

# **State of Alaska FY2014 Governor's Operating Budget**

## **Department of Health and Social Services Quality Assurance and Audit Component Budget Summary**

**Component: Quality Assurance and Audit**

**Contribution to Department's Mission**

Program Integrity/Quality Assurance efforts focus on meeting and exceeding department and federal standards and requirements related to protecting program assets and ensuring quality services.

**Core Services**

- Audits of Medical Assistance provider claims
- Organize and chair functional Audit Committee
- Management and oversight of the contract audits mandated under Alaska Statute 47.05.200
- Compliance Officer contact and responsibility with the Center for Medicare and Medicaid Services (CMS)
- Departmental contact for the Department of Law, Medicaid Fraud Control Unit (MFCU)
- Payment Error Rate Measurement (PERM)
- Management and oversight of the Recovery Audit Contract mandated by the Affordable Care Act

**Major Component Accomplishments in 2012**

- Collected approximately \$2.0 million in provider overpayments.
- Developed effective J – code audit and recovery program in conjunction with pharmacy program manager.
- Contracted with new Recovery Audit contractor using a multi-state procurement methodology.
- Assisted with the development of new provider compliance 101 training.
- Assisted with the establishment of a Department Sanction Committee.

**Key Component Challenges**

- Compliance with increased federal mandates, including the establishment of a Medicaid Recovery Audit Contract, and providing auditing and review services for the electronic health records incentive payment program.
- Continue to improve coordination and reporting of department-wide efforts related to program integrity, quality assurance and surveillance, and utilization review functions.
- Current appeal case load is high and additional appeals are anticipated from the new federal audit requirements.

**Significant Changes in Results to be Delivered in FY2014**

The Recovery Audit contract will be fully implemented and DHSS will see additional recoveries in FY2014.

**Significant Changes in Results to be Delivered in FY13**

No changes to be delivered.

**Statutory and Regulatory Authority**

AS 47.07 Welfare, Social Services and Institutions, Medical Assistance for Needy People  
7 AAC 160.100 - 140, Article 1 Program Integrity and Quality Assurance.

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**Quality Assurance and Audit  
Component Financial Summary**

*All dollars shown in thousands*

	<b>FY2012 Actuals</b>	<b>FY2013 Management Plan</b>	<b>FY2014 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	737.6	823.4	845.2
72000 Travel	4.3	6.2	6.2
73000 Services	85.9	237.7	215.9
74000 Commodities	17.4	10.0	10.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>845.2</b>	<b>1,077.3</b>	<b>1,077.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	405.3	610.9	610.9
1003 General Fund Match	432.0	466.4	466.4
1061 Capital Improvement Project Receipts	7.9	0.0	0.0
<b>Funding Totals</b>	<b>845.2</b>	<b>1,077.3</b>	<b>1,077.3</b>

**Estimated Revenue Collections**

<b>Description</b>	<b>Master Revenue Account</b>	<b>FY2012 Actuals</b>	<b>FY2013 Management Plan</b>	<b>FY2014 Governor</b>
<b>Unrestricted Revenues</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>Restricted Revenues</b>				
Federal Receipts	51010	405.3	610.9	610.9
Capital Improvement Project Receipts	51200	7.9	0.0	0.0
<b>Restricted Total</b>		<b>413.2</b>	<b>610.9</b>	<b>610.9</b>
<b>Total Estimated Revenues</b>		<b>413.2</b>	<b>610.9</b>	<b>610.9</b>

**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>
<b>FY2013 Management Plan</b>	466.4	0.0	0.0	610.9	1,077.3
<b>FY2014 Governor</b>	466.4	0.0	0.0	610.9	1,077.3

Quality Assurance and Audit Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2013 Management Plan	FY2014 Governor		
Full-time	7	7	Annual Salaries	548,159
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	318,344
			<i>Less 2.46% Vacancy Factor</i>	(21,303)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>7</b>	<b>7</b>	<b>Total Personal Services</b>	<b>845,200</b>

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Internal Auditor III	1	0	0	0	1
Internal Auditor IV	1	0	0	0	1
Internal Auditor V	1	0	0	0	1
Medical Assist Admin II	1	0	0	0	1
Medical Assist Admin III	1	0	0	0	1
Medical Assist Admin IV	1	0	0	0	1
Office Assistant I	1	0	0	0	1
<b>Totals</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>

**Component Detail All Funds**  
**Department of Health and Social Services**

**Component:** Quality Assurance and Audit (AR23895) (2880)  
**RDU:** Departmental Support Services (106)

	FY2012 Actuals	FY2013 Conference Committee	FY2013 Authorized	FY2013 Management Plan	FY2014 Governor	FY2013 Management Plan vs FY2014 Governor	
71000 Personal Services	737.6	823.4	823.4	823.4	845.2	21.8	2.6%
72000 Travel	4.3	6.2	6.2	6.2	6.2	0.0	0.0%
73000 Services	85.9	237.7	237.7	237.7	215.9	-21.8	-9.2%
74000 Commodities	17.4	10.0	10.0	10.0	10.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>845.2</b>	<b>1,077.3</b>	<b>1,077.3</b>	<b>1,077.3</b>	<b>1,077.3</b>	<b>0.0</b>	<b>0.0%</b>
<b>Fund Sources:</b>							
1002 Fed Rcpts (Other)	405.3	610.9	610.9	610.9	610.9	0.0	0.0%
1003 G/F Match (UGF)	432.0	466.4	466.4	466.4	466.4	0.0	0.0%
1061 CIP Rcpts (Other)	7.9	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Unrestricted General (UGF)</b>	<b>432.0</b>	<b>466.4</b>	<b>466.4</b>	<b>466.4</b>	<b>466.4</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>7.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>405.3</b>	<b>610.9</b>	<b>610.9</b>	<b>610.9</b>	<b>610.9</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	7	7	7	7	7	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:** Quality Assurance and Audit (2880)  
**RDU:** Departmental Support Services (106)

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 *****												
<b>FY2013 Conference Committee</b>												
ConfCom		1,077.3	823.4	6.2	237.7	10.0	0.0	0.0	0.0	7	0	0
1002 Fed Rcpts		610.9										
1003 G/F Match		466.4										
<b>Subtotal</b>		<b>1,077.3</b>	<b>823.4</b>	<b>6.2</b>	<b>237.7</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7</b>	<b>0</b>	<b>0</b>
***** Changes From FY2013 Authorized To FY2013 Management Plan *****												
<b>Subtotal</b>		<b>1,077.3</b>	<b>823.4</b>	<b>6.2</b>	<b>237.7</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7</b>	<b>0</b>	<b>0</b>
***** Changes From FY2013 Management Plan To FY2014 Governor *****												
<b>Align Authority to Comply with Vacancy Factor Guidelines</b>												
LIT		0.0	21.8	0.0	-21.8	0.0	0.0	0.0	0.0	0	0	0
<b>Totals</b>		<b>1,077.3</b>	<b>845.2</b>	<b>6.2</b>	<b>215.9</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7</b>	<b>0</b>	<b>0</b>

This transaction will fix the vacancy factor issue within the Quality Assurance and Audit component. Without the line item transfer, the vacancy factor will be 4.96% which exceeds the maximum vacancy factor of 3% for this component. With the line item transfer, the vacancy factor would be 2.46%. Quality Assurance and Audit generally has excess authority in the services line item as a placeholder for unplanned external consulting contracts.

**Personal Services Expenditure Detail**  
**Department of Health and Social Services**

**Scenario:** FY2014 Governor (10289)  
**Component:** Quality Assurance and Audit (2880)  
**RDU:** Departmental Support Services (106)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
06-0456	Internal Auditor IV	FT	A	SS	Anchorage	200	23E / F	12.0		93,409	0	0	50,927	144,336	72,168
06-1050	Office Assistant I	FT	A	GP	Anchorage	200	8B / C	12.0		30,168	0	0	27,857	58,025	29,013
06-4095	Medical Assist Admin IV	FT	A	SS	Anchorage	200	21E / F	12.0		80,308	0	0	46,043	126,351	63,176
06-4099	Medical Assist Admin II	FT	A	GP	Anchorage	200	18G	12.0		67,140	0	0	41,640	108,780	54,390
06-4104	Internal Auditor V	FT	A	SS	Anchorage	200	25M	12.0		126,156	0	0	62,371	188,527	107,460
06-7000	Internal Auditor III	FT	A	GP	Anchorage	200	21G	12.0		82,104	0	0	47,219	129,323	64,662
06-7010	Medical Assist Admin III	FT	A	GP	Anchorage	200	20C / D	12.0		68,874	0	0	42,287	111,161	55,581

	Total Positions	New	Deleted	Total Salary Costs:
				548,159
				Total COLA:
				0
				Total Premium Pay:
				0
				Total Benefits:
				318,344
<hr/>				Total Pre-Vacancy:
				866,503
				Minus Vacancy Adjustment of 2.46%:
				(21,303)
				Total Post-Vacancy:
				845,200
				Plus Lump Sum Premium Pay:
				0
<hr/>				<b>Personal Services Line 100:</b>
				845,200

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1002 Federal Receipts	420,055	409,728	48.48%
1003 General Fund Match	446,448	435,472	51.52%
<b>Total PCN Funding:</b>	<b>866,503</b>	<b>845,200</b>	<b>100.00%</b>

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

**Line Item Detail**  
**Department of Health and Social Services**  
**Travel**

**Component:** Quality Assurance and Audit (2880)  
**RDU:** Departmental Support Services (106)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
72000	Travel		4.3	6.2	6.2
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>72000 Travel Detail Totals</b>			<b>4.3</b>	<b>6.2</b>	<b>6.2</b>
72110		Employee Travel (Instate)	2.0	0.0	0.0
72410		Employee Travel (Out of state)	2.3	6.2	6.2
		Out-of-state travel for administrative purposes and for division staff to attend meetings and trainings as required.			

**Line Item Detail**  
**Department of Health and Social Services**  
**Services**

**Component:** Quality Assurance and Audit (2880)  
**RDU:** Departmental Support Services (106)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000	Services		85.9	237.7	215.9
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>73000 Services Detail Totals</b>			<b>85.9</b>	<b>237.7</b>	<b>215.9</b>
73025	Education Services	Fees associated with employee education to attending training.	1.8	5.0	4.5
73050	Financial Services	Financial Services	0.0	0.0	0.0
73150	Information Technlgy	Software licensing fees, renewal and maintenance costs	1.1	2.0	1.5
73156	Telecommunication	Communication costs to outside vendors for long distance charges, teleconference fees, data circuits, television, cellular and other wireless phone costs.	2.6	4.0	3.5
73225	Delivery Services	Delivery costs to include postage for the division's mail outs including freight, and messenger or courier delivery costs.	2.0	4.0	3.5
73450	Advertising & Promos	Advertising, printing and binding costs.	0.0	1.0	0.5
73525	Utilities	Waste disposal costs incurred to destroy confidential records. Recycling and other assorted utility costs.	0.0	2.0	1.5
73650	Struc/Infstruct/Land		26.8	0.0	0.0
73675	Equipment/Machinery		2.0	0.0	0.0
73805	IT-Non-Telecommunication		5.4	0.0	0.0
73805	IT-Non-Telecommunication	Enterprise Technology Services RSA with DOA/ETS for IT-Non-Telcom	0.0	4.0	3.5
73806	IT-Telecommunication		10.3	0.0	0.0
73806	IT-Telecommunication	Enterprise Technology Services RSA with DOA/ETS for Telecom	0.0	7.5	7.0
73807	Storage		0.2	0.0	0.0
73809	Mail	Central Mail RSA with DOA/DGS for Central Mail	0.0	1.0	0.5

**Line Item Detail**  
**Department of Health and Social Services**  
**Services**

**Component:** Quality Assurance and Audit (2880)

**RDU:** Departmental Support Services (106)

Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>73000 Services Detail Totals</b>			<b>85.9</b>	<b>237.7</b>	<b>215.9</b>
73810	Human Resources		5.9	0.0	0.0
73810	Human Resources	Personnel	0.0	4.0	3.5
73811	Building Leases	Leases	0.0	70.0	53.2
73814	Insurance		0.2	0.0	0.0
73814	Insurance	Risk Management	0.0	0.2	0.2
73816	ADA Compliance	Labor	0.0	2.0	2.0
73821	Hearing/Mediation (IA Svcs)		25.7	0.0	0.0
73821	Hearing/Mediation (IA Svcs)	Admin	0.0	127.0	127.0
73979	Mgmt/Consulting (IA Svcs)		1.9	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)	Administrative Support Svcs	0.0	1.0	1.0
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office	0.0	1.0	1.0
73979	Mgmt/Consulting (IA Svcs)	Information Technology Services	0.0	1.0	1.0
73979	Mgmt/Consulting (IA Svcs)	Public Affairs	0.0	1.0	1.0

**Line Item Detail**  
**Department of Health and Social Services**  
**Commodities**

**Component:** Quality Assurance and Audit (2880)  
**RDU:** Departmental Support Services (106)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
74000	Commodities		17.4	10.0	10.0
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
<b>74000 Commodities Detail Totals</b>			<b>17.4</b>	<b>10.0</b>	<b>10.0</b>
74200	Business	General office supplies necessary to support programs and activities. Includes educational materials, duplicating, copying and information technology supplies. Also includes office and computer equipment, furniture and tools with a cost or value of less than \$5,000.	17.4	10.0	10.0

**Restricted Revenue Detail**  
**Department of Health and Social Services**

**Component:** Quality Assurance and Audit (2880)  
**RDU:** Departmental Support Services (106)

<b>Master Account</b>	<b>Revenue Description</b>			<b>FY2012 Actuals</b>	<b>FY2013 Management Plan</b>	<b>FY2014 Governor</b>	
51010	Federal Receipts			405.3	610.9	610.9	
<b>Detail Information</b>							
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2012 Actuals</b>	<b>FY2013 Management Plan</b>	<b>FY2014 Governor</b>
51010	Federal Receipts		06355406	1002	0.0	610.9	610.9
	Indirect Federal Receipts as collected in the Cost Allocation Plan						
57260	Title IV A				0.2	0.0	0.0
57301	Title XIX Map				2.2	0.0	0.0
57302	Title Xix Map Admin				402.9	0.0	0.0

**Restricted Revenue Detail**  
**Department of Health and Social Services**

**Component:** Quality Assurance and Audit (2880)  
**RDU:** Departmental Support Services (106)

<b>Master Account</b>	<b>Revenue Description</b>				<b>FY2012 Actuals</b>	<b>FY2013 Management Plan</b>	<b>FY2014 Governor</b>
51200	Capital Improvement Project Receipts				7.9	0.0	0.0
<b>Detail Information</b>							
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2012 Actuals</b>	<b>FY2013 Management Plan</b>	<b>FY2014 Governor</b>
59061	CIP Rcpts from Health & Social Services				7.9	0.0	0.0

**Inter-Agency Services**  
**Department of Health and Social Services**

**Component:** Quality Assurance and Audit (2880)  
**RDU:** Departmental Support Services (106)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2012 Actuals	FY2013	
					Management Plan	FY2014 Governor
73805	IT-Non-Telecommunication	Inter-dept		5.4	0.0	0.0
73805	IT-Non-Telecommunication	RSA with DOA/ETS for IT-Non-Telcom	Inter-dept	0.0	4.0	3.5
			Enterprise Technology Services			
			<b>73805 IT-Non-Telecommunication subtotal:</b>	<b>5.4</b>	<b>4.0</b>	<b>3.5</b>
73806	IT-Telecommunication	Inter-dept		10.3	0.0	0.0
73806	IT-Telecommunication	RSA with DOA/ETS for Telcom	Inter-dept	0.0	7.5	7.0
			Enterprise Technology Services			
			<b>73806 IT-Telecommunication subtotal:</b>	<b>10.3</b>	<b>7.5</b>	<b>7.0</b>
73807	Storage	Inter-dept		0.2	0.0	0.0
			<b>73807 Storage subtotal:</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>
73809	Mail	RSA with DOA/DGS for Central Mail	Inter-dept	0.0	1.0	0.5
			Central Mail			
			<b>73809 Mail subtotal:</b>	<b>0.0</b>	<b>1.0</b>	<b>0.5</b>
73810	Human Resources	Inter-dept		5.9	0.0	0.0
73810	Human Resources	RSA with DOA/DOP for Human Resources Services	Inter-dept	0.0	4.0	3.5
			Personnel			
			<b>73810 Human Resources subtotal:</b>	<b>5.9</b>	<b>4.0</b>	<b>3.5</b>
73811	Building Leases	RSA with DOA/DGS for Leases & Facilities Rent	Inter-dept	0.0	70.0	53.2
			Leases			
			<b>73811 Building Leases subtotal:</b>	<b>0.0</b>	<b>70.0</b>	<b>53.2</b>
73814	Insurance	Inter-dept		0.2	0.0	0.0
73814	Insurance	RSA with DOA/Risk Management for Insurance	Inter-dept	0.0	0.2	0.2
			Risk Management			
			<b>73814 Insurance subtotal:</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
73816	ADA Compliance	RSA with DOA/Labor for ADA Compliance	Inter-dept	0.0	2.0	2.0
			Labor			
			<b>73816 ADA Compliance subtotal:</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>
73821	Hearing/Mediation (IA Svcs)	Inter-dept		25.7	0.0	0.0
73821	Hearing/Mediation (IA Svcs)	RSA with DOA/OHA for Administrative Hearings	Inter-dept	0.0	127.0	127.0
			Admin			
			<b>73821 Hearing/Mediation (IA Svcs) subtotal:</b>	<b>25.7</b>	<b>127.0</b>	<b>127.0</b>
73979	Mgmt/Consulting (IA Svcs)	Inter-dept		1.9	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)	RSA with FMS-Dept Support Services for Support Management Consulting - FMS Administrative Support Services	Intra-dept	0.0	1.0	1.0
			Administrative Support Svcs			
73979	Mgmt/Consulting (IA Svcs)	RSA with FMS-Commissioner's Office for Support Services Management Consulting - FMS Commissioner's Office	Intra-dept	0.0	1.0	1.0
			Commissioner's Office			
73979	Mgmt/Consulting (IA Svcs)	RSA with FMS-Information Technology Services for Support Services	Intra-dept	0.0	1.0	1.0
			Information Technology Services			
73979	Mgmt/Consulting (IA Svcs)	RSA with FMS-Public Affairs for Support Services Management Consulting - FMS Public Affairs	Intra-dept	0.0	1.0	1.0
			Public Affairs			
			<b>73979 Mgmt/Consulting (IA Svcs) subtotal:</b>	<b>1.9</b>	<b>4.0</b>	<b>4.0</b>

