State of Alaska
FY2019 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.
- 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.

5. Provide and coordinate interagency behavioral healthcare.

Major RDU Accomplishments in 2017

Continuing the Grant Reformation Process: Moving from a Grant-based System to a Greater Reliance on Medicaid as a Financing Mechanism for Behavioral Health Services

Division of Behavioral Health Medicaid Assistance and DBH Quality Assurance program manager staff continued to work closely with tribal and non-tribal organizations in order to increase the ability of grantee agencies to maximize access to Medicaid revenues for behavioral health services. 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 behavioral healthcare services, many community behavioral health agencies and tribal health organizations did access significantly increased Medicaid revenues in FY2017. This ability to benefit from Medicaid Expansion will be essential to maintain – and to increase – the level and quality of behavioral health services as the State moves forward on behavioral health reform (see below).

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 through all of FY2017, the Careline received over 10,000 calls per year, culminating in FY2017 at over 16,220 contacts, including a new

service in FY2017: the ability of users to text from their mobile phones with Careline staff. In order to respond to these increases, DBH supported additional staffing and increased its financial commitment to the Careline program accordingly. 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 may be 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.

Key RDU Challenges

System Change Management

Emerging issues on the national and state 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 (2016) 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:

- Working with 1115 Behavioral Health Medicaid Waiver Teams to assist the Division in developing a successful application to the Centers for Medicare and Medicaid Services (CMS) for an 1115 Behavioral Health Medicaid Demonstration Waiver Project;

- Performing a readiness assessment of over half of the division's staff, in anticipation that the Division, as a part of the 1115 Behavioral Health 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, clinical, program and administrative 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 with the DHSS Office of Rate Review (ORR) to substantially re-base the current Medicaid rates paid to behavioral health providers for behavioral health services (rates that have not been increased in over 10 years);

- Responding 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 of Public Health that DBH funds using federal awards specifically targeted to the opioid epidemic state response.

- Working to oversee 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 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

- DBH 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 developing the research staff needed 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, and 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. 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, providing a clear demographic of the clients served.

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 [just 80 total 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 shares responsibility with local community behavioral centers, allowing for initial patient stabilization within the hospital and, once stabilized and no longer meeting involuntary criteria for admission, transfer of the patient back to the community for continued additional stabilization and follow up. 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 29.6 percent in FY2017. 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. 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 prosecutors, defense attorneys, judges, and the Alaska Criminal Justice Commission. The main concern is the lack of sufficient beds on the forensic unit on two fronts: first, the need for beds on the forensic unit in order to conduct restorations, when a criminal defendant is found incompetent to stand trial by a court, and, second, the need for beds so that criminal defendants awaiting examination for competency determinations are not left sitting in jail cells while the limited API forensic staff are moving through the list of persons awaiting evaluation.

Significant Changes in Results to be Delivered in FY2019

- Seek improvement in the State's integrated delivery of behavioral health services by completing negotiations with CMS around the Department's application to CMS for an 1115 Behavioral Health Medicaid Demonstration Waiver, with a hopeful effective date of the latter half of FY2019.

- In the summer and fall of 2018 review eligible responses to the Division of Behavioral Health's RFP for the services of an Administrative Services Organization (ASO) and award a contract for assistance in primary management of the State's behavioral health care services delivery system. The ASO contract is expected to be awarded in early 2019 with full management implemented by July, 2019.

- Phase One of the 1115 Behavioral Health Waiver will be implemented in the latter part of FY2019 which will include recruiting providers for the expanded local, community-based behavioral health services and systems changes anticipated to reach more people in need of behavioral health services.

Behavioral Health Prevention and Early Intervention Grants

- While FY2018 was officially the final year of a four-year grant cycle for the Division's Comprehensive Behavioral Health Prevention and Early Intervention coalition grant program, the Division expects unexpended federal grant funds will be available to the Division during FY19 to continue to support the Strategic Prevention Framework (SPF) for one additional year. 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 FY2018 (year four), all nineteen (19) comprehensive prevention coalition grantees implemented prevention strategies and began to fully evaluate their processes and outcomes.

- FY2019 will continue to 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 continue to 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 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.

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).

- Acknowledging that more behavioral health services will have to be paid for via Medicaid reimbursement rather than general fund grant dollars, and recognizing that the majority of behavioral health providers will need to access Medicaid if they are to continue as sustainable agencies, the Division welcomes the introduction of an Administrative Service Organization (ASO) to Alaska, which will require further restructuring of the Division as the ASO assumes management of Alaska's complex system of Medicaid-funded behavioral health care and the Division takes on the new role of oversight of the ASO's work.

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Behavioral Health
RDU Financial Summary by Component

All dollars shown in thousands

	FY2017 Actuals				FY2018 Management Plan				FY2019 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	56,723.9	1,911.8	6,598.8	65,234.5	59,634.1	1,992.3	7,121.1	68,747.5	54,364.6	1,992.3	7,121.1	63,478.0
Alcohol Safety Action Program	2,394.9	1,431.7	293.8	4,120.4	2,870.5	1,817.5	597.1	5,285.1	2,896.3	1,824.1	597.6	5,318.0
Behavioral Health Administration	7,297.9	402.2	1,488.8	9,188.9	7,874.7	702.6	2,354.4	10,931.7	7,438.6	700.2	2,247.9	10,386.7
BH Prev & Early Intervntn Grants	5,039.2	0.0	4,530.4	9,569.6	6,252.1	0.0	5,469.0	11,721.1	6,252.1	0.0	5,469.0	11,721.1
Designated Eval & Treatment	1,934.3	0.0	0.0	1,934.3	3,794.8	0.0	0.0	3,794.8	3,794.8	0.0	0.0	3,794.8
Alaska Psychiatric Institute	7,346.1	26,381.4	0.0	33,727.5	7,166.8	26,102.9	0.0	33,269.7	7,185.7	26,174.3	0.0	33,360.0
AK MH/Alc & Drug Abuse Brds	373.3	338.3	9.3	720.9	438.0	512.4	100.3	1,050.7	436.7	511.6	100.4	1,048.7
Suicide Prevention Council	616.8	0.0	0.0	616.8	654.5	0.0	0.0	654.5	657.7	0.0	0.0	657.7
Residential Child Care	3,497.7	0.0	30.4	3,528.1	3,515.7	0.0	161.1	3,676.8	3,516.5	0.0	161.3	3,677.8
Totals	**85,224.1**	**30,465.4**	**12,951.5**	**128,641.0**	**92,201.2**	**31,127.7**	**15,803.0**	**139,131.9**	**86,543.0**	**31,202.5**	**15,697.3**	**133,442.8**

Behavioral Health
Summary of RDU Budget Changes by Component
From FY2018 Management Plan to FY2019 Governor

All dollars shown in thousands

	Unrestricted Gen (UGF)	Designated Gen (DGF)	Other Funds	Federal Funds	Total Funds
FY2018 Management Plan	**65,080.9**	**27,120.3**	**31,127.7**	**15,803.0**	**139,131.9**
One-time items:					
-BH Treatment and Recovery Grants	-4,894.5	-375.0	-800.0	0.0	-6,069.5
-Behavioral Health Administration	-113.3	0.0	-124.4	-113.4	-351.1
-AK MH/Alc & Drug Abuse Brds	0.0	0.0	-467.4	0.0	-467.4
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	5.4	20.4	6.6	0.5	32.9
-Behavioral Health Administration	-303.7	-19.1	0.0	6.9	-315.9
-Alaska Psychiatric Institute	18.9	0.0	71.4	0.0	90.3
-AK MH/Alc & Drug Abuse Brds	-1.3	0.0	466.6	0.1	465.4
-Suicide Prevention Council	3.2	0.0	0.0	0.0	3.2
-Residential Child Care	0.8	0.0	0.0	0.2	1.0
Proposed budget increases:					
-Behavioral Health Administration	0.0	0.0	122.0	0.0	122.0
FY2019 Governor	**59,796.4**	**26,746.6**	**31,202.5**	**15,697.3**	**133,442.8**