

# **State of Alaska FY2019 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 2017**

- The Division continued collaboration with the Medicaid Fraud Control Unit and Program Integrity. 283 investigations were conducted and 75 allegations substantiated. In addition to those referred to Program Integrity for overpayment recoveries, Senior and Disabilities Services recovered \$14,538.66 in payment corrections for billing errors discovered during reviews for prior authorizations.
- The Aging and Disability Resource Centers screen individuals requesting service to determine if they may need services offered through Medicaid Waiver (Alaskans Living Independently and Adults with Physical and Developmental Disabilities waivers) and Personal Care Services. The Aging and Disability Resource Centers' specialists provide options of counseling to identify long-term support needs, explore options to meet their needs through a facilitated decision-support process, connect callers and visitors with the resources they choose, and follow-up to ensure the needs have been met.
- The division completed 119 initial assessments and 81 re-assessments using Telehealth resources to reach recipients in rural Alaska, resulting in improved timeliness and efficiencies.
- Revised Regulations for Personal Care Services program which allowed the Division to increase oversight of services authorized.

**Key Component Challenges**

- Alaska is the state with the fastest growing senior population in the nation for the past five years, and people age 60+ are the fastest growing demographic in the State. People are living longer and many are active; however, the numbers of seniors with dementia, chronic health conditions, and behavioral health needs are also increasing proportionately. (State Plan for Senior Services FY2016-2019).
- Implementation of Medicaid reform efforts as result of SB74 requires additional staff capacity.

- In FY2018 the division will develop State regulations, amend the Medicaid State Plan, and amend the approved Medicaid Waivers to establish the Community First Choice Program (requirement of SB74)
- In FY2018 the division will develop regulations and create new 1915(c) Home and Community Based Waiver for Individuals with Intellectual and Developmental Disabilities. The new waiver refinances the 100% general fund program Community and Developmental Disabilities Grant.
- The division will 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.
- Development and Implementation of Electronic Visit Verification System for Personal Care Services and Home Health, as required by the 21st Century Cures Act, requires additional effort and staff to manage the program and provide audit and provider oversight.
- Ensure that vulnerable adults are safe and protected from abuse, neglect, and exploitation.
- 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.
- The division's capacity to control program growth and cost remains a constant challenge.

### **Significant Changes in Results to be Delivered in FY2019**

- Development and Implementation of Electronic Visit Verification System for Personal Care Services and Home Health, as required by the 21st Century Cures Act.
- Implemented phases of the federally mandated Home and Community Based Settings Requirements.
- Design, development and implementation of the InterRAI assessment tool and person centered support plan with in the Harmony database. The implementation the database system upgrade will provide increased efficiency to the State by automating Medicaid access services, service authorization and resource allocation. Additional efficiencies include the management of eligibility assessment tools and service authorization process.
- 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

Contact Information
<p><b>Contact:</b> Shawnda O'Brien, Assistant Commissioner <b>Phone:</b> (907) 465-1630 <b>Fax:</b> (907) 465-2499 <b>E-mail:</b> shawnda.obrien@alaska.gov</p>

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

**Component:** Senior and Disabilities Medicaid Services (2662)  
**RDU:** Medicaid Services (595)

Formula Component

	FY2017 Actuals	FY2018 Conference Committee	FY2018 Authorized	FY2018 Management Plan	FY2019 Governor	FY2018 Management Plan vs FY2019 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	685.0	685.0	685.0	685.0	685.0	0.0	0.0%
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	491,223.4	549,382.2	549,382.2	549,382.2	574,283.7	24,901.5	4.5%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>491,908.4</b>	<b>550,067.2</b>	<b>550,067.2</b>	<b>550,067.2</b>	<b>574,968.7</b>	<b>24,901.5</b>	<b>4.5%</b>
<b>Fund Sources:</b>							
1002Fed Rcpts (Fed)	265,447.3	297,193.1	297,193.1	297,193.1	320,814.7	23,621.6	7.9%
1003G/F Match (UGF)	226,461.1	238,755.3	238,755.3	238,755.3	240,035.2	1,279.9	0.5%
1004Gen Fund (UGF)	0.0	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)	0.0	550.0	550.0	550.0	550.0	0.0	0.0%
<b>Unrestricted General (UGF)</b>	<b>226,461.1</b>	<b>251,805.7</b>	<b>251,805.7</b>	<b>251,805.7</b>	<b>253,085.6</b>	<b>1,279.9</b>	<b>0.5%</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>0.0</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>265,447.3</b>	<b>297,193.1</b>	<b>297,193.1</b>	<b>297,193.1</b>	<b>320,814.7</b>	<b>23,621.6</b>	<b>7.9%</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 FY2018 Conference Committee To FY2018 Authorized *****												
<b>FY2018 Conference Committee</b>												
	ConfCom	550,067.2	0.0	0.0	685.0	0.0	0.0	549,382.2	0.0	0	0	0
1002 Fed Rcpts		297,193.1										
1003 G/F Match		238,755.3										
1004 Gen Fund		13,050.4										
1007 I/A Rcpts		518.4										
1108 Stat Desig		550.0										
<b>Subtotal</b>		<b>550,067.2</b>	<b>0.0</b>	<b>0.0</b>	<b>685.0</b>	<b>0.0</b>	<b>0.0</b>	<b>549,382.2</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2018 Management Plan To FY2019 Governor *****												
<b>Third Year Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74)</b>												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		12,378.5										
1003 G/F Match		-12,378.5										
Fiscal Note 57 - SB 74												
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.												
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."												
<b>Third Year Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74)</b>												
	Inc	11,243.1	0.0	0.0	0.0	0.0	0.0	11,243.1	0.0	0	0	0
1002 Fed Rcpts		11,243.1										
Fiscal Note 57 - SB 74												
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.												
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."												
<b>FY2019 Medicaid Projections</b>												
	Inc	13,658.4	0.0	0.0	0.0	0.0	0.0	13,658.4	0.0	0	0	0
1003 G/F Match		13,658.4										

During production of the FY2018 budget the department did not anticipate the success of the federal claiming initiatives, such as the Tribal Health program and

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

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

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Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
<p>other reform efforts, as a result existing federal appropriations do not reflect the amount of revenue anticipated by the department. Additional federal authority is needed across the Medicaid RDU to enable uninterrupted payment of provider billings. In FY 2019 the savings created by the Tribal Health program associated with increased enrollment and service delivery is projected to level out and increases in enrollment for non-Medicaid expansion are expected to slow down.</p> <p>The program-wide projected general fund expenditures for FY2019 is \$691,411.5. The FY2019 state general fund projection represents the difference between FY2018 GF projected expenditures plus an additional 4.36% increase to account for population and enrollment changes.</p> <p>At this time uncertainty exists as to whether the Children's Health Insurance Program (CHIP) will be reauthorized by the Federal government. If CHIP is not reauthorized the federal reimbursement rate for eligible children will decline from 88% to 50%. If reauthorization does not occur an additional \$14,028.0 in additional state general fund authority would be required in order to continue providing Medicaid services to eligible children.</p> <p>As in previous fiscal years, the department continues to implement multiple strategies to help address budget challenges, such as withholding schedule inflationary increases in certain payment rates; rate reductions for professional services; and some service reductions have succeeded in offsetting the anticipated shortfall and the projected state general fund expenditures for the state fiscal year are still less than those authorized for in earlier years.</p> <p>In FY2015 the Medicaid program covered 163,505 unique individuals in the state of Alaska. In FY2017 218,385 individuals were enrolled in the program, about 40,000 through Medicaid expansion. In FY2019 it is projected that greater than 225,000 Alaskans will be covered by Medicaid, however, through significant coordination between the legislature and department to reform and find federal funding sources for the program, the projected general fund need in FY2019 is lower than the FY2015 budget.</p>												
		<b>574,968.7</b>	<b>0.0</b>	<b>0.0</b>	<b>685.0</b>	<b>0.0</b>	<b>0.0</b>	<b>574,283.7</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		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
3000	Services		685.0	685.0	685.0
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
<b>3000 Services Detail Totals</b>			<b>685.0</b>	<b>685.0</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.	0.0	280.0	280.0
3024	Inter-Agency Legal	H&SS - Senior/Disabilities Medicaid Svc (2662)	280.0	0.0	0.0
3024	Inter-Agency Legal	Law - Department-wide RSA: Medicaid Program Legal Services	405.0	405.0	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		FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
7000	Grants, Benefits		491,223.4	549,382.2	574,283.7
Object Class	Servicing Agency	Explanation	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
		<b>7000 Grants, Benefits Detail Totals</b>	<b>491,223.4</b>	<b>549,382.2</b>	<b>574,283.7</b>
7001	Grants		-0.1	0.0	0.0
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.	491,223.5	549,382.2	574,283.7

**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	FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
<b>5002 Fed Rcpts (1002 Fed Rcpts)</b>			<b>265,447.3</b>	<b>297,193.1</b>	<b>320,814.7</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.	265,447.3	297,193.1	320,814.7
<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>147.2</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.	147.2	550.0	550.0

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

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

			FY2017 Actuals	FY2018 Management Plan	FY2019 Governor
<b>Component Totals</b>			<b>685.0</b>	<b>405.0</b>	<b>405.0</b>
With Department of Health and Social Services			280.0	0.0	0.0
With Department of Law			405.0	405.0	405.0
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2017 Actuals</b>	<b>FY2018 Management Plan</b>	<b>FY2019 Governor</b>
3024	Inter-Agency Legal	H&SS - Senior/Disabilities Medicaid Svc (2662)	280.0	0.0	0.0
3024	Inter-Agency Legal	Law - Department-wide RSA: Medicaid Program Legal Services	405.0	405.0	405.0