

# **State of Alaska FY2020 Governor's Operating Budget**

## **Department of Health and Social Services Behavioral Health Medicaid Services Component Budget Summary**

**Component: Behavioral Health Medicaid Services**

**Contribution to Department's Mission**

Provide access to integrated behavioral health services for individuals experiencing an emotional disturbance and/or a substance use disorder.

This component of Alaska Medicaid is under the programmatic oversight of the Department of Health and Social Services, Division of Behavioral Health.

**Core Services**

- Behavioral Health Clinic Services are provided to children and adults who have been identified through an assessment as experiencing an emotional disturbance. Services include the following: crisis intervention; family, individual, or group psychotherapy; intake and psychiatric assessment; psychological testing; and medication management. Clinic services are provided by state-approved outpatient community mental health clinics and mental health physician clinics.
- Rehabilitation Services are provided to children and adults identified through an assessment as experiencing a severe emotional disturbance, a serious mental illness, or a substance use disorder. Services include assessments, therapeutic behavioral services, comprehensive community support, peer support, recipient support services, medication management, day treatment, case management, structured residential programs, and medical services directly related to substance use and detoxification.
- Psychological services are limited to medically necessary psychological testing to determine the status of a recipient's mental, intellectual, and emotional functioning. Services require a referral and must include administration of psycho-diagnostic tests, the interpretation of results, and a written report.
- Inpatient Psychiatric Facility Services are provided to children under 21 years of age who are experiencing a severe emotional disturbance with a documented need for inpatient psychiatric hospital or residential psychiatric treatment center services. Services must be based on certification of an interdisciplinary team that the treatment needs of the patient cannot be met in a community setting; clinical information that includes diagnostic evaluation and a psychiatric evaluation; and approval.

**Major Component Accomplishments in 2018**

In response to SB74 (2016) and SB105, regulations have been finalized that allow independent practitioners listed in statute to now bill all Medicaid services within their scope of practice. Currently this includes psychologists and Licensed Clinical Social Workers. Additionally, regulations are being finalized that will establish the framework for Licensed Marital and Family Therapists to bill Medicaid. These new provider types will provide necessary relief to a behavioral health system that is near its capacity to effectively treat the Alaskan population.

As mandated by SB74 (2016), Behavioral Health Services applied for and continued the process of implementing the section 1115 Medicaid reform waiver. It is anticipated that the 1115 waiver initiative will improve outcomes for recipients of behavioral health services while remaining cost-neutral to the state. The Division will achieve this by pivoting to a treatment-centered approach to care to a prevention and early intervention approach to care.

The state is on the verge of implementing the first major rate increase for community behavioral health providers since FY2011. These providers have agreed to a reduction in state general fund grants equal to the amount of match required to fund this increase. By using these funds to leverage federal Medicaid dollars, these providers will see an increase in revenue estimated at \$20.0 million at no cost to the state.

The Division of Behavioral Health finalized and implemented the Autism Services regulations on 7/1/18. To date there are six enrolled providers serving children with these specialized services. Autism is a complex developmental disability and those suffering the effects of this condition often need specialized care and may have issues with non-verbal communication and social interactions. Children with autism develop differently from other children and providing the tolls for those on the Autism spectrum to properly learn and socialize with others

sets them up for success when they enter adulthood. By partnering with specialty providers and allowing new services to become Medicaid-billable, the state will be able to serve those suffering from severe autism.

### **Key Component Challenges**

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.

The 1115 initiative is required by the federal government to be cost neutral, which means, over a 5-year period the net cost of this system improvement will be close to zero

### **Significant Changes in Results to be Delivered in FY2020**

The Division is in the process of applying for a section 1115 Behavioral Health Medicaid Demonstration Waiver. The goal of the waiver is to create a data-driven, integrated behavioral health system of care for Alaskans with serious mental illness, severe emotional disturbance, and/or substance use disorders. Once implemented, the waiver will focus on intervening as early as possible to reduce the downstream effects that adverse experiences and childhood trauma can have on individuals and families, often leading to chronic and expensive health needs.

Implementation of the contract with an Administrative Services Organization to provide specialized expertise in integrated behavioral health systems management in order to create a more robust continuum of behavioral health care services with emphasis on early interventions, community-based outpatient services, inpatient residential treatment when appropriate, and enhanced peer recovery supports.

### **Statutory and Regulatory Authority**

AS 47.07 Medical Assistance for Needy Persons  
AS 47.25 Public Assistance

Administrative Code:  
7 AAC 43 Medicaid  
7 AAC 100 Medicaid Assistance Eligibility  
7 AAC 160 Medicaid Coverage and Payment

Social Security Act:  
Title XIX Medicaid  
Title XVII Medicare  
Title XXI Children's Health Insurance Program

Code of Federal Regulations:  
42 CFR Part 400 to End

<b>Contact Information</b>
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**Component Detail All Funds**  
**Department of Health and Social Services**

**Component:** Behavioral Health Medicaid Services (2660)  
**RDU:** Medicaid Services (595)

Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 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	2,178.7	6,692.9	6,742.9	6,742.9	9,701.9	2,959.0	43.9%
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	252,743.3	250,394.9	250,394.9	250,394.9	255,495.7	5,100.8	2.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>254,922.0</b>	<b>257,087.8</b>	<b>257,137.8</b>	<b>257,137.8</b>	<b>265,197.6</b>	<b>8,059.8</b>	<b>3.1%</b>
<b>Fund Sources:</b>							
1002 Fed Rcpts (Fed)	171,928.8	167,773.2	167,798.2	167,798.2	172,105.7	4,307.5	2.6%
1003 G/F Match (UGF)	1,386.0	3,100.3	3,125.3	3,125.3	3,440.6	315.3	10.1%
1004 Gen Fund (UGF)	0.0	850.0	850.0	850.0	850.0	0.0	0.0%
1037 GF/MH (UGF)	81,243.0	81,780.8	81,780.8	81,780.8	85,058.8	3,278.0	4.0%
1092 MHTAAR (Other)	364.2	2,491.0	2,491.0	2,491.0	2,650.0	159.0	6.4%
1108 Stat Desig (Other)	0.0	717.5	717.5	717.5	717.5	0.0	0.0%
1246 Recid Redu (DGF)	0.0	375.0	375.0	375.0	375.0	0.0	0.0%
<b>Unrestricted General (UGF)</b>	<b>82,629.0</b>	<b>85,731.1</b>	<b>85,756.1</b>	<b>85,756.1</b>	<b>89,349.4</b>	<b>3,593.3</b>	<b>4.2%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>375.0</b>	<b>375.0</b>	<b>375.0</b>	<b>375.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>364.2</b>	<b>3,208.5</b>	<b>3,208.5</b>	<b>3,208.5</b>	<b>3,367.5</b>	<b>159.0</b>	<b>5.0%</b>
<b>Federal Funds</b>	<b>171,928.8</b>	<b>167,773.2</b>	<b>167,798.2</b>	<b>167,798.2</b>	<b>172,105.7</b>	<b>4,307.5</b>	<b>2.6%</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:** Behavioral Health Medicaid Services (2660)  
**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 FY2019 Conference Committee To FY2019 Authorized *****												
<b>FY2019 Conference Committee</b>												
	ConfCom	257,087.8	0.0	0.0	6,692.9	0.0	0.0	250,394.9	0.0	0	0	0
1002 Fed Rcpts		167,773.2										
1003 G/F Match		3,100.3										
1004 Gen Fund		850.0										
1037 GF/MH		81,780.8										
1092 MHTAAR		2,491.0										
1108 Stat Desig		717.5										
1246 Recid Redu		375.0										
<b>Marital Family Therapy Licensure and Medical Services Ch75 SLA2018 (SB105) (Sec2 Ch17 SLA2018 P46 L26 (HB286))</b>												
	FisNot	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										
<b>Subtotal 257,137.8 0.0 0.0 6,742.9 0.0 0.0 250,394.9 0.0 0 0 0</b>												
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
<b>MH Trust: Administrative Services Organization</b>												
	IncOTI	2,650.0	0.0	0.0	2,650.0	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR		2,650.0										
This funding is for DHSS to contract with an Administrative Service Organization for assisting to manage the behavioral health system transformation. As part of the development of the 1115 Behavioral Health System Reform effort, DHSS will contract with an ASO to provide quality and outcomes management, provider network development, data management, utilization management, cost management, claims processing and coordination with larger Medicaid Resign efforts.												
<b>Reverse Mental Health Trust Recommendation</b>												
	OTI	-2,491.0	0.0	0.0	-2,491.0	0.0	0.0	0.0	0.0	0	0	0
1092 MHTAAR		-2,491.0										
Reverse Mental Health Trust recommendation to reflect zero-based mental health budget.												
<b>Reverse Marital Family Therapy Licensure and Medical Services Ch75 SLA2018 (SB105) (Sec2 Ch17 SLA2018 P46 L26 (HB286))</b>												
	FNOTI	-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										
<b>Second Year Marital Family Therapy Licensure and Medical Assistance Ch75 SLA2018 (SB105)</b>												
	Inc	1,000.8	0.0	0.0	0.0	0.0	0.0	1,000.8	0.0	0	0	0
1002 Fed Rcpts		660.5										

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

**Component:** Behavioral Health Medicaid Services (2660)  
**RDU:** Medicaid Services (595)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
1003 G/F Match		340.3										
Fiscal Note 4 - SB105												
SB105 adds licensed marriage and family therapist services to the AS 47.07.030 list of Medicaid optional services for which the state will reimburse. In FY2020 and future years, an estimated 633 recipients will receive marriage and family therapist services through Medicaid at a cost of \$1,581 per recipient per year. The anticipated federal blended match rate is 66 percent, resulting from a mixture of regular and expansion Medicaid population.												
<b>Fourth Year Medicaid Reform; Telemedicine; Drug Database Ch25 SLA2016 (SB74)</b>												
	Inc	6,950.0	0.0	0.0	2,850.0	0.0	0.0	4,100.0	0.0	0	0	0
1002 Fed Rcpts		3,672.0										
1037 GF/MH		3,278.0										
Fiscal Note 55 - SB74												
The costs of implementing SB74 in FY2020 are anticipated to cost an additional \$4,100.0 over FY2019 on the grants line due to Medicaid redesign initiatives and by \$2,850.0 on the services line for an administrative service organization contract.												
<b>Totals</b>		<b>265,197.6</b>	<b>0.0</b>	<b>0.0</b>	<b>9,701.9</b>	<b>0.0</b>	<b>0.0</b>	<b>255,495.7</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:** Behavioral Health Medicaid Services (2660)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
3000	Services		2,178.7	6,742.9
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
<b>3000 Services Detail Totals</b>			<b>2,178.7</b>	<b>6,742.9</b>
3001	Financial Services		578.5	0.0
3003	Information Technology	InterQual License and Software, McKesson Technologies.	35.7	35.0
3011	Other Services	Payment for Qualis Health contract. Qualis Health performs medical necessity review determinations for admission and continued stays; service authorization payment approval for inpatient and residential psychiatric services; and care coordination for children up to age 21 years who are receiving services in a residential psychiatric treatment centers (RPTC) both in Alaska and out of State.	1,374.5	5,232.9
3011	Other Services	This funding is for DHSS to contract with an Administrative Service Organization for Medicaid redesign.	0.0	1,475.0
3029	Inter-Agency Education/Training	Univ - Department-wide	150.0	0.0
3038	Inter-Agency Management/Consulting	Courts - Department-wide	40.0	0.0

**Line Item Detail (1676)**  
**Department of Health and Social Services**  
**Grants, Benefits**

**Component:** Behavioral Health Medicaid Services (2660)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
7000	Grants, Benefits		252,743.3	250,394.9
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
		<b>7000 Grants, Benefits Detail Totals</b>	<b>252,743.3</b>	<b>250,394.9</b>
7002	Benefits	Payments for behavioral health services for Medicaid clients, including the clients who will be newly eligible through Medicaid expansion.	252,743.3	250,394.9

**Revenue Detail (1681)**  
**Department of Health and Social Services**

**Component:** Behavioral Health Medicaid Services (2660)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2018 Actuals	FY2019 Management Plan
<b>5002 Fed Rcpts (1002 Fed Rcpts)</b>			<b>171,928.8</b>	<b>167,798.2</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.	171,928.8	167,798.2
<b>5108 Stat Desig (1108 Stat Desig)</b>			<b>66.4</b>	<b>717.5</b>
5204 Statutory Dsgntd Prgm Rcpts Hlth & Hmn Svcs - Chrgs for Svcs		Recovery of Overpayments to Medicaid providers discovered through audit.	66.4	717.5
<b>5246 Recid Redu (1246 Recid Redu)</b>			<b>0.0</b>	<b>375.0</b>
5246 Recidivism Reduction Selective Sales Use Taxes		According to the SB91 fiscal note, reentry centers will be billable to Medicaid and paid 75% federal / 25% recidivism reduction fund	0.0	375.0
<b>6092 MHTAAR (1092 MHTAAR)</b>			<b>0.0</b>	<b>2,491.0</b>
6691 Mental Health Trust Auth Auth Rec - Miscellaneous		Mental Health Trust Authority Authorized Receipts	0.0	2,491.0

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

**Component:** Behavioral Health Medicaid Services (2660)

			FY2018 Actuals	FY2019 Management Plan
<b>Component Totals</b>			<b>190.0</b>	<b>0.0</b>
With University of Alaska			150.0	0.0
With Judiciary			40.0	0.0
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
3029	Inter-Agency Education/Training	Univ - Department-wide	150.0	0.0
3038	Inter-Agency Management/Consulting	Courts - Department-wide	40.0	0.0