

State of Alaska FY2018 Governor's Operating Budget

Department of Health and Social Services Behavioral Health Results Delivery Unit Budget Summary

Behavioral Health Results Delivery Unit**Contribution to Department's Mission**

To manage an integrated and comprehensive behavioral health system based on sound policy, effective practices, and open partnerships.

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

Core Services

- Identify behavioral health needs by population and geography and develop and implement a statewide strategy to meet those needs.
- Develop and maintain a stable, accessible, and sustainable system of behavioral healthcare for Alaskans in partnership with providers/grantees and communities.
- Protect and promote the improving behavioral health of Alaskans.
- Provide accessible, quality, active inpatient treatment. in a safe and appropriate setting, at one of the State's three (3) designated evaluation and treatment (DET) hospitals: Alaska Psychiatric Institute (API), Fairbanks Memorial Hospital (FMH), or Bart
- Provide and coordinate interagency behavioral healthcare.

Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

1. **Identify behavioral health needs by population and geography and develop and implement a statewide strategy to meet those needs.**
2. **Develop and maintain a stable, accessible, and sustainable system of behavioral healthcare for Alaskans in partnership with providers/grantees and communities.**
3. **Protect and promote the improving behavioral health of Alaskans.**
4. **Provide accessible, quality, active inpatient treatment. in a safe and appropriate setting, at one of the State's three (3) designated evaluation and treatment (DET) hospitals: Alaska Psychiatric Institute (API), Fairbanks Memorial Hospital (FMH), or Bart**
5. **Provide and coordinate interagency behavioral healthcare.**

Major RDU Accomplishments in 2016**Tribal / Rural System Development**

Division of Behavioral Health Medicaid staff and Department of Health and Social Services tribal programs staff worked closely with tribal organizations in order to increase access to Medicaid revenues for behavioral health services for Alaska Native and American Indian (AN/AI) beneficiaries. With Medicaid expansion and an increased focus on moving away from a grant-funded Behavioral Health programs to a more prominent reliance on Medicaid funding to support improving AN/AI healthcare services, many tribes did access significantly increased Medicaid revenues in FY2016. This ability to benefit from Medicaid Expansion will be essential to maintain – and to increase – the level and quality of tribal behavioral health services.

Suicide Prevention

The Alaska Careline, Alaska's statewide 24/7 crisis call center (1-877-266-HELP), has been experiencing increased call volume over the last several years: beginning in FY2015, and continuing throughout FY2016, the Careline received over 10,000 calls. There has also been a concomitant increase in community and statewide media and suicide prevention messaging, leading us to believe the increases in Careline usage is the result of

increased promotion and advertising of this important free and confidential resource to people experiencing suicide risk or other behavioral or mental health challenges.

Alaska Psychiatric Institute

As a result of a provision within SB74, which passed in FY2016, the Department, in cooperation with the Alaska Mental Health Trust Authority, contracted for a study to examine the feasibility of privatizing API. The contract was signed with PCG of Boston, MA, and a final report with its findings will be released in mid-January, 2017. Additionally, during FY2017, the Division sought reviews by the Western Interstate Commission for Higher Education (WICHE) of the operations of API's forensic and adolescent units, as well the operations of API's nursing department. All three reports by (WICHE) consultants have been received and are being studied and considered at the time of this writing. The Division is hopeful these reports will assist API in making progress to better operationalize these important aspects of API's overall administration.

Key RDU Challenges

System Change Management

Emerging issues on the national and states landscape have significant implications and challenges for the Division of Behavioral Health. The coordination of behavioral health with other non-traditional settings will require changes in business and clinical practice by Alaska's behavioral health providers, requiring new resources and skills, including business modeling that balances fiscal, revenue, and clinical management, and results in maximum service capacity and delivery of quality care with meaningful outcomes. The efforts at "cross coordination" with the behavioral health system of care include integration with primary care, medical home models, corrections, therapeutic courts, and domestic violence/sexual assault providers.

Medicaid Reform and Behavioral Health System Redesign

The Division has significantly reorganized its staffing sections in order to begin to respond to the impact of the various initiatives approved in SB74 that impact the Division, working to better position the Division and its staff for the advent of the many changes coming its way. Additional staffing changes will be necessary as the full extent of the redesigned behavioral health care system is better understood. Changes already underway include:

- Putting together the process teams necessary to successfully apply to the Centers for Medicare and Medicaid Services (CMS) for an 1115 Behavioral Health Medicaid Demonstration Waiver;
- Performing a readiness assessment of over half of the division's staff, in anticipation that the Division, as a part of the 1115 Medicaid Waiver application process, will contract with an Administrative Services Organization (ASO) that will assume day-to-day management of the redesigned behavioral health care system;
- Performing a readiness assessment of approximately one-third of the current behavioral health grantee providers, again in anticipation of the retention of an ASO, in order to determine the financial capacity of Alaska's community behavioral health providers to absorb the management structure of an ASO model;
- Preparing the system to move away from General Fund grants to a Medicaid-based funding stream;
- Working to respond to changes to the Division's treatment and support systems made necessary as a result of the passage of SB91 and the development of a pre-trial diversion program that will significantly impact the capacity of local community behavioral health providers to meet the needs of persons mandated to community-based services as an alternative to incarceration;
- Responding to the opioid epidemic with new programs and a newly-created section with the Division;
- Working to oversee some additional grant programs reflective of the impact of SB91 and the need to address substance use disorder treatment gaps in Alaska's communities.

Documentation and Improved Outcomes Data

The Division's staff is actively working to respond to concerns around the benefits and appropriateness of its present documentation requirements, while also needing to respond to a value-based rather than a volume-based payment system. The Division must develop the capacity to collect data that actually enables the Division to effectively evaluate whether the new behavioral health system of care being developed is, in fact, providing better access to care and better, positive outcomes through the quality of the care delivered to the recipients of services.

Performance Management System

- The Division of Behavioral Health continues to develop and implement a performance management system to ensure an efficient, equitable, and effective system of behavioral health care for Alaskans. However, a performance oriented-system requires an integrated data infrastructure system, an issue that the Division struggles with as it explores behavioral health system reform under the auspices of SB74. We see the arrival of an Administrative Services Organization (ASO), under contract with the Division to manage the redesigned behavioral health system of care, as beneficial in this regard, as the ASO will have data systems that will enable the Division to better analyze the outcomes of the changes the ASO and the redesigned system put in place. Related challenges involve budgeting for appropriately skilled research staff to maximize the necessary data collection, analyses, reporting, and application to business and service delivery practices that the advent of an ASO will place on the Division.
- Developing a comprehensive and cohesive information technology system will be a crucial element in assessing the rapidly changing behavioral health continuum of care within Alaska. The Division of Behavioral Health is working with departmental information technology planning to on-board the Division's Alaska Automated Information Management System (AKAIMS) onto Alaska's public / private health information exchange (HIE, known as AeHN, or the Alaska e-Health Network). The Division will benefit from connecting / interfacing AKAIMS to the HIE because of the relevant health care data contained in the HIE's clinical data repository, but the HIE will also support the ability of behavioral health providers to directly transmit AKAIMS data to the Division, avoiding the current need for double data entry (a significant drawback at this point). Another important benefit of this on-boarding to the HIE will be the ability to integrate both primary care and behavioral health data. The HIE can extract data from both AKAIMS and any primary care provider's electronic health record, allowing the Division to compile a complete health profile on one individual or aggregate integrated health information on a statewide level.

Local Psychiatric Emergency Services

- The development of quality local psychiatric emergency services throughout the state, as well as the development of alternatives to hospitalization (such as crisis respite beds), is needed to minimize admissions to Alaska Psychiatric Institute, which is the only state-owned psychiatric hospital.
- In recent years, the Alaska Psychiatric Institute, which has limited bed capacity (80 total beds, including just 50 acute adult beds), has experienced significant increases in admissions and daily census capacity. To accommodate this increased admissions pressure, the hospital has adopted an "acute care model" that does not allow for complete patient stabilization of every patient prior to that patient's necessary discharge. For the last three fiscal years, the rate of patient readmission within 180 days of discharge has been high, but is showing modest improvement, decreasing from 32 percent in FY2014 to 27.5 percent in FY2016. Improvements in the discharge process and successful treatment engagement are needed to further decrease this rate.

Alaska Psychiatric Institute (API)

- Alaska's only public psychiatric hospital continues to struggle because of the pressures on its operations resulting from the high demand for its services. With the support of the Governor, API has been able to increase the salaries of its psychiatrist positions, resulting in a reduction in API's need to rely on locum tenens (temporary) physicians to fill API's psychiatrist positions. However, the other clinical professionals needed to run a psychiatric facility are still located on the state's outdated salary schedule, making it very difficult for API to hire *and retain* experienced licensed, independent practitioners, such as advanced nurse practitioners (with psychiatric specialties), physician's assistants, and other medical doctors.

- In addition, API continues to have high personnel costs, driven by patient acuity (patients often require one-to-one staffing, because of their volatility or vulnerability); the use of overtime to adequately cover very busy units; and staff workplace injuries that require the nursing department to use overtime to fill-in for personnel out on Workers' Compensation leave.
- Finally, the functionality of API's forensic unit – and its role in the evaluation and restoration of persons found incompetent to stand trial for crimes allegedly committed because of a mental illness – is controversial and the subject of many different reviews by a variety of entities, including the Alaska Criminal Justice Commission and the Criminal Justice Working Group. As mentioned above, the Division recently sought reviews of the operations of its forensic unit and the operations of its nursing department and both reports by the WICHE consultants have been received and are presently under review. The Division is hopeful these reports will assist the Division in making progress to better operationalize these two important aspects of API's overall administration.

Significant Changes in Results to be Delivered in FY2018

- Meet the specific behavioral health related service and program challenges presented to the Division (and the Department) in SB74
- Seek improvement in the State's integrated delivery of behavioral health services by applying to CMS for an 1115 Behavioral Health Demonstration Waiver

Behavioral Health Prevention and Early Intervention Grants

- FY2018 will be the final year of a four-year grant cycle for the Division's Comprehensive Behavioral Health Prevention and Early Intervention coalition grant program. Based on the federal Strategic Prevention Framework, year one of the new grant program (FY2015) was primarily spent focused on community assessment, capacity building, and identifying intermediate variables that directly affect local identified behavioral health outcomes. Year two was focused on selecting and implementing strategies to focus on change at the policy, systems, and environmental (PSE) level. During FY2017 (year three), all nineteen (19) comprehensive prevention coalition grantees will be implementing prevention strategies and evaluating their process and outcomes, thereby continuing to carry out the Strategic Prevention Framework with fidelity
- FY2018 will see the Division's prevention and intervention program shifting its approach from grants- funded prevention efforts to focusing more on a data-driven process, where the Division funds community coalitions, not individual agencies, and supports each community's readiness to act. The Division's efforts will focus on implementing strategic planning and the use of environmental strategies (strategies to change the conditions that lead to behavioral health concerns, such as youth access to alcohol), while also looking for uniform population-level change (e.g., in 30-day alcohol use by youth; binge drinking; age of onset for alcohol, marijuana and other drugs; etc.). These efforts have are starting to realize a significant transformation of the State's prevention system and the providers are experiencing greater engagement from their community partners. The Division views these changes as leading to stronger communities and, over time, healthier families.

Alaska Psychiatric Institute

- During FY2018, the division hopes to fully operationalize the findings of the WICHE reports on the needs of its forensic and adolescent units and the operations of its nursing department and nursing administration, in order to provide better service to its partners and patients.

Behavioral Health Treatment and Recovery Grants / Medicaid Quality Section

- In light of Medicaid Expansion and Medicaid redesign, the Division of Behavioral Health has administratively reorganized its program sections to provide more efficient services to behavioral health providers. Besides its prevention and intervention section described above, the Division now has a Behavioral Health Quality Assurances Services section (formerly Treatment and Recovery) and a Medicaid Provider Assistance

Services section (formerly Medicaid Quality Services). In addition, the Division is creating a team specifically focused on substance use disorders, including opioid disorders, to more effectively develop this aspect of Alaska's treatment system, including working towards formal, full-time identification of a State Opioid Treatment Authority (SOTA).

- The Division 1) acknowledges the fact that more and more behavioral health services will have to be paid for via Medicaid reimbursement rather than general fund grant dollars; 2) recognizes that the requirement that behavioral health providers must be grant-funded in order to access Medicaid will be reduced or eliminated; and, 3) welcomes the introduction of an Administrative Service Organization (ASO) to Alaska, which will likely require further restructuring of the Division as the ASO assumes management of Alaska's system of behavioral health care and the Division takes on oversight of the ASO's work.
- During FY2018, the Division will implement a second reduction to behavioral health grants, to address the shift in revenues from grants to a growing reliance on Medicaid and other insurance sources to fund behavioral health services. This will require on-going, careful analysis of Medicaid revenues in order to meet the legitimate need for grant funding to pay for services and supports not covered by Medicaid or other revenue sources and which prevent the need for and reliance on emergency and intensive inpatient or institutional services (corrections, hospital, residential, etc.).

Contact Information
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**Behavioral Health
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2016 Actuals				FY2017 Management Plan				FY2018 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
BH Treatment and Recovery Grants	61,423.3	1,831.5	5,249.2	68,504.0	62,774.6	2,242.3	5,835.5	70,852.4	54,774.6	1,992.3	7,020.5	63,787.4
Alcohol Safety Action Program	3,054.8	1,393.4	255.1	4,703.3	2,768.9	1,710.2	316.6	4,795.7	2,870.5	1,717.5	597.1	5,185.1
Behavioral Health Administration	7,477.8	211.6	1,890.1	9,579.5	7,955.6	738.3	2,206.8	10,900.7	7,819.2	627.6	2,348.9	10,795.7
BH Prev & Early Intervntn Grants	4,796.7	5.0	2,505.9	7,307.6	6,598.4	175.0	4,064.0	10,837.4	6,292.1	175.0	5,469.0	11,936.1
Designated Eval & Treatment	3,892.1	0.0	0.0	3,892.1	4,657.7	0.0	0.0	4,657.7	3,794.8	0.0	0.0	3,794.8
Alaska Psychiatric Institute	7,269.0	25,702.5	0.0	32,971.5	7,096.3	25,977.5	0.0	33,073.8	7,147.3	26,102.9	0.0	33,250.2
AK MH/Alc & Drug Abuse Brds	404.4	407.3	36.2	847.9	487.1	509.2	100.2	1,096.5	438.0	512.4	100.3	1,050.7
Suicide Prevention Council	598.3	0.0	0.0	598.3	650.6	0.0	0.0	650.6	654.5	0.0	0.0	654.5
Residential Child Care	3,729.2	0.0	57.4	3,786.6	3,796.1	0.0	267.0	4,063.1	3,515.7	0.0	267.2	3,782.9
Totals	92,645.6	29,551.3	9,993.9	132,190.8	96,785.3	31,352.5	12,790.1	140,927.9	87,306.7	31,127.7	15,803.0	134,237.4

Behavioral Health
Summary of RDU Budget Changes by Component
From FY2017 Management Plan to FY2018 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>
FY2017 Management Plan	70,668.6	26,116.7	31,352.5	12,790.1	140,927.9
One-time items:					
-BH Treatment and Recovery Grants	-6,000.0	0.0	-1,050.0	0.0	-7,050.0
-Alcohol Safety Action Program	-1.1	0.0	0.0	0.0	-1.1
-Behavioral Health Administration	0.0	0.0	-235.6	0.0	-235.6
-AK MH/Alc & Drug Abuse Brds	0.0	0.0	-464.2	0.0	-464.2
Adjustments which continue current level of service:					
-BH Treatment and Recovery Grants	0.0	0.0	800.0	0.0	800.0
-Alcohol Safety Action Program	102.7	0.0	7.3	0.5	110.5
-Behavioral Health Administration	-140.0	3.6	2.9	12.1	-121.4
-Alaska Psychiatric Institute	51.0	0.0	125.4	0.0	176.4
-AK MH/Alc & Drug Abuse Brds	-0.4	0.0	467.4	0.1	467.1
-Suicide Prevention Council	3.9	0.0	0.0	0.0	3.9
-Residential Child Care	0.8	0.0	0.0	0.2	1.0
Proposed budget increases:					
-BH Treatment and Recovery Grants	0.0	1,000.0	0.0	1,185.0	2,185.0
-Alcohol Safety Action Program	0.0	0.0	0.0	280.0	280.0
-Behavioral Health Administration	0.0	0.0	122.0	130.0	252.0
-BH Prev & Early Intervntn Grants	0.0	0.0	0.0	1,405.0	1,405.0
Proposed budget decreases:					
-BH Treatment and Recovery Grants	-3,000.0	0.0	0.0	0.0	-3,000.0
-BH Prev & Early Intervntn Grants	-306.3	0.0	0.0	0.0	-306.3
-Designated Eval & Treatment	-862.9	0.0	0.0	0.0	-862.9
-AK MH/Alc & Drug Abuse Brds	-48.7	0.0	0.0	0.0	-48.7
-Residential Child Care	-281.2	0.0	0.0	0.0	-281.2

Behavioral Health
Summary of RDU Budget Changes by Component
From FY2017 Management Plan to FY2018 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>
FY2018 Governor	60,186.4	27,120.3	31,127.7	15,803.0	134,237.4