

# **State of Alaska FY2018 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.

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

**Core Services**

- Administration of four 1915 (c) Medicaid Home and Community Based Waivers: Intellectual & Developmental Disabilities (IDD); Alaskans Living Independently (ALI); Adults with Physical and Developmental Disability (APDD); Children with Complex Medical Conditions (CCMC).
- Administration of Medicaid State Plan Personal Care Services.
- Authorization of nursing home placements and Preadmission Screening and Resident Review Level I and Level II.
- Facilitation of transitions from Institutions to Home and Community based settings.
- 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 2016**

- Completed 39 Tele-Health waiver assessments/re-assessments in rural Alaska resulting in improved timeliness and efficiencies.
- Revised Regulations for Home and Community Based Services which allowed the Division to increase oversight of services authorized. This increased oversight ensures that the appropriate level of service is delivered to meet recipient needs.
- Regulations for new rate methodologies for home and community based Medicaid waiver and personal care attendant services are currently out for public comment. If these payment methodologies are adopted it is anticipated that 30-40 provider cost surveys will be submitted and analyzed in the current year to inform new payment rates.
- Implemented cost control measure for the Intellectual and Developmental Disabilities (IDD) Waiver. The IDD waiver was amended, reducing the number of individuals drawn from the Registry for entry onto the IDD waiver from 250 per year to 50 per year.

**Key Component Challenges**

- Rapid growth in the Alaskan senior population. 2010 census data reports Alaska has the fastest growing senior population in the nation (State Plan for Senior Services FY2012-2015, U.S. Bureau of the Census). This results in the increased need for long-term care services.
- Ensure that vulnerable adults are safe and protected from abuse, neglect, and exploitation.
- Maintain compliance with federal and state requirements to manage the Medicaid waiver programs and meet documentation and timeline requirements. This includes initial assessments, reassessments, level of care determinations, and completed plans of care that must be mailed to each participant.

- Maintain compliance with federal regulations regarding Pre Admission Screening and Resident Review (PASRR).
- Implementation of a the Center for Medicare and Medicaid Settings rule, requiring all Home and Community Based Services settings to become compliant by March 2019, requires additional capacity for assessment, on-site visits and compliance monitoring.
- Quality oversight, including investigations and provider monitoring, demands increasing due to service population growth and new federal rules.

### **Significant Changes in Results to be Delivered in FY2018**

- The Division of Senior and Disabilities Services will continue to implement Medicaid reform efforts as a result of SB74.
- To implement Medicaid reform, the division will collaborate with the Division of Behavioral Health to refinance the General Relief program to the 1115 demonstration waiver.
- To implement Medicaid reform, the division will create a 1915(c) Supports Waiver for individuals with intellectual and developmental disabilities and will begin transitioning eligible grant recipients effective January 1, 2018.
- The Division of Senior and Disabilities Services is currently in the process of designing, developing, and implementing an Automated Service Plan system with a provider portal in support of the Division's programs. The implementation of this system will emphasize service integration among state programs, including the Division of Senior and Disabilities Services, Medicaid, Behavioral Health, Eligibility, Financial Services, Certification and Licensing, and Public Health.
- The Division of Senior and Disabilities Services and Behavioral Health partnered with Alaska Housing Finance Corporation to offer supported living housing vouchers through a federal program called 811 Project Rental Assistance. This program will provide housing vouchers to clients interested in transitioning from a General Relief Assisted Living setting to an apartment with supportive services designed to teach residents how to live independently and maintain tenancy.

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

**Component:** Senior and Disabilities Medicaid Services (2662)  
**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	605.9	0.0	0.0	0.0	685.0	685.0	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	451,828.8	542,263.3	542,263.3	542,263.3	549,794.4	7,531.1	1.4%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>452,434.7</b>	<b>542,263.3</b>	<b>542,263.3</b>	<b>542,263.3</b>	<b>550,479.4</b>	<b>8,216.1</b>	<b>1.5%</b>
<b>Fund Sources:</b>							
1002Fed Rcpts (Fed)	236,565.3	289,227.0	289,227.0	289,227.0	297,193.1	7,966.1	2.8%
1003G/F Match (UGF)	215,602.1	238,917.5	238,917.5	238,917.5	239,167.5	250.0	0.1%
1004Gen Fund (UGF)	30.2	13,050.4	13,050.4	13,050.4	13,050.4	0.0	0.0%
1007I/A Rcpts (Other)	0.0	518.4	518.4	518.4	518.4	0.0	0.0%
1108Stat Desig (Other)	237.1	550.0	550.0	550.0	550.0	0.0	0.0%
<b>Unrestricted General (UGF)</b>	<b>215,632.3</b>	<b>251,967.9</b>	<b>251,967.9</b>	<b>251,967.9</b>	<b>252,217.9</b>	<b>250.0</b>	<b>0.1%</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>237.1</b>	<b>1,068.4</b>	<b>1,068.4</b>	<b>1,068.4</b>	<b>1,068.4</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>236,565.3</b>	<b>289,227.0</b>	<b>289,227.0</b>	<b>289,227.0</b>	<b>297,193.1</b>	<b>7,966.1</b>	<b>2.8%</b>
<b>Positions:</b>							
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 FY2017 Conference Committee To FY2017 Authorized *****												
<b>FY2017 Conference Committee</b>												
	ConfCom	542,263.3	0.0	0.0	0.0	0.0	0.0	542,263.3	0.0	0	0	0
1002 Fed Rcpts		289,227.0										
1003 G/F Match		238,917.5										
1004 Gen Fund		13,050.4										
1007 I/A Rcpts		518.4										
1108 Stat Desig		550.0										
<b>Subtotal</b>		<b>542,263.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>542,263.3</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2017 Management Plan To FY2018 Governor *****												
<b>Transfer Infant Learning Program from Health Care Medicaid Services</b>												
	Trin	500.0	0.0	0.0	0.0	0.0	0.0	500.0	0.0	0	0	0
1002 Fed Rcpts		250.0										
1003 G/F Match		250.0										
Authority for this program has been budgeted in the Health Care Medicaid Services component and expended by the Early Intervention Infant Learning Programs component within the Senior and Disabilities division through a reimbursable services agreement. To align the project authority with operations it will be transferred to the Senior and Disabilities Medicaid Services component.												
<b>Medicaid Cost Projections</b>												
	Inc	1,898.2	0.0	0.0	0.0	0.0	0.0	1,898.2	0.0	0	0	0
1003 G/F Match		1,898.2										
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 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.												
<b>Second Year Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74)</b>												
	Inc	5,817.9	0.0	0.0	0.0	0.0	0.0	5,817.9	0.0	0	0	0
1002 Fed Rcpts		7,716.1										
1003 G/F Match		-1,898.2										

Fiscal Note 57 - SB 74

**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	
<p>In part, SB74 authorizes DHSS to apply for federal waivers and options to reform the Medicaid program and to assess the most cost-effective method for revising expansion coverage.</p> <p>Section 36 charges the Department with "reducing the cost of... senior and disabilities services provided to recipients of medical assistance under the state's home and community-based services waiver."</p>												
<b>Align Authority for Legal Services</b>	LIT	0.0	0.0	0.0	685.0	0.0	0.0	-685.0	0.0	0	0	0
<p>Authority is needed in services for a reimbursable service agreement (RSA) with the Department of Law for Medicaid program legal services and a contract to review Senior and Disability Services; Level of Care reassessment denials. Review is to determine if current Home and Community Based Waiver recipient's services should have been terminated.</p>												
<b>Totals</b>		<b>550,479.4</b>	<b>0.0</b>	<b>0.0</b>	<b>685.0</b>	<b>0.0</b>	<b>0.0</b>	<b>549,794.4</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Component:** Senior and Disabilities Medicaid Services (2662)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000	Services		605.9	0.0	685.0
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>3000 Services Detail Totals</b>			<b>605.9</b>	<b>0.0</b>	<b>685.0</b>
3005	Health Services	Costs of the review of all Senior and Disability Services Level-of-Care Reassessment denials. Review is to determine if current Home and Community Based Waiver recipient's services should have been terminated.	186.5	0.0	280.0
3024	Inter-Agency Legal	H&SS - Senior/Disabilities Medicaid Svc (2662)	14.4	0.0	0.0
3024	Inter-Agency Legal	Law - Department-wide RSA: Medicaid Program Legal Services	405.0	0.0	405.0



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

**Component:** Senior and Disabilities Medicaid Services (2662)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
7000	Grants, Benefits		451,828.8	542,263.3	549,794.4
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
		<b>7000 Grants, Benefits Detail Totals</b>	<b>451,828.8</b>	<b>542,263.3</b>	<b>549,794.4</b>
7002	Benefits	Medicaid services including: Personal Care, Nursing and Waiver Services.  This also includes payments for services for Medicaid clients who will be newly eligible through Medicaid expansion.	451,828.8	542,263.3	549,794.4

**Revenue Detail (1681)**  
**Department of Health and Social Services**

**Component:** Senior and Disabilities Medicaid Services (2662)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>5002 Fed Rcpts (1002 Fed Rcpts)</b>			<b>236,565.3</b>	<b>289,227.0</b>	<b>297,193.1</b>
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.	236,565.3	289,227.0	297,193.1
<b>5007 I/A Rcpts (1007 I/A Rcpts)</b>			<b>0.0</b>	<b>518.4</b>	<b>518.4</b>
5301 Inter-Agency Receipts		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.	0.0	518.4	518.4
<b>5108 Stat Desig (1108 Stat Desig)</b>			<b>301.2</b>	<b>550.0</b>	<b>550.0</b>
5204 Statutory Dsgntd Prgm Rcpts Hlth & Hmn Svcs - Chrsg for Svcs		Recovery of Overpayments to Medicaid providers discovered through audit.	301.2	550.0	550.0

**Inter-Agency Services (1682)**  
**Department of Health and Social Services**

**Component:** Senior and Disabilities Medicaid Services (2662)

			FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
<b>Component Totals</b>			<b>419.4</b>	<b>0.0</b>	<b>405.0</b>
With Department of Health and Social Services			14.4	0.0	0.0
With Department of Law			405.0	0.0	405.0
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2016 Actuals</b>	<b>FY2017 Management Plan</b>	<b>FY2018 Governor</b>
3024	Inter-Agency Legal	H&SS - Senior/Disabilities Medicaid Svc (2662)	14.4	0.0	0.0
3024	Inter-Agency Legal	Law - Department-wide RSA: Medicaid Program Legal Services	405.0	0.0	405.0