State of Alaska
FY2020 Governor's Operating Budget

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

Health Care Services Results Delivery Unit

Contribution to Department's Mission

To provide health coverage to Alaskans in need.

Results

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

Measures by Core Service

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

Major RDU Accomplishments in 2018

- In FY2018, the Health Information Technologies office worked with the Centers for Medicare and Medicaid Services Health Information Technology for Economic and Clinical Health (HITECH) team and the statewide Health Information Exchange organization Alaska eHealth Network to modify the existing infrastructure from a clinical data repository model to a hybrid federated Health Information Exchange technology stack. This change in models will provide improvements and efficiencies for Alaska's healthcare organizations participating in the Health Information Exchange by providing more services and functionalities, faster onboarding capabilities, and better alignment with healthcare organization's technology needs. The Health Information Exchange implemented a new image view, which allows participants to view images and not just summary reports. In FY2019, there are plans to support the onboarding of more healthcare providers to the Health Information Exchange including the provision of administrative offset funding for those providers onboarding and activities to finish the technology stack upgrade for the Health Information Exchange.

- The Health Facilities Licensing and Certification survey team is comprised of registered nurses and a clinical social worker responsible for state licensing and federal certification of health care facilities in the State of Alaska. Health care facilities included are: general acute care hospitals; long-term acute care hospitals; critical access hospitals; skilled nursing facilities; volunteer and full service hospice programs; home health agencies; federally qualified health centers; free standing birth centers; ambulatory surgical centers; end-stage renal disease dialysis centers; outpatient physical therapy programs; and speech pathology services. The Health Facilities Licensing and Certification team completed a total of 155 surveys in FY2018, which included health and life safety code surveys for state licensure and federal recertification, complaint investigations, Centers for Medicare and Medicaid Services (CMS) assigned validation surveys, and all required revisit surveys.

- The Residential Licensing Program is responsible for licensing 702 facilities statewide. Facilities licensed under this program are assisted living homes (653) and residential child care facilities (49). During FY2018, the unit issued 65 new facility licenses, and 44 facilities closed, for a net gain of 21 facilities and a net increase of 31 adult beds (3,955 vs. 3,924) in FY2018. Residential licensing specialists conducted 686 inspections during FY2018.

- In FY2018, the division realized a $9.30 to $1.00 return on investment for inpatient and outpatient utilization management services performed by its contractor, Qualis Health, yielding a net Medicaid program savings of $12,973,820.00.

- In FY2018, the division realized a $3.85 to $1.00 return on investment for case management services provided by Qualis Health, yielding a net Medicaid program savings of $2,481,772.00.

- During FY2018, 991 cases were referred to Qualis Health for case management services. Of the 991 cases referred, 152 Medicaid recipients agreed to receive the service. The division expects that educational outreach to Medicaid recipients can improve case management numbers and lead to further savings.

- During FY2018, the Care Management Program saved the Medicaid program approximately $2,770.0 in Medicaid costs attributed to overutilization of services. The program assigns recipients with a history of over-utilizing services to a single primary care provider and pharmacy to improve continuity of care for the individual and reduce unnecessary office visits and excessive medications.

- During FY2018, the Alaska Medicaid Coordinated Care Initiative saved the Medicaid program approximately $9,500.0 in Medicaid costs attributed to overutilization of services. The program provides case management and healthcare navigation services to recipients that are high-utilizers of Medicaid benefits. The savings from this program are primarily attributed to reductions in emergency room use, and inpatient hospitalizations.

- The Background Check Program processed 19,617 determinations - an increase of 1,046 determinations from FY2017. The increase in the number of determinations processed resulted from an increase in the number of providers using the background check system for fingerprint-based criminal history checks. Utilizing additional efficiencies in the program database, the Background Check Program continues to provide an overall processing rate of under 1-day for provisional authorizations despite the increase in determinations.

- During FY2018, the Health Care Services Systems Unit implemented several Medicaid reform initiatives including the enrollment of Behavioral Health Aides and Community Health Aides and revisions to their associated covered services. The unit also completed major system design work associated with the 1915k Community First Choice state plan option and the 1915c Individualized Supports Waiver allowing for an October 1, 2018, effective date. In alignment with federal requirements, the unit implemented system changes to support delivery of applied behavioral analysis services for children under age 21 with an autism diagnosis, changes to the transmission of electronic transactions in support of HIPAA Operating Rules requirements, and changes to member records to support the usage of the new Medicare Beneficiary Identifier.

- With responsibilities that include the effective management of the state's contract with the federal Center for Medicare and Medicaid Services covering all aspects of the Medicaid program, the program review unit drafted and submitted eight Medicaid state plan amendments in FY 2018. As part of the submission process, the unit arranged and performed tribal consultation for each amendment, coordinating with multiple divisions and tribal health entities to ensure timely and concurrent notice to the public of associated regulatory changes.

- The Office of Rate Review rebased rates for Tribal Medicaid Administrative Claiming. This is a new process and requires coordination between the Tribal Health Organizations and various divisions within the Department of Health and Social Services. In addition to Tribal Medicaid Administrative Claiming rebasing efforts, a quarterly quality assurance review is performed to validate Tribal Medicaid Administrative Claiming submissions.

Key RDU Challenges

Health Information Technologies:

- Rule changes by the Centers for Medicare and Medicaid Services continue to cause significant procedure and system changes to the Alaska Medicaid Electronic Health Record (EHR) Incentive Payment Program. System modernization work will continue for DHSS systems and registries to improve the ability for eligible professionals and eligible hospitals to submit required data and improve care coordination for Alaskans.

Health Facilities Licensing and Certification:

- The new federal regulations require long-term care (nursing homes) reviews be completed using Centers for Medicare and Medicaid Services designed software products. The survey team faced multiple challenges complying with this mandate including hardware issues with tablet functionality and software problems with frequently required updates. The unit experienced an increased need for Information Technology (IT) resources and training from Centers for Medicare and Medicaid Services surveyors in FY2018.

Residential Licensing:

- The Residential Licensing program has grown significantly since its creation in FY2007 at which time there were approximately 510 licensed assisted living homes, with 2,774 beds, statewide. Since that year, the state has added 143 adult facilities and 1,181 beds. The number of critical incident reports received increased from 1,786 in FY2011 to 7,803 in FY2018. Alaska continues to have the fastest growing senior population in the nation with the number of older Alaskans increasing at more than four times the national average. This growth will impact the growth in assisted living home providers, which ultimately adds to the workload related to licensing and complaint investigations. While the unit has found efficiencies to address this ever-increasing workload (implementation of provider and complaint management system, transitioning from annual to biennial inspections, and other process improvements), the division anticipates the number of providers and intakes will continue to grow. This, coupled with a stagnant number of inspectors, continues to strain the boundaries of the program and its staff members.

Background Check Program:

- Federal background check requirements for certain programs, such as Head Start and child care programs, have been updated and federal timelines for implementation provided. While many of these changes were incorporated in the FY2017 revised regulations, additional statutory and regulatory changes may be needed as the federal government continues to refine the new requirements. Additionally, changes to the Background Check Program database may be needed to accommodate these revisions and ensure a singular background check database system can meet the needs of participating state divisions and programs.

Quality Assurance:

- The Quality Assurance unit anticipates challenges with the Alaska Medicaid Coordinated Care Initiative (AMCCI) as other Medicaid reform projects come online to serve the same/similar population as AMCCI. Quality Assurance also expects an increased level of effort to support provider enrollment may be necessary as new provider types are being enrolled, and additional provider types come due for federally mandated revalidation.

Systems:

- The Systems Unit is challenged to address multiple large implementation projects, concurrently, to comply with changing department policies and regulations, and state and federal legislation. Many Medicaid Reform initiatives are under policy development throughout the department, and nearly each of these initiatives has Systems implications that must be evaluated and scheduled.

Operations:

- Health Care Services Operations Unit is challenged to oversee Medicaid Management Information System (MMIS) claims processing for 7,477,457 claims annually, submitted by 30,077 enrolled providers; research and manually resolve 1,500 pended claims monthly; provide regulatory oversight and management of more than 30 provider types and services; adjudicate 2nd level appeals for more than 50 enrolled provider types; provide regulatory oversight and management of the operations, publications, and training components of the fiscal agent contract; provide regulatory oversight and management of the utilization management and case management contracts; provide regulatory oversight and management of the vision services contract; promulgate regulations for more than 40 provider types; respond to all legislative inquiries and requests for information not directly related to specific legislation; and comply with state and federal annual, monthly, and ad hoc reporting requirements.

Office of Rate Review:

- Beginning with FY2019, the Office of Rate Review will enter its heaviest rebase cycle experienced within the last ten years. Eleven (11) hospitals, four (4) nursing homes, four (4) Community Health Aide Tribal providers, and three (3) Federally Qualified Health Centers will undergo rebasing between January 2019 and

June 2020. In addition to facility rebase activities, provider rates for home and community-based waiver services, free-standing birthing centers, and residential supported living will each need to be completed during this same period.

Significant Changes in Results to be Delivered in FY2020

Health Information Technologies:

- Substantial changes to the Centers for Medicare and Medicaid Services Medicaid Electronic Health Record Incentive Program rules for the Alaska Medicaid Electronic Health Record (EHR) Incentive Program are expected to occur in FY2020, and more changes are expected to occur in FY2019. In FY2012, the rules will require changes to how clinical quality measures are reported by providers. Since Health Information Technology for Economic and Clinical Health (HITECH) funding ends FFY2021, and all incentive payments must be made to providers by December 31, 2021 there are many business processes changes that will need to occur in the next 1 – 2 years to ensure Alaska can pay incentive payment to all eligible professionals within the specified timeframes.

  During FY2019, the department completed the Health Information Infrastructure Plan workgroup meetings and received the final plan from the technical contractors. DHSS has written a response for each infrastructure plan recommendation and will continue to evaluate infrastructure needs for FY2020 that will support the department's Enterprise Information Technology Strategic Framework and Roadmap.

Operations:

- The cost of intrastate and interstate medically necessary travel continues to be a challenge for the Medicaid program. The limited availability of basic medical services in remote Alaska villages results in Medicaid beneficiaries living in remote areas to travel to receive the majority of their medical care. The limited availability of specialized medical services in Alaska causes Medicaid beneficiaries to travel outside the state when they require services not available in Alaska. The Division of Health Care Services continues to explore new ways to reduce transportation costs while meeting the needs of Alaskans and remaining in compliance with federal Medicaid transportation regulations.

Quality Assurance:

- The Quality Assurance unit expects the implementation of a new Provider Enrollment module, as well as finalization of the design and structure of a new decision support system in FY2019. Both of these system upgrades will enhance the division's ability to maintain compliance with state and federal law, allowing for increased reporting accuracy.

Systems:

- Significant changes to Medicaid Systems processing, including the implementation of the Coordinated Care Demonstration Project's Managed Care Initiative, are scheduled to be completed in FY2019, Changes related to the Coordinated Care Demonstration Project will allow eligible members within the Anchorage and Mat-Su regions to receive an enhanced level of care coordination at a lower cost to the state. System changes to service authorization structure and requirements will be implemented and will allow for a more streamlined approach for requesting authorizations, a reduced burden for receiving authorizations, and an expedited claims adjudication timeline when authorizations are required. Additionally, substance use disorder services covered under Medicaid will be enhanced through the 1115 waiver and changes within the processing system are required to address the ongoing statewide opioid epidemic as well as other substance use concerns. A Medicaid Information Technology Architecture 3.0 assessment will be completed. Medicaid Information Technology Architecture 3.0 is required by the Centers for Medicare and Medicaid Services (CMS) to qualify for continued enhanced funding for the Medicaid Management Information System. Medicaid Information Technology Architecture framework is required for all Medicaid programs. The information from the assessment will allow the division to target system and operational processes that can be improved and targeted for future upgrades.

Contact Information

Contact: Shawnda O'Brien, Assistant Commissioner
Phone: (907) 465-1630
E-mail: shawnda.obrien@alaska.gov

Health Care Services
RDU Financial Summary by Component

All dollars shown in thousands

	FY2018 Actuals				FY2019 Management Plan				FY2020 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												
Catastrophic & Chronic Illness	-4.7	0.0	0.0	-4.7	153.9	0.0	0.0	153.9	153.9	0.0	0.0	153.9
Non-Formula Expenditures												
Health Facilities Licensing & Ce	581.8	0.0	1,142.4	1,724.2	720.8	100.0	1,363.1	2,183.9	734.4	100.0	1,398.8	2,233.2
Residential Licensing	2,620.1	0.0	940.5	3,560.6	2,905.5	363.0	1,336.6	4,605.1	2,953.4	363.0	1,358.8	4,675.2
Medical Assistance Admin.	3,744.4	386.3	4,019.8	8,150.5	5,290.4	686.6	6,424.3	12,401.3	5,499.2	410.4	6,349.8	12,259.4
Rate Review	1,128.1	0.0	1,057.8	2,185.9	1,275.2	60.0	1,352.3	2,687.5	1,303.4	60.0	1,381.0	2,744.4
Totals	**8,069.7**	**386.3**	**7,160.5**	**15,616.5**	**10,345.8**	**1,209.6**	**10,476.3**	**22,031.7**	**10,644.3**	**933.4**	**10,488.4**	**22,066.1**

Health Care Services
Summary of RDU Budget Changes by Component
From FY2019 Management Plan to FY2020 Governor

All dollars shown in thousands

	Unrestricted Gen (UGF)	Designated Gen (DGF)	Other Funds	Federal Funds	Total Funds
FY2019 Management Plan	**8,263.8**	**2,082.0**	**1,209.6**	**10,476.3**	**22,031.7**
One-time items:					
-Medical Assistance Admin.	0.0	0.0	-292.2	-181.9	-474.1
Adjustments which continue current level of service:					
-Health Facilities Licensing & Ce	9.3	4.3	0.0	35.7	49.3
-Residential Licensing	30.4	17.5	0.0	22.2	70.1
-Medical Assistance Admin.	208.8	0.0	16.0	107.4	332.2
-Rate Review	28.2	0.0	0.0	28.7	56.9
FY2020 Governor	**8,540.5**	**2,103.8**	**933.4**	**10,488.4**	**22,066.1**