

State of Alaska FY2014 Governor's Operating Budget

Department of Health and Social Services Senior and Disabilities Medicaid Services Component Budget Summary

Component: Senior and Disabilities Medicaid Services

Contribution to Department's Mission

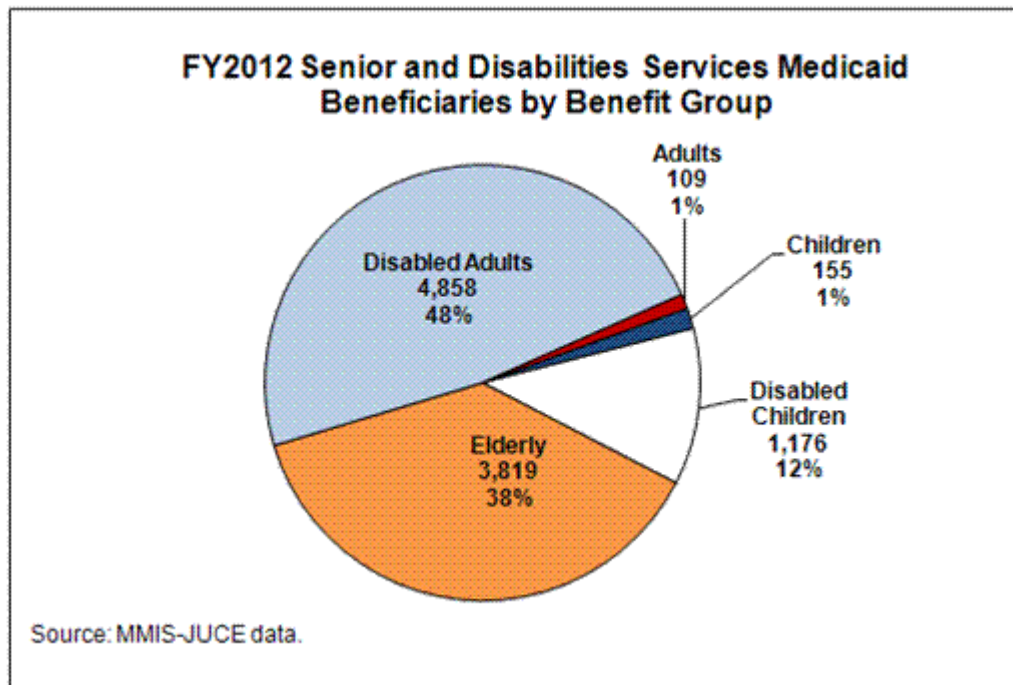
Senior and Disabilities Services promotes health, well being, and safety for individuals with disabilities, seniors, and vulnerable adults by facilitating access to quality services and supports that foster independence, personal choice, and dignity.

Core Services

- Administration of four Medicaid Home and Community Based Waivers
- Administration of Medicaid State Plan Personal Care Attendant Services
- Administration of community-based grant programs for individuals with developmental disabilities, seniors, and their caretakers
- Authorization of nursing home placements and facilitation of transitions out of nursing homes to community placements
- Certification, monitoring, and oversight of Home and Community Based services and providers through a continuous quality improvement process
- Protection of vulnerable adults from abuse, neglect, and exploitation through investigation and the provision of protective services

Major Component Accomplishments in 2012

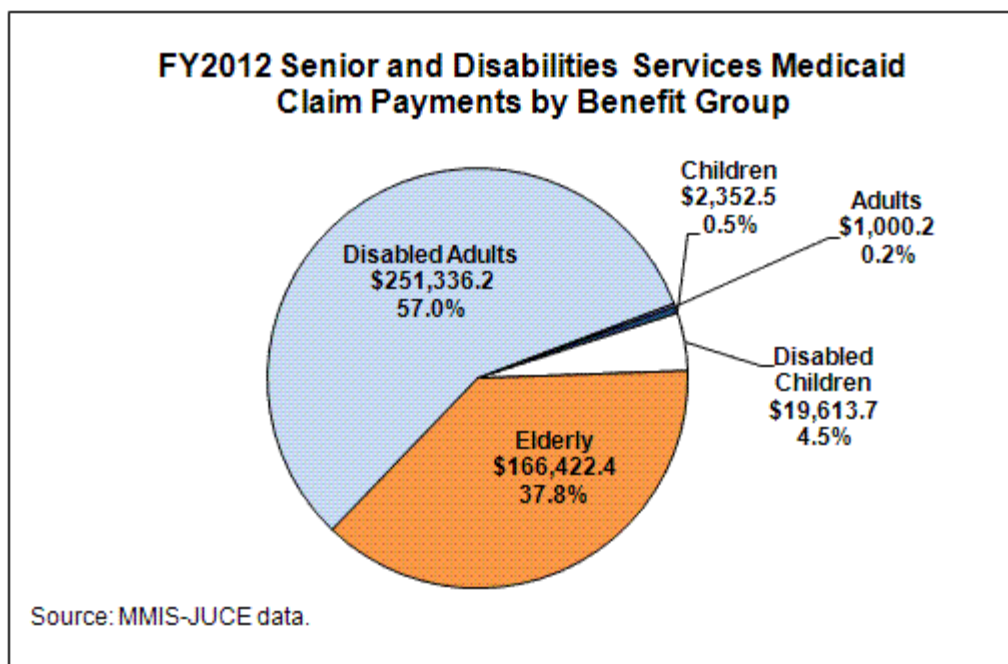
In FY2012 Senior and Disabilities Services Medicaid provided services to approximately 9,828 beneficiaries at an average annual cost per person of over \$44,800. Approximately 48% of beneficiaries were disabled adults, 38% were elderly, and 12% were disabled children.



The division served almost 1,620 recipients through the Adult Disabled Wavier program at a cost of \$20,500 per recipient. Approximately 280 participants were served though Children with Medically Complex Conditions Waiver program at a cost of \$42,900 per participant. Through the Individuals with Intellectual and Developmental Disabilities Waiver program, 1,590 recipients were served at a cost of \$79,000 per recipient. The Division of Senior and

Disabilities Services served 3,080 seniors through the Older Alaskan Waiver program at a cost of \$18,900 per senior. Through the Personal Care Assistance program, 5,200 individuals received services at a cost of \$22,700 per recipient. The Division of Senior and Disabilities Services supported about 880 recipients in nursing homes at a cost of \$107,000 per person.

The Senior and Disabilities Services Medicaid program funded benefits for 9,828 Medicaid beneficiaries during FY2012, with total expenditures of \$440,724,942. This equates to an average annual claim cost of approximately \$44,800 per recipient during FY2012. Benefits provided to children comprised 4.9% of claim payments while benefits provided to adults comprised 56.0%. Services provided to the elderly were 38.9% of the Senior and Disabilities Services Medicaid claim payments.



Key Component Challenges

The Division of Senior and Disabilities Services must annually conduct face-to-face assessments, level of care determinations, and plan of care reviews in order to meet requirements outlined in the waiver plans approved by the Centers for Medicare and Medicaid Services for Alaska's four Medicaid Home and Community Based Waiver programs. Medicaid State Plan Personal Care Assistance services also require annual assessments and ongoing service plan development and review.

With the projections of an increasing senior population in Alaska, the challenge to the division is to manage the waivers and personal care assistance services in a way that controls the growth of spending and contains costs as much as possible, while ensuring that quality services get to the individuals that really need them. Growth within the Personal Care Assistance program will also need to be addressed.

New waiver services rate setting regulations were implemented in 2011 by the Office of Rate Review within the Division of Health Care Services. New waiver services payment rate schedules continue to increase costs in the Division of Senior and Disabilities Services Medicaid Services component.

The Division identifies four major challenges that it needs to focus on in order to provide a balance and cost-effective system of care to meet the needs of its service population in the future. Those are:

- Ensuring that waiver participants receive home and community based services as close to home as possible and at the lowest level of care appropriate to meet their needs.
- Ensuring that vulnerable adults are safe and protected from abuse, neglect, and exploitation.

- Ensuring that service participants receive quality services in a timely manner.
- Maximizing operational efficiency and ensuring effective administration and management of the Division of Senior and Disabilities Services.

Significant Changes in Results to be Delivered in FY2014

A major emphasis will be placed on continuous quality improvement and developing the division's information system (DS3). A contract will be established for the development of a provider portal and an Automated Service Plan function within the existing division management information system. This will improve the timeliness of service delivery and streamline the other processes. The federally required Preadmission Screening and Resident Review process, which screens all applicants for nursing facility admission for potential mental illness or developmental disabilities, will be restructured and improved.

Improving the division's capability to conduct on-site reviews of provider organizations that will assess the quality of services and regulatory compliance as well as the health and safety of waiver recipients will be paramount. Significant emphasis will be placed into addressing the factors that affect the repeat maltreatment of vulnerable adults. On site quality and compliance reviews with certified waiver and Personal Care Assistance providers will be increased and the results used to improve the quality of care for all recipients. Targeted case management will be implemented per Alaska statute for Medicaid eligible individuals that experience traumatic and acquired brain injury.

Statutory and Regulatory Authority

AS 47.07 Medical Assistance for Needy Persons

AS 47.25 Public Assistance

Social Security Act:

Title XVIII Medicare

Title XIX Medicaid

Administrative Code:

7 AAC 43 Medicaid

7 AAC 100 Medicaid Assistance Eligibility

Code of Federal Regulations:

Title 42 CFR Part 400 to End

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**Senior and Disabilities Medicaid Services
Component Financial Summary**

All dollars shown in thousands

	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	2,033.8	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	439,723.0	508,318.9	520,838.8
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	439,723.0	510,352.7	520,838.8
Funding Sources:			
1002 Federal Receipts	227,707.7	259,130.0	265,815.0
1003 General Fund Match	207,561.5	183,739.3	190,224.2
1004 General Fund Receipts	4,351.2	63,731.2	63,731.2
1007 Interagency Receipts	0.0	2,552.2	518.4
1108 Statutory Designated Program Receipts	102.6	1,200.0	550.0
Funding Totals	439,723.0	510,352.7	520,838.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	227,707.7	259,130.0	265,815.0
Interagency Receipts	51015	0.0	2,552.2	518.4
Statutory Designated Program Receipts	51063	102.6	1,200.0	550.0
Restricted Total		227,810.3	262,882.2	266,883.4
Total Estimated Revenues		227,810.3	262,882.2	266,883.4

**Summary of Component Budget Changes
From FY2013 Management Plan to FY2014 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2013 Management Plan	247,470.5	0.0	3,752.2	259,130.0	510,352.7
Adjustments which will continue current level of service:					
-Transfer Statutory Designated Program Receipt Authority to Health Care Medicaid Services	0.0	0.0	-650.0	0.0	-650.0
Proposed budget decreases:					
-Reduce Interagency Receipt Authority	0.0	0.0	-2,033.8	0.0	-2,033.8
Proposed budget increases:					
-Waiver and Personal Care Assistance Program Growth	6,484.9	0.0	0.0	6,685.0	13,169.9
FY2014 Governor	253,955.4	0.0	1,068.4	265,815.0	520,838.8

Component Detail All Funds
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (AR23550) (2662)
RDU: Medicaid Services (595)

	FY2012 Actuals	FY2013 Conference Committee	FY2013 Authorized	FY2013 Management Plan	FY2014 Governor	FY2013 Management Plan vs FY2014 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	2,033.8	2,033.8	2,033.8	0.0	-2,033.8	-100.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	439,723.0	508,318.9	508,318.9	508,318.9	520,838.8	12,519.9	2.5%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	439,723.0	510,352.7	510,352.7	510,352.7	520,838.8	10,486.1	2.1%
Fund Sources:							
1002 Fed Rcpts (Other)	227,707.7	259,130.0	259,130.0	259,130.0	265,815.0	6,685.0	2.6%
1003 G/F Match (UGF)	207,561.5	183,739.3	183,739.3	183,739.3	190,224.2	6,484.9	3.5%
1004 Gen Fund (UGF)	4,351.2	63,731.2	63,731.2	63,731.2	63,731.2	0.0	0.0%
1007 I/A Rcpts (Other)	0.0	2,552.2	2,552.2	2,552.2	518.4	-2,033.8	-79.7%
1108 Stat Desig (Other)	102.6	1,200.0	1,200.0	1,200.0	550.0	-650.0	-54.2%
Unrestricted General (UGF)	211,912.7	247,470.5	247,470.5	247,470.5	253,955.4	6,484.9	2.6%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	102.6	3,752.2	3,752.2	3,752.2	1,068.4	-2,683.8	-71.5%
Federal Funds	227,707.7	259,130.0	259,130.0	259,130.0	265,815.0	6,685.0	2.6%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)

RDU: Medicaid Services (595)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2013 Conference Committee To FY2013 Authorized *****												
FY2013 Conference Committee												
	ConfCom	510,352.7	0.0	0.0	2,033.8	0.0	0.0	508,318.9	0.0	0	0	0
1002 Fed Rcpts		259,130.0										
1003 G/F Match		183,739.3										
1004 Gen Fund		63,731.2										
1007 I/A Rcpts		2,552.2										
1108 Stat Desig		1,200.0										
Subtotal		510,352.7	0.0	0.0	2,033.8	0.0	0.0	508,318.9	0.0	0	0	0
***** Changes From FY2013 Authorized To FY2013 Management Plan *****												
Subtotal		510,352.7	0.0	0.0	2,033.8	0.0	0.0	508,318.9	0.0	0	0	0
***** Changes From FY2013 Management Plan To FY2014 Governor *****												
Waiver and Personal Care Assistance Program Growth												
	Inc	13,169.9	0.0	0.0	0.0	0.0	0.0	13,169.9	0.0	0	0	0
1002 Fed Rcpts		6,685.0										
1003 G/F Match		6,484.9										
Transfer Statutory Designated Program Receipt Authority to Health Care Medicaid Services												
	Trout	-650.0	0.0	0.0	0.0	0.0	0.0	-650.0	0.0	0	0	0
1108 Stat Desig		-650.0										

The Senior and Disabilities Medicaid Services component supports nursing home and personal care services, as well as a variety of home- and community-based waiver programs for children with complex medical conditions, individuals with mental retardation or developmental disabilities, adults with disabilities, and older Alaskans.

This request will support projected growth in utilization of both the Mental Retardation and Developmental Disabilities waived community-based services and the Personal Care Assistance Program. The estimate of cost increases is based on analysis of five methods of cost projections, looking back across programmatic cost changes by service type within the component for FY2004-2012.

Based on a comparison of FY2012's final authority to actual by line item, fund source, and component, the Medicaid program is requesting a transfer of statutory designated program receipt (SDPR) authority in grants from the Senior and Disabilities Medicaid Service component to the Health Care Medicaid Services component.

These funds are collected from overpayment recoveries. During FY2012, SDPR collections for Health Care Medicaid services exceeded the initial authorization of \$906.3. Additional authorization was transferred to Health Care Medicaid Services from Senior and Disabilities Medicaid through the revised program (RP) process. Senior and Disabilities Medicaid only collected \$102.6 of its initial SDPR authorization of \$1,200.0.

Change Record Detail - Multiple Scenarios With Descriptions
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)

RDU: Medicaid Services (595)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
This transfer will give Health Care Medicaid Services the additional authorization it needs to collect additional statutory designated program receipts.												
Reduce Interagency Receipt Authority												
	Dec	-2,033.8	0.0	0.0	-2,033.8	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		-2,033.8										
Based on a comparison of FY2012's final authority to actual by line item, fund source, and component, the Medicaid program is requesting a reduction in interagency receipt (I/A) authority in services for the Senior and Disabilities Medicaid Services component.												
	Totals	520,838.8	0.0	0.0	0.0	0.0	0.0	520,838.8	0.0	0	0	0

Line Item Detail
Department of Health and Social Services
Services

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Medicaid Services (595)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000	Services		0.0	2,033.8	0.0
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000 Services Detail Totals			0.0	2,033.8	0.0
73001	Non-Interagency Svcs	Residential Assisted Living Medicaid Waiver, Pioneer Home	0.0	2,033.8	0.0

Line Item Detail
Department of Health and Social Services
Grants, Benefits

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Medicaid Services (595)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
77000	Grants, Benefits		439,723.0	508,318.9	520,838.8
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
77000 Grants, Benefits Detail Totals			439,723.0	508,318.9	520,838.8
77670	Benefits	Medicaid services including: Personal Care, Nursing and Waiver Services	439,723.0	503,087.9	515,607.8
77670	Benefits	H&SS Medicaid benefit payments (total computable) are paid to the Pioneer Home (AKPH) component as the mechanism, to allow them to bill for long-term care waiver services provided to Medicaid eligible Pioneer Home residents.	0.0	5,231.0	5,231.0

Restricted Revenue Detail
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Medicaid Services (595)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51010	Federal Receipts				227,707.7	259,130.0	265,815.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51010	Federal Receipts		06150001	11000	0.0	259,130.0	265,815.0
	Medicaid Federal Collections- The bulk of the federal funding for the Medicaid benefits comes from claims reimbursed at the federal medical assistance percentage of FMAP. Additional Medicaid funds sources are IHS (Indian Health Services) at 100% FMAP for specific programs. Actual collections are based on the proportion of the expenditures eligible for each type of federal reimbursement.						
57301	Title XIX Map				227,707.7	0.0	0.0

Restricted Revenue Detail
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Medicaid Services (595)

Master Account	Revenue Description	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51015	Interagency Receipts	0.0	2,552.2	518.4

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
59060	Health & Social Svcs	Alaska Pioneer Homes Management	06214651	11100	0.0	2,552.2	518.4

Alaska Pioneer Home Assisted living State match RSA. Pioneer Homes return the state match portion of the Medicaid payment and retain only the federal share.

Restricted Revenue Detail
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Medicaid Services (595)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51063	Statutory Designated Program Receipts				102.6	1,200.0	550.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51063	Stat Desig Prog Rec Recovery of Overpayments by Medicaid providers discovered through audit.		06150001	11000	0.0	1,200.0	550.0
54252	Recovd Medicaid Pymt				102.6	0.0	0.0

Inter-Agency Services
Department of Health and Social Services

Component: Senior and Disabilities Medicaid Services (2662)
RDU: Medicaid Services (595)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2012 Actuals	FY2013	
					Management Plan	FY2014 Governor
73001	Non-Interagency Svcs	Residential Assisted Living Medicaid Waiver, Pioneer Home	Intra-dept	0.0	2,033.8	0.0
73001 Non-Interagency Svcs subtotal:				0.0	2,033.8	0.0
77670	Benefits	Medicaid benefit payments (total computable) are paid to the Pioneer Home (AKPH) component as the mechanism, to allow them to bill for long-term care waiver services provided to Medicaid eligible Pioneer Home residents.	Intra-dept H&SS	0.0	5,231.0	5,231.0
77670 Benefits subtotal:				0.0	5,231.0	5,231.0
Senior and Disabilities Medicaid Services total:				0.0	7,264.8	5,231.0
Grand Total:				0.0	7,264.8	5,231.0