

**Agency: Commerce, Community and Economic Development****Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Fairbanks Counseling and Adoption****Federal Tax ID: 920064069****Project Title:****Project Type: Other**

# Fairbanks Counseling and Adoption - Critical Needs Transition Funding

**State Funding Requested: \$100,000****House District: Fairbanks Areawide (1-5)**

One-Time Need

**Brief Project Description:**

Fairbanks Counseling and Adoption (FCA) is making a request for critical needs transition funding for personnel and operating expenses to provide programs and services due to the shortfall created by the new Medicaid regulations.

**Funding Plan:**

Total Project Cost:	\$100,000
Funding Already Secured:	(\$0)
FY2014 State Funding Request:	<u>(\$100,000)</u>
Project Deficit:	\$0

**Detailed Project Description and Justification:**

FCA is a professional family service agency committed to strengthening families, promoting healthy parenting, advocating for children and helping individuals to heal. FCA provides a full range of services to children, adolescents, families and individuals. FCA's clients are from diverse economic backgrounds with the majority of services being partially or fully subsidized. FCA contracts with the State of Alaska to provide grant services for Adoption and Guardianship Families for Children in State custody, Family Preservation Services and Family Support Services. FCA also provides federally funded grant services for our Youth Street Outreach and Drop-In Center Program for runaway, homeless and at-risk youth. 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 Region.

Fairbanks Counseling and Adoption (FCA) is making an additional request for critical needs transition funding to continue the goals of the 2012 funding request for personnel and operating expenses to provide programs and services essential to the State of Alaska due to the shortfall created by the new Medicaid regulations that took effect on December 1, 2011.

The recent changes in Medicaid regulations, prompted by federal requirements, so significantly and quickly impacted FCA's financial situation that the future stability of FCA continues to be in jeopardy. A request made to the State of Alaska for an extension until December 2013 was only granted through December 2012. This was not enough time to license clinicians who were providing Medicaid services, or to hire licensed clinicians. FCA had to stop unlicensed clinicians from serving Medicaid clients and FCA had to refer those clients to the State's Community Behavioral Health Center where many clients are on a waiting list for counseling services. At the time, FCA licensed clinicians had full case loads and could not absorb these clients.

Fairbanks and the Interior Region is an under-served area for mental health needs -- especially for Medicaid and Denali Kid Care eligible recipients. As stated below, Fairbanks Counseling and Adoption provides essential services for children and families for the State of Alaska. The services that Fairbanks Counseling and Adoption provide are vital in the community as well as the larger rural community. There is a shortage of licensed clinicians in the area, and hiring takes a significant amount of time and resources.

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

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

FCA also immediately appealed to the Division of Behavioral Health for a waiver or change in these new regulations; however, the request for such change or waiver was denied and the new regulations took effect on December 1, 2011. After FCA submitted a funding request to the Alaska State Legislature in February of 2012, the Interior Delegation contacted the Division of Behavioral Health on behalf of FCA and FCA received an extension for meeting the new Medicaid regulations to December 2012 instead of December 2013 as requested.

FCA has calculated the need at approximately \$100,000 to achieve stability both financially and provide client program services. With this funding FCA's goals are to continue to search for and hire licensed clinicians and rebuild clinicians' case loads so that they can continue to provide client services in the community in the Interior Region.

Because of the shortage of licensed clinicians in the Fairbanks region, it took FCA a year of advertising in the newspaper and online in various states to find and hire the most recent licensed Masters level clinician in FY 2011.

The sudden and prolonged loss of income impacted FCA's stability and ability to remain open and serve our community and the Interior Region. Fairbanks Counseling and Adoption's Board and management feel that FCA can survive this great financial challenge, but need additional help.

FCA is striving to stabilize the organization and regain the ability to serve the needs of this population. FCA respectfully request additional critical needs funding in the amount of \$100,000.

### **Project Timeline:**

Project Timeline:

2013:

Advertising for licensed clinicians. Develop clinician caseloads. Pursue licensing for unlicensed clinicians. Continue programs and services that FCA provides. Continue advertising for licensed clinicians. FCA provides.

2014:

Hire licensed clinicians. Work towards building a full caseload for new hire clinicians. Continue to provide FCA's programs and services. Continue to move towards agency stability.

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

Fairbanks Counseling and Adoption

**Grant Recipient Contact Information:**

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

*For use by Co-chair Staff Only:*

2:01 PM 5/9/2013



2 April 2013

Senator John Coghill, Jr.  
State Capitol, Room 119  
Juneau, AK 99801-1182

**Re: Transitional Funds for Fairbanks Counseling and Adoption**

Dear Senator Coghill,

It was good to meet with you when I and the other Catholic bishops of Alaska were in Juneau. I look forward to chatting with you when the press of the session issues is not bearing down so insistently on you and your fellow lawmakers.

**However, my reason for writing today actually reflects an urgent need.** As you know the Catholic Church is deeply concerned about offering aid to those who are marginalized and facing economic, social and emotional difficulties. One of the agencies we are intimately involved with and support is **Fairbanks Counseling and Adoption. It critically needs state support to keep core programs and ministries alive as it responds to new federal and state regulations.**

Last year new Medicaid Regulations were enforced that quickly and significantly forced FCA to turn away clients. This in turn triggered a serious and sudden loss of income and services to those in our community most in need. The regulation changes required private mental health agencies to have only licensed mental health clinicians provide services to Medicaid/Denali Kid Care eligible clients. Distressingly, State community mental health clinics and grantees are exempt from this rule, and can continue to use non-licensed mental health clinicians.

FCA submitted an emergency request to the legislature last year, which was put in the budget and Governor Parnell approved it. The request was to help it continue to provide services while it worked to license unlicensed clinicians who were providing these services. FCA's deadline was December 31, 2012. In the meantime, it sought to hire additional licensed clinicians.

**Now, FCA is seeking an additional \$100,000 to fund the transition, which is still in progress. There is a shortage of licensed clinicians and the agency needs stable funding to continue to recruit. Governor Parnell's staff is urging FCA to petition you and other key legislators to enter its request for Critical Needs Transition Funding into the capital budget with Fairbanks Counseling and Adoption as a named recipient grant.**

So I am joining my voice to Fairbanks Counseling and Adoption urging your support for this vital agency. FCA is certain it can fully transition into the new regulatory environment, it just needs more time. Its service is critical to children and families in Fairbanks and throughout the Interior region and to the State of Alaska.

Sincerely,

+ Donald J. Kettler

+Donald J. Kettler

**CATHOLIC BISHOP OF NORTHERN ALASKA  
DIOCESE OF FAIRBANKS**

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