

State of Alaska
FY2018 Governor's Operating Budget

Department of Health and Social Services
Behavioral Health Medicaid Services
Component Budget Summary

Component: Behavioral Health Medicaid Services

Contribution to Department's Mission

Provide access to integrated behavioral health services for individuals experiencing an emotional disturbance and/or a substance use disorder.

This component of Alaska Medicaid is under the programmatic oversight of the Department of Health and Social Services, Division of Behavioral Health.

Core Services

- Behavioral Health Clinic Services are provided to children and adults who have been identified through an assessment as experiencing an emotional disturbance. Services include the following: crisis intervention; family, individual, or group psychotherapy; intake and psychiatric assessment; psychological testing; and medication management. Clinic services are provided by state-approved outpatient community mental health clinics and mental health physician clinics.
- Rehabilitation Services are provided to children and adults identified through an assessment as experiencing a severe emotional disturbance, a serious mental illness, or a substance use disorder. Services include assessments, therapeutic behavioral services, comprehensive community support, peer support, recipient support services, medication management, day treatment, case management, structured residential programs, and medical services directly related to substance use and detoxification.
- Psychological services are limited to medically necessary psychological testing to determine the status of a recipient's mental, intellectual, and emotional functioning. Services require a referral and must include administration of psycho-diagnostic tests, the interpretation of results, and a written report.
- Inpatient Psychiatric Facility Services are provided to children under 21 years of age who are experiencing a severe emotional disturbance with a documented need for inpatient psychiatric hospital or residential psychiatric treatment center services. Services must be based on certification of an interdisciplinary team that the treatment needs of the patient cannot be met in a community setting; clinical information that includes diagnostic evaluation and a psychiatric evaluation; and approval.

Major Component Accomplishments in 2016

In FY2016 the Behavioral Health Medicaid component provided services to 14,019 persons at an average annual cost of \$10.9 per recipient.* This is a decrease from the previous year when we served 15,956 persons at an average annual cost of \$11.6. At the same time we have seen an expansion in persons accessing care through the Medicaid Expansion.

We have seen a significant upsurge in access to treatment resulting from the Governor's decision in 2015 to expand Medicaid. The chart on the following page details the result.

Component — Behavioral Health Medicaid Services

Provider Type		FY2016		FY2017 (partial year)		Grand Total
		Client Count	Payments	Client Count	Payments	
107	Detox (060)	263	\$1,976.8	158	\$898.4	\$2,875.2
	CMHC (069)	1,743	\$8,296.7	1,109	\$3,165.7	\$11,462.5
	Phys MH Clinic (070)	100	\$65.8	86	\$49.1	\$115.0
	Rehab (081)	460	\$902.2	293	\$330.7	\$1,233.0
Total		2,566	\$11,241.5	1,646	\$4,444.0	\$15,685.6
042	Psychologist	41	\$255.7	27	\$110.1	\$365.8
051	FQHC	839	\$624.0	616	\$383.8	\$1,007.7
001	Gen. Hospital	1,374	\$358.8	798	\$178.2	\$536.9
Total		2,254	\$1,238.3	1,441	\$672.1	\$1,910.4
Grand Total		4,820	\$12,479.8	3,087	\$5,116.1	\$17,595.9

Note: Claims for FQHC and General Hospitals reflect payments for behavioral health principal diagnosis, patient reason diagnosis, and admitting diagnosis.

We have also learned that the Medicaid Expansion caseload represents a higher percentage of total caseload in the agencies, meaning that more clients are being served with fewer dollars:

	SFY16	SFY17
Payments. Medicaid Expansion Payments as a percentage of total Medicaid payments	8.1 percent	13.4 percent
Caseload. Medicaid Expansion client count as a percentage of total Medicaid caseload	17.8 percent	21.0 percent

Further, the bulk of the Medicaid Expansion population is age 21-64, and males represent a greater percentage of the Medicaid Expansion population than the non-Expansion population (Expansion = 53 percent males; non-expansion = 38 percent males).

*Used report FY2015-FY2016 BH Medicaid Claim Summary and pulled the services listed under our program under the Check-Write

Key Component Challenges

- The Division of Behavioral Health is very close to implementing a payment methodology to support the costs of providing services including the feasibility of incorporating an acuity adjustment into the rate methodology applied to outpatient behavioral health services. The Division has plans to implement an interim rate increase for community behavioral health clinic and rehabilitation services in FY2017 with a full implementation of the new rate methodology in FY2018.
- The Division of Behavioral Health disseminated the new model which integrates primary care medical services and behavioral health services to more effectively provide appropriate coordinated care to Alaskans. The works of aligning systems that operate under separate administrative, professional, and funding requirements is certainly a challenge.
- The Division was working to establish the requirements for designing and implementing Certified Community Behavioral Health Centers. However, one of the partner agencies dropped out of the project requiring Alaska to return the federal grant funding.

- Revisions to Community Behavioral Health regulations, designed to clarify coverage requirements for behavioral health rehabilitative services as well as opioid treatment services, have been promulgated. Training and technical assistance efforts to ensure understanding of and compliance with the new requirements will be intensive in FY2017.

Significant Changes in Results to be Delivered in FY2018

- In FY2017, the Division of Behavioral Health will develop and implement Applied Behavioral Analyst (ABA) services to treat Medicaid eligible children who have been diagnosed with an autism spectrum disorder. The work effort includes designing the system of care, developing the Medicaid State Plan Amendment (SPA) and regulations, coordinating the system changes, and developing and implementing oversight and quality management systems. In FY2016, the U.S. Centers for Medicare and Medicaid Services mandated that autism spectrum disorder services be provided. The Department will provide this new Medicaid service through the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program.
- Development of 1115 Behavioral Health Waiver and other ramifications of SB74 and SB91 are requiring significant restructuring of the current services array. Some of these models will be in full operation by FY2018, and others will still be in development.

Statutory and Regulatory Authority

AS 47.07 Medical Assistance for Needy Persons
AS 47.25 Public Assistance

Administrative Code:

7 AAC 43 Medicaid
7 AAC 100 Medicaid Assistance Eligibility
7 AAC 160 Medicaid Coverage and Payment

Social Security Act:

Title XIX Medicaid
Title XVII Medicare
Title XXI Children's Health Insurance Program

Code of Federal Regulations:

42 CFR Part 400 to End

Contact Information
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Component Detail All Funds
Department of Health and Social Services

Component: Behavioral Health Medicaid Services (2660)
RDU: Medicaid Services (595)

Formula Component

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 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	1,586.9	1,551.9	2,401.9	2,401.9	5,376.9	2,975.0	123.9%
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	205,665.7	187,492.2	187,492.2	197,936.1	199,498.1	1,562.0	0.8%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	207,252.6	189,044.1	189,894.1	200,338.0	204,875.0	4,537.0	2.3%
Fund Sources:							
1002Fed Rcpts (Fed)	126,869.1	124,283.2	124,708.2	132,337.5	135,387.0	3,049.5	2.3%
1003G/F Match (UGF)	1,397.7	1,518.8	1,518.8	3,100.3	3,100.3	0.0	0.0%
1004Gen Fund (UGF)	830.4	0.0	0.0	850.0	850.0	0.0	0.0%
1037GF/MH (UGF)	78,069.9	62,524.6	62,524.6	62,907.7	62,907.7	0.0	0.0%
1092MHTAAR (Other)	0.0	0.0	425.0	425.0	1,912.5	1,487.5	350.0%
1108Stat Desig (Other)	85.5	717.5	717.5	717.5	717.5	0.0	0.0%
Unrestricted General (UGF)	80,298.0	64,043.4	64,043.4	66,858.0	66,858.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	85.5	717.5	1,142.5	1,142.5	2,630.0	1,487.5	130.2%
Federal Funds	126,869.1	124,283.2	124,708.2	132,337.5	135,387.0	3,049.5	2.3%
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: Behavioral Health Medicaid Services (2660)
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 FY2017 Conference Committee To FY2017 Authorized *****												
FY2017 Conference Committee												
	ConfCom	189,044.1	0.0	0.0	1,551.9	0.0	0.0	187,492.2	0.0	0	0	0
1002 Fed Rcpts		124,283.2										
1003 G/F Match		1,518.8										
1037 GF/MH		62,524.6										
1108 Stat Desig		717.5										
Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74) (Sec2 Ch1 4SSLA2016 P9 L24 (HB257))												
	FisNot	425.0	0.0	0.0	425.0	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR		425.0										

Following CMS approval of the 1115 behavioral health Medicaid demonstration waiver, DHSS will apply to amend that waiver to expand access to substance use disorder services. The amendment will seek an Institution for Mental Diseases (IMD) exclusion for those services currently not reimbursed by Medicaid that are provided in an inpatient or residential substance use disorder setting having more than 16 beds. Starting in FY2018, the Division of Behavioral Health will contract with an Administrative Services Organization (ASO) to develop and manage a network of providers; establish utilization management; provide quality and outcomes reporting; provide fraud, waste, and abuse auditing; and demonstrate benchmarks on healthcare outcomes and quality. The state match required for the ASO contract for FY2018 and FY2019 is being provided by the Alaska Mental Health Trust Authority.

This bill results in \$700.0 for consulting contracts to assist the Department in the design and implementation of a managed behavioral health system of care and development of the 1115 demonstration waiver application, to provide the required actuarial analysis for the waiver application, and to support the required public review process. Also included is \$150.0 for contractual services to adapt a new prospective payment model designed for Certified Community Behavioral Health Centers for pilot testing with substance abuse providers. The state match required for all of these contracts is being provided by the Alaska Mental Health Trust Authority.

Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74) (Sec2 Ch3 4SSLA2016 P49 L16 (HB256))

	FisNot	425.0	0.0	0.0	425.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		425.0										

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

Component: Behavioral Health Medicaid Services (2660)
RDU: Medicaid Services (595)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Subtotal		189,894.1	0.0	0.0	2,401.9	0.0	0.0	187,492.2	0.0	0	0	0
***** Changes From FY2017 Authorized To FY2017 Management Plan *****												
Transfer from Children's Medicaid Services to Realign to Behavioral Health Medicaid Services												
	Trin	10,443.9	0.0	0.0	0.0	0.0	0.0	10,443.9	0.0	0	0	0
1002 Fed Rcpts		7,629.3										
1003 G/F Match		1,581.5										
1004 Gen Fund		850.0										
1037 GF/MH		383.1										
In FY2013, the Children's Medicaid Services component was transferred from the Office of Children's Services to the Division of Behavioral Health for the behavioral treatment of children in residential care. Structure changes took place within the Alaska Health Enterprise system to allow those expenditures from the Children's Medicaid Services component to be recorded in the Behavioral Health Medicaid Services component but this change has also resulted in the transfer of spending authority each year in the State's accounting system. The Children's Medicaid Services component is transferred into the Behavioral Health Medicaid Services component to streamline the process of budgeting, expending, reporting and auditing.												
Subtotal		200,338.0	0.0	0.0	2,401.9	0.0	0.0	197,936.1	0.0	0	0	0
***** Changes From FY2017 Management Plan To FY2018 Governor *****												
Reverse Mental Health Trust Recommendation												
	OTI	-425.0	0.0	0.0	-425.0	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR		-425.0										
This zero-based adjustment record includes all MHTAAR and/or MHT Admin authority for FY2017 for this component.												
Prospective payment pilot with SA or SAMH provider Fiscal Note SB74												
	IncOTI	37.5	0.0	0.0	37.5	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR		37.5										
This project will allow DHSS to develop the capacity for implementing standardized screening and assessment instruments for substance use disorders and early mental health conditions, identified as essential tools to be used in the 1115 demonstration waiver. Funds will be available to work with existing FQHC on BH programming options, in addition to the payment structure.												
Medicaid Cost Projections												
	Inc	462.0	0.0	0.0	0.0	0.0	0.0	462.0	0.0	0	0	0
1037 GF/MH		462.0										

Medicaid program cost projections are composed of a number of factors including; population growth, demographic changes, service utilization, and price changes. Additionally, in FY2017, the Department of Health and Social Services instituted a number of reform efforts provided by SB74 that are designed to mitigate the cost of medical care and create savings in the Medicaid program. The department is reviewing the effects of these reform initiatives over the first few months of FY2017 and performing analysis on the specific population, demographic, utilization factors, and management initiatives affecting the Medicaid

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

Component: Behavioral Health Medicaid Services (2660)
RDU: Medicaid Services (595)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
program.												
Sufficient data was not available in time to provide a more precise estimate of FY2018 Medicaid program costs for the initial December release of the FY2018 budget. In order to include more of the FY2017 payment experience in the cost projection formula the department will provide a refined estimate of FY2018 costs in the budget amendment process. Budgeted general fund authority in this initial release represents funding at the FY2017 level.												
MH Trust: Administrative Services Organization												
1092 MHTAAR	IncOTI	1,750.0	0.0	0.0	1,750.0	0.0	0.0	0.0	0.0	0	0	0
This funding is for DHSS to contract with an Administrative Service Organization for assisting to manage the behavioral health system transformation. As part of the development of the 1115 Behavioral Health System Reform effort, DHSS will explore an ASO to quality and outcomes management, provider network development, data management, utilization management, cost management, claims processing and coordination with larger Medicaid Resign efforts.												
MH Trust: 1115 Behavioral Health Waiver-Consulting Contract Fiscal Note SB74												
1092 MHTAAR	IncOTI	125.0	0.0	0.0	125.0	0.0	0.0	0.0	0.0	0	0	0
These funds will be used to contract for expertise and technical assistance to support Department of Health & Social Services (DHSS) efforts to ensure a comprehensive behavioral health continuum of care that includes expanding access to behavioral health services, including Substance Use Disorder treatment, mental health services, and integration with primary care. This will include DHSS' identified Medicaid Reform efforts, including the Primary Care/Health Home Initiative, the Emergency Care Initiative, the Coordinated Care Pilot Projects, and the BH Redesign Initiative and how each of these aligns with the 1115 behavioral health waiver application to CMS.												
Second Year Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74)												
1002 Fed Rcpts	Inc	2,587.5	0.0	0.0	1,487.5	0.0	0.0	1,100.0	0.0	0	0	0
1037 GF/MH		-462.0										
Fiscal Note 55 - SB 74												
SB74 added a new section, AS 47.05.270, entitled "Medical assistance reform program." New subsection AS 47.05.270(b) instructs the Department of Health and Social Services (DHSS), in coordination with the Alaska Mental Health Trust Authority, to "manage a comprehensive and integrated behavioral health program," including a plan for providing a continuum of community-based services from a wide array of providers and disciplines that addresses housing, employment, and criminal justice, and reduces barriers that fragment services and reduce effectiveness and efficiency. It is expected that Alaskans served by the criminal justice system will benefit from the reformed system of behavioral health care, and savings will be realized in the Department of Corrections, Public Safety and the Court system as well as within the Office of Children's Services.												
Totals		204,875.0	0.0	0.0	5,376.9	0.0	0.0	199,498.1	0.0	0	0	0

Line Item Detail (1676)
Department of Health and Social Services
Services

Component: Behavioral Health Medicaid Services (2660)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000	Services		1,586.9	2,401.9	5,376.9
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			1,586.9	2,401.9	5,376.9
3003	Information Technology	InterQual License and Software, McKesson Technologies.	35.0	35.0	35.0
3011	Other Services	Payment for Qualis Health contract. Qualis Health performs medical necessity review determinations for admission and continued stays; service authorization payment approval for inpatient and residential psychiatric services; and care coordination for children up to age 21 years who are receiving services in a residential psychiatric treatment centers (RPTC) both in Alaska and out of State.	1,551.9	2,366.9	5,341.9

Line Item Detail (1676)
Department of Health and Social Services
Grants, Benefits

Component: Behavioral Health Medicaid Services (2660)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
7000	Grants, Benefits		205,665.7	197,936.1	199,498.1
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
		7000 Grants, Benefits Detail Totals	205,665.7	197,936.1	199,498.1
7002	Benefits	Payments for behavioral health services for Medicaid clients, including the clients who will be newly eligible through Medicaid expansion.	205,665.7	197,936.1	199,498.1

Revenue Detail (1681)
Department of Health and Social Services

Component: Behavioral Health Medicaid Services (2660)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
5002 Fed Rcpts (1002 Fed Rcpts)			126,869.1	132,337.5	135,387.0
5019 Federal - Miscellaneous Grants		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.	126,869.1	132,337.5	135,387.0
5108 Stat Desig (1108 Stat Desig)			108.4	717.5	717.5
5204 Statutory Dsgntd Prgm Rcpts Hlth & Hmn Svcs - Chrgs for Svcs		Recovery of Overpayments to Medicaid providers discovered through audit.	108.4	717.5	717.5
6092 MHTAAR (1092 MHTAAR)			0.0	425.0	1,912.5
6691 Mental Health Trust Auth Auth Rec - Miscellaneous		Mental Health Trust Authority Authorized Receipts	0.0	425.0	1,912.5