sincerely,

Jerry Cleworth, Mayor
City of Fairbanks

cc: Interior Delegation – Alaska State Legislature



Fairbanks North Star Borough

Office of the Mayor

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

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Email: mayor@co.fairbanks.ak.us

February 15, 2012

Camille Connelly-Terhune, Executive Director
Fairbanks Counseling & Adoption
P. O. Box 71544
Fairbanks, AK 99707

Dear Ms. Connelly-Terhune:

I want to express my strong support for Fairbanks Counseling and Adoption's application to the Alaska Legislature for \$200,000 in critical transition funds.

FCA is dramatically affected by revised Medicaid regulations that took effect without enough lead time for FCA to come into compliance. The new regulations prohibit FCA from utilizing their two Master's degree level clinicians to provide therapeutic mental health services to Medicaid-eligible clients. Because FCA serves a majority of lower income clients who depend on Medicaid, FCA has had to severely cut down on the number of Medicaid clients they are able to serve, and this has caused a loss of billable income which will reach over \$200,000 by June of 2013. This loss of income jeopardizes the ability of the agency to remain open and able to continue serving the community – and the community is in dire need of the services FCA has been providing for 35 years.

The long-standing Medicaid regulations allowed mental health providers, both State clinics and private clinics, like FCA, to use unlicensed Master's degree level clinicians. Then, effective on December 1, 2011, the regulations mandated that private clinics use only state licensed clinicians for Medicaid-eligible clients, even though the State's community clinics may continue to use unlicensed Master's degree level clinicians.

FCA became aware of this change on September 27, 2011, and has responded to the Medicaid regulation changes by focusing on licensing the two staff that are affected by the changes. However, this cannot be done in time to avert a huge financial loss, as well as the negative impact to many of FCA's Medicaid-eligible clients.

These critical needs could best be met with this funding request -- and the Fairbanks community and Northern Region would benefit from the mental health services FCA could continue providing for children, youth, individuals, and families, as well as their family services, adoption, pregnancy and outreach to homeless youth programs.

Sincerely,

Luke Hopkins, Mayor

February 21, 2012

Hon. Sean Parnell
Governor
State of Alaska
PO Box 11001
Juneau, Alaska 99811-0001

Dear Governor Parnell,

I want to express my strong support for Fairbanks Counseling and Adoption's application to the Alaska Legislature for \$200,000 in critical transition funds.

FCA is dramatically affected by revised Medicaid regulations that took effect without enough lead time for FCA to come into compliance. The new regulations prohibit FCA from utilizing their two Master's degree level clinicians to provide therapeutic mental health services to Medicaid-eligible clients. Because FCA serves a majority of lower income clients who depend on Medicaid, FCA has had to severely cut down on the number of Medicaid clients they are able to serve, and this has caused a loss of billable income which will reach over \$200,000 by June of 2013. This loss of income jeopardizes the ability of the agency to remain open and able to continue serving the community – and the community is in dire need of the services FCA has been providing for 35 years.

The long-standing Medicaid regulations allowed mental health providers, both State clinics and private clinics, like FCA, to use unlicensed Master's degree level clinicians. Then, effective on December 1, 2011, the regulations mandated that private clinics use only state licensed clinicians for Medicaid-eligible clients, even though the State's community clinics may continue to use unlicensed Master's degree level clinicians.

FCA became aware of this change on September 27, 2011, and has responded to the Medicaid regulation changes by focusing on licensing the two staff that are affected by the changes. However, this cannot be done in time to avert a huge financial loss, as well as the negative impact to many of FCA's Medicaid-eligible clients.

Please grant FCA the critical needs funds for which they are applying – the Fairbanks community and Northern Region benefits from the mental health services FCA provides for children, youth, individuals, and families, as well as their family services, adoption, pregnancy and outreach to homeless youth programs.

Sincerely,

A handwritten signature in cursive script that reads "Dr. Susan Renes".

Dr. Susan Renes, Assistant Professor- Counseling
University of Alaska Fairbanks

cc: Interior Delegation Legislators