

# **State of Alaska FY2020 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 one 1915 (k) Home & Community Based Services State Plan: Community First Choice
- Administration of Medicaid State Plan Personal Care Services.
- Authorization of nursing home placements, 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 2018**

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 Service recovered \$14,539 in payment corrections for billing errors discovered during reviews for prior authorizations.

CMS approved a fifth Home & Community Based Service Waiver - Individualized Support Waiver, which provides services to Medicaid eligible persons with an intellectual or developmental disabilities, autism, cerebral palsy, seizure disorder, and related conditions. The new waiver refinances the 100 percent general fund program Community and Developmental Disabilities Grant.

CMS approved the Community First Choice State Plan program, a 1915 (k) Home & Community Based Services State Plan that reimburses the state for providing a level of care provided in a nursing facility or intermediate care facility to Medicaid eligible individuals. The state will receive an additional 6 percent increase in the federal matching funds for the services and supports.

Amended Day Habilitation regulations and corresponding waivers to establish a 12 hour per week cap.

**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 (2016) requires additional staff capacity.

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 21<sup>st</sup> 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.

Development and Implementation of Electronic Visit Verification System for Personal Care Services and Home Health, as required by the 21<sup>st</sup> Century Cures Act, requires additional effort and staff to manage the program and provide audit and provider oversight.

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 FY2020**

Amendments to regulations and waivers to support individuals transitioning from an institution to a home and community based setting.

Amendments to the Public Assistance Cost Allocation Plan to support administration changes due to Medicaid program changes.

Development of a new adult companion service to address a gap in service in response to legislative intent language.

In the process of designing, developing, and implementing an Automated Service Plan system with a provider portal in support of the division's programs. The implementation of this system will emphasize service integration among state programs, including the Division of Senior and Disabilities Services, Medicaid, Behavioral Health, Eligibility, Financial Services, Certification and Licensing, and Public Health. The system will incorporate a new Nursing Facility Level of Care Assessment Tool, InterRai.

### **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

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

**Component:** Senior and Disabilities Medicaid Services (2662)  
**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                    | 245.9            | 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            | 458,753.6        | 574,283.7                   | 574,283.7         | 574,283.7              | 574,283.7        | 0.0                                       | 0.0%         |
| 78000 Miscellaneous               | 0.0              | 0.0                         | 0.0               | 0.0                    | 0.0              | 0.0                                       | 0.0%         |
| <b>Totals</b>                     | <b>458,999.5</b> | <b>574,968.7</b>            | <b>574,968.7</b>  | <b>574,968.7</b>       | <b>574,968.7</b> | <b>0.0</b>                                | <b>0.0%</b>  |
| <b>Fund Sources:</b>              |                  |                             |                   |                        |                  |   |              |
| 1002 Fed Rcpts (Fed)              | 254,594.4        | 320,814.7                   | 320,814.7         | 320,814.7              | 330,314.7        | 9,500.0                                   | 3.0%         |
| 1003 G/F Match (UGF)              | 204,405.1        | 240,035.2                   | 240,035.2         | 240,035.2              | 230,535.2        | -9,500.0                                  | -4.0%        |
| 1004 Gen Fund (UGF)               | 0.0              | 13,050.4                    | 13,050.4          | 13,050.4               | 13,050.4         | 0.0                                       | 0.0%         |
| 1007 I/A Rcpts (Other)            | 0.0              | 518.4                       | 518.4             | 518.4                  | 518.4            | 0.0                                       | 0.0%         |
| 1108 Stat Desig (Other)           | 0.0              | 550.0                       | 550.0             | 550.0                  | 550.0            | 0.0                                       | 0.0%         |
| <b>Unrestricted General (UGF)</b> | <b>204,405.1</b> | <b>253,085.6</b>            | <b>253,085.6</b>  | <b>253,085.6</b>       | <b>243,585.6</b> | <b>-9,500.0</b>                           | <b>-3.8%</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>254,594.4</b> | <b>320,814.7</b>            | <b>320,814.7</b>  | <b>320,814.7</b>       | <b>330,314.7</b> | <b>9,500.0</b>                            | <b>3.0%</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 FY2019 Conference Committee To FY2019 Authorized *****  |            |                  |                   |            |              |             |                |                  |               |           |          |          |
| <b>FY2019 Conference Committee</b>   |            |                  |                   |            |              |             |                |                  |               |           |          |          |
|  | ConfCom    | 574,968.7        | 0.0               | 0.0        | 685.0        | 0.0         | 0.0            | 574,283.7        | 0.0           | 0         | 0        | 0        |
| 1002 Fed Rcpts   |            | 320,814.7        |                   |            |              |             |                |                  |               |           |          |          |
| 1003 G/F Match   |            | 240,035.2        |                   |            |              |             |                |                  |               |           |          |          |
| 1004 Gen Fund  |            | 13,050.4         |                   |            |              |             |                |                  |               |           |          |          |
| 1007 I/A Rcpts   |            | 518.4            |                   |            |              |             |                |                  |               |           |          |          |
| 1108 Stat Desig  |            | 550.0            |                   |            |              |             |                |                  |               |           |          |          |
| <b>Subtotal</b>  |            | <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> |
| ***** Changes From FY2019 Management Plan To FY2020 Governor *****   |            |                  |                   |            |              |             |                |                  |               |           |          |          |
| <b>Fourth 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   |            | 9,500.0          |                   |            |              |             |                |                  |               |           |          |          |
| 1003 G/F Match   |            | -9,500.0         |                   |            |              |             |                |                  |               |           |          |          |
| 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>Totals</b>  |            | <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          |   | FY2018 Actuals | FY2019 Management Plan |
|------------------------------------|--------------------|---|----------------|------------------------|
| 3000                               | Services           |   | 245.9          | 685.0                  |
| Object Class                       | Servicing Agency   | Explanation   | FY2018 Actuals | FY2019 Management Plan |
| <b>3000 Services Detail Totals</b> |                    |   | <b>245.9</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                  |
| 3024                               | Inter-Agency Legal | H&SS - Senior/Disabilities Medicaid Svc (2662)  | 28.4           | 0.0                    |
| 3024                               | Inter-Agency Legal | Law - Department-wide<br>RSA: Medicaid Program Legal Services   | 217.5          | 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                         |  | FY2018 Actuals   | FY2019 Management Plan |
|--|-----------------------------------|--|------------------|------------------------|
| 7000                                       | Grants, Benefits                  |  | 458,753.6        | 574,283.7              |
| Object Class                               | Servicing Agency                  | Explanation  | FY2018 Actuals   | FY2019 Management Plan |
| <b>7000 Grants, Benefits Detail Totals</b> |                                   |  | <b>458,753.6</b> | <b>574,283.7</b>       |
| 7002                                       | Benefits                          | Medicaid services including:<br>Personal Care, Nursing and Waiver Services.  | 456,718.1        | 574,283.7              |
|  |                                   | This also includes payments for services for Medicaid clients who will be newly eligible through Medicaid expansion. |                  |                        |
| 7003                                       | Sub-Recipient Pass-Through Grants |  | 2,035.5          | 0.0                    |



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

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

| Revenue Type (OMB Fund Code)<br>Revenue Source                    | Component | Comment  | FY2018 Actuals   | FY2019<br>Management Plan |
|---|-----------|--|------------------|---------------------------|
| <b>5002 Fed Rcpts (1002 Fed Rcpts)</b>                            |           |  | <b>254,594.4</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. | 254,594.4        | 320,814.7                 |
| <b>5007 I/A Rcpts (1007 I/A Rcpts)</b>                            |           |  | <b>0.0</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                     |
| <b>5108 Stat Desig (1108 Stat Desig)</b>                          |           |  | <b>270.5</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.   | 270.5            | 550.0                     |

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

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

|  |                         |  | FY2018 Actuals        | FY2019<br>Management Plan         |
|--|-------------------------|--|-----------------------|-----------------------------------|
| <b>Component Totals</b>                          |                         |  | <b>245.9</b>          | <b>405.0</b>                      |
| With Department of Health and<br>Social Services |                         |  | 28.4                  | 0.0                               |
| With Department of Law                           |                         |  | 217.5                 | 405.0                             |
| <b>Object Class</b>                              | <b>Servicing Agency</b> | <b>Explanation</b>   | <b>FY2018 Actuals</b> | <b>FY2019<br/>Management Plan</b> |
| 3024   | Inter-Agency Legal      | H&SS - Senior/Disabilities Medicaid<br>Svc (2662)                | 28.4                  | 0.0                               |
| 3024   | Inter-Agency Legal      | Law - Department-wide<br>RSA: Medicaid Program Legal<br>Services | 217.5                 | 405.0                             |