

State of Alaska FY2018 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 Medicaid 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).

Major Component Accomplishments in 2016

- Coordinated efforts with the Department's Background Check Unit to ensure barred providers are terminated in the Enterprise Medicaid Management Information System.
- Issued 28 payment suspensions to Medicaid providers in collaboration with the Medicaid Fraud Control Unit, and other Divisions within the Department.
- Initiated Electronic Health Record Incentive Payment audits
- Completed FFY2014 Payment Error Rate Measurement (PERM) review and corrective action plan.

Key Component Challenges

- Implementing the fraud waste and abuse provisions in Senate Bill 74 will require a coordinated interdepartmental effort to promulgate regulations and establish new policies and procedures associated with the false claims act, provider self-reviews and levying interest and penalties on overpayments.
- The Payment Error Rate Measurement (PERM) audit is back, auditing federal fiscal year 2017. This is a labor intensive program that redirects resources away from other provider reviews and audits.

Significant Changes in Results to be Delivered in FY2018

Changes are anticipated in regulations concerning provider self-reviews, interest on overpayments, and civil monetary penalties while implementing Alaska's Medicaid False Claims and Reporting act.

Statutory and Regulatory Authority

AS 47.05 Administration of Welfare, Social Services and Institutions
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 Personal Services Information					
Authorized Positions			Personal Services Costs		
	<u>FY2017</u> <u>Management</u> <u>Plan</u>	<u>FY2018</u> <u>Governor</u>			
			Annual Salaries		511,828
Full-time	7	6	Premium Pay		0
Part-time	0	0	Annual Benefits		288,903
Nonpermanent	0	0	<i>Less 0.18% Vacancy Factor</i>		(1,431)
			Lump Sum Premium Pay		0
Totals	7	6	Total Personal Services		799,300

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Audit & Review Analyst II	1	0	0	0	1
Audit & Review Analyst IV	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 III	1	0	0	0	1
Totals	6	0	0	0	6

Component Detail All Funds
Department of Health and Social Services

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

Non-Formula Component

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
71000 Personal Services	917.2	920.6	920.6	933.2	799.3	-133.9	-14.3%
72000 Travel	3.1	6.2	6.2	6.2	6.2	0.0	0.0%
73000 Services	150.8	196.1	196.1	133.5	133.5	0.0	0.0%
74000 Commodities	10.8	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%
Totals	1,081.9	1,132.9	1,132.9	1,082.9	949.0	-133.9	-12.4%
Fund Sources:							
1002Fed Rcpts (Fed)	479.6	567.3	567.3	542.3	474.5	-67.8	-12.5%
1003G/F Match (UGF)	564.8	565.6	565.6	540.6	474.5	-66.1	-12.2%
1004Gen Fund (UGF)	37.5	0.0	0.0	0.0	0.0	0.0	0.0%
Unrestricted General (UGF)	602.3	565.6	565.6	540.6	474.5	-66.1	-12.2%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	479.6	567.3	567.3	542.3	474.5	-67.8	-12.5%
Positions:							
Permanent Full Time	7	7	7	7	6	-1	-14.3%
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 FY2017 Conference Committee To FY2017 Authorized *****												
FY2017 Conference Committee												
	ConfCom	1,132.9	920.6	6.2	196.1	10.0	0.0	0.0	0.0	7	0	0
1002 Fed Rcpts		567.3										
1003 G/F Match		565.6										
Subtotal		1,132.9	920.6	6.2	196.1	10.0	0.0	0.0	0.0	7	0	0
***** Changes From FY2017 Authorized To FY2017 Management Plan *****												
Align Authority to Comply with Vacancy Factor Guidelines												
	LIT	0.0	12.6	0.0	-12.6	0.0	0.0	0.0	0.0	0	0	0
Additional authority is required in personal services to align budget with anticipated expenditures and maintain a vacancy factor within guidelines.												
Transfer to the Commissioner's Office to Support Activities Related to Medicaid Reform												
	Trout	-50.0	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-25.0										
1003 G/F Match		-25.0										
Additional authority is required in the Commissioners Office component to support activities related to Medicaid reform and redesign. Authority is available for transfer based on historical expenditures in the Quality Assurance and Audit component.												
Subtotal		1,082.9	933.2	6.2	133.5	10.0	0.0	0.0	0.0	7	0	0
***** Changes From FY2017 Management Plan To FY2018 Governor *****												
Transfer to Commissioner's Office for Anticipated Cost Allocation												
	Trout	-70.6	-70.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-70.6										
Departmental Support Services federal revenue collection is largely indirect. Expenditures are allocated across benefitting programs based on federally approved allocation methodologies housed within the Public Assistance Cost Allocation Plan.												
Based on historical data, projected Commissioner's Office revenue collections are 40 percent federal and 60 percent general fund. Transferring federal receipt authority to the Commissioner's Office aligns authority with the anticipated cost allocation.												
Transfer from the Commissioner's Office to Support Personal Services												
	Trin	10.3	10.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match		10.3										
Quality Assurance and Audit generally operates with no vacancies. Quality Assurance and Audit's activities are Medicaid in nature with a federal match of 50 percent. This aligns authority for personal services in Quality Assurance and Audit.												

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	
FY2018 Salary and Health Insurance Increases												
	SalAdj	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		1.0										
1003 G/F Match		1.0										
Includes: ACOA COLA, 2.25% per contract ending 6/30/2018; GGU HI increase from \$1346 to \$1389; LTC HI increase from \$1363 to \$1432.: \$2.0												
FY2018 PS Health Ins.: \$2.0												
Delete Audit and Review Analyst III (06-0456)												
	Dec	-79.2	-79.2	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1003 G/F Match		-79.2										
Departmental Support Services is a service organization. Our purpose is to support and provide subject matter expertise in administrative functions to the divisions. The division works with divisions to identify their administrative needs to adjust staffing levels in administrative functional areas. The division will both repurpose and delete positions to meet the programmatic needs of the divisions.												
The Audit and Review Analyst III (06-0456) position's primary responsibility includes reviewing and coordinating the contract audits required by AS 47.05.200. Senate Bill 74 which passed last session reduced the number of contracted provider audits from 75 to 50, effectively reducing the workload of this position by 33 percent. There are seven positions within Quality Assurance and Audit; the deletion of this position equates to a 14 percent reduction in staffing. The remaining workload of this position will be shared between the remaining Audit and Review Analysts within the unit.												
This position is a full-time range 23 Anchorage Audit and Review Analyst III (06-0456).												
Supervisory Unit 15 Hour Furlough Contract Terms												
	SalAdj	-1.4	-1.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-0.7										
1003 G/F Match		-0.7										
Alaska Public Employees Association, supervisory unit, 15 hours of furlough required for each permanent full-time employee in each year from July 1, 2016 to June 30, 2018.												
FY2018 Alaska Care & PSEA Health Insurance Increase												
	SalAdj	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		2.5										
1003 G/F Match		2.5										
Alaska Care rate increase from \$1346 to \$1555 per month for APEA members. \$5.0												
Totals		949.0	799.3	6.2	133.5	10.0	0.0	0.0	0.0	6	0	0

Personal Services Expenditure Detail
Department of Health and Social Services

Scenario: FY2018 Governor (13956)
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	UGF Amount
06-0456	Audit & Review Analyst III	FT	A	GP	Anchorage	200	23K	12.0		0	0	0	0	0	0
06-1050	Office Assistant III	FT	A	GP	Anchorage	200	11D / E	12.0		39,728	0	0	31,160	70,888	35,444
06-4095	Medical Assist Admin IV	FT	A	SS	Anchorage	99	21K	12.0		92,665	0	0	52,307	144,972	72,486
06-4099	Medical Assist Admin II	FT	A	GP	Anchorage	200	18K	12.0		75,468	0	0	44,065	119,533	59,767
06-4104	Audit & Review Analyst IV	FT	A	SS	Anchorage	99	25O	12.0		141,308	0	0	69,007	210,315	105,158
06-7000	Audit & Review Analyst II	FT	A	GP	Anchorage	200	21K	12.0		92,340	0	0	50,158	142,498	71,249
06-7010	Medical Assist Admin III	FT	A	GP	Anchorage	200	20C / D	12.0		70,319	0	0	42,206	112,525	56,263

Total Positions				New	Deleted	Total Salary Costs:	
Full Time Positions:	6	0	1			Total COLA:	0
Part Time Positions:	0	0	0			Total Premium Pay:	0
Non Permanent Positions:	0	0	0			Total Benefits:	288,903
Positions in Component:	6	0	1			Total Pre-Vacancy:	800,731
						Minus Vacancy Adjustment of 0.18%:	(1,431)
						Total Post-Vacancy:	799,300
						Plus Lump Sum Premium Pay:	0
						Personal Services Line 100:	799,300

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1002 Federal Receipts	400,366	399,650	50.00%
1003 General Fund Match	400,366	399,650	50.00%
Total PCN Funding:	800,731	799,300	100.00%

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 (1676)
Department of Health and Social Services
Travel

Component: Quality Assurance and Audit (2880)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000	Travel		3.1	6.2	6.2
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000 Travel Detail Totals			3.1	6.2	6.2
2000	In-State Employee Travel	In state travel for administrative purposes and for division staff to attend department meetings and briefings, monitor and evaluate grantee services, attend conferences and trainings.	4.3	6.2	6.2
2002	Out of State Employee Travel		0.3	0.0	0.0
2006	Other Travel Costs		-1.5	0.0	0.0

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

Component: Quality Assurance and Audit (2880)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000	Services		150.8	133.5	133.5
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			150.8	133.5	133.5
3003	Information Technology	Software licensing fees, renewal and maintenance costs.	0.1	0.1	0.1
3004	Telecommunications	Communication costs to outside vendors for long distance charges, telecommunication fees, data circuits, television, cellular and other wireless phone costs.	0.3	0.3	0.3
3006	Delivery Services	Delivery costs to include postage for the division's mail outs, freight, and messenger or courier delivery costs.	2.9	2.9	2.9
3008	Utilities		0.2	0.0	0.0
3009	Structure/Infrastructure/Land	RSA with Department of Administration Division of General Services for Leases and Facilities Rent.	0.7	0.7	0.7
3010	Equipment/Machinery	Repair and maintenance of office furniture and equipment.	2.1	2.1	2.1
3017	Inter-Agency Information Technology Non-Telecommunications	H&SS - Information Technology Services (2754) Computer Refresh Program	3.6	3.6	3.6
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide RSA with Department of Administration Enterprise Technology Services for Telecommunications.	14.3	14.4	14.3
3018	Inter-Agency Information Technology Telecommunications	Law - Department-wide RSA with Department of Law Regulations Review.	0.1	0.1	0.1
3022	Inter-Agency Human Resources	Admin - Department-wide RSA with the Department of Administrative Division of Personnel	4.4	4.4	4.4

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

Component: Quality Assurance and Audit (2880)

Object Class		Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals				150.8	133.5	133.5
				for Human Resources Services.		
3026	Inter-Agency Insurance	Admin - Department-wide	RSA with the Department of Administration Risk Management for Insurance.	0.7	0.7	0.7
3030	Inter-Agency Hearing/Mediation	Admin - Department-wide	RSA with Department of Administration Office of Administrative Hearings.	117.4	99.2	99.3
3038	Inter-Agency Management/Consulting	H&SS - Administrative Support Svcs (320)	RSA with Finance and Management Services Administrative Support Services.	1.7	1.7	1.7
3038	Inter-Agency Management/Consulting	H&SS - Commissioner's Office (317)	RSA with the Commissioner's Office.	0.5	0.5	0.5
3038	Inter-Agency Management/Consulting	H&SS - Information Technology Services (2754)	RSA with Finance and Management Services Information Technology Services.	1.9	1.9	1.9
3038	Inter-Agency Management/Consulting	H&SS - Public Affairs (2874)	RSA with Finance and Management Services Public Affairs.	0.8	0.8	0.8
3038	Inter-Agency Management/Consulting	H&SS - Quality Assurance and Audit (2880)		-1.0	0.0	0.0
3038	Inter-Agency Management/Consulting	Labor - Department-wide	RSA with Department of Labor Workforce Development Demographics.	0.1	0.1	0.1

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

Component: Quality Assurance and Audit (2880)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000	Commodities		10.8	10.0	10.0
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
		4000 Commodities Detail Totals	10.8	10.0	10.0
4000	Business	General office supplies necessary to support programs and activities.	10.8	10.0	10.0

Revenue Detail (1681)
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
5002 Fed Rcpts (1002 Fed Rcpts)			479.6	542.3	474.5
5019 Federal - Miscellaneous Grants		Indirect Federal Receipts as collected in the Cost Allocation Plan.	479.6	542.3	474.5
6003 G/F Match (1003 G/F Match)			1.0	0.0	0.0
6103 Match - Miscellaneous			1.0	0.0	0.0

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

Component: Quality Assurance and Audit (2880)

				FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
Component Totals				144.5	127.4	127.4
With Department of Health and Social Services				7.5	8.5	8.5
With Department of Administration				136.8	118.7	118.7
With Department of Law				0.1	0.1	0.1
With Department of Labor and Workforce Development				0.1	0.1	0.1
Object Class	Servicing Agency	Explanation		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3017	Inter-Agency Information Technology Non-Telecommunications	H&SS - Information Technology Services (2754)	Computer Refresh Program	3.6	3.6	3.6
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	RSA with Department of Administration Enterprise Technology Services for Telecommunications.	14.3	14.4	14.3
3018	Inter-Agency Information Technology Telecommunications	Law - Department-wide	RSA with Department of Law Regulations Review.	0.1	0.1	0.1
3022	Inter-Agency Human Resources	Admin - Department-wide	RSA with the Department of Administrative Division of Personnel for Human Resources Services.	4.4	4.4	4.4
3026	Inter-Agency Insurance	Admin - Department-wide	RSA with the Department of Administration Risk Management for Insurance.	0.7	0.7	0.7
3030	Inter-Agency Hearing/Mediation	Admin - Department-wide	RSA with Department of Administration Office of Administrative Hearings.	117.4	99.2	99.3
3038	Inter-Agency Management/Consulting	H&SS - Administrative Support Svcs (320)	RSA with Finance and Management Services Administrative Support Services.	1.7	1.7	1.7
3038	Inter-Agency Management/Consulting	H&SS - Commissioner's Office (317)	RSA with the Commissioner's Office.	0.5	0.5	0.5
3038	Inter-Agency Management/Consulting	H&SS - Information Technology Services (2754)	RSA with Finance and Management Services Information Technology	1.9	1.9	1.9
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Inter-Agency Services (1682)
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
		Services.			
3038 Inter-Agency Management/Consulting	H&SS - Public Affairs (2874)	RSA with Finance and Management Services Public Affairs.	0.8	0.8	0.8
3038 Inter-Agency Management/Consulting	H&SS - Quality Assurance and Audit (2880)		-1.0	0.0	0.0
3038 Inter-Agency Management/Consulting	Labor - Department-wide	RSA with Department of Labor Workforce Development Demographics.	0.1	0.1	0.1