

State of Alaska
FY2021 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 2019**Increasing Medicaid Utilization for Behavioral Health Services**

- The Division of Behavioral Health Medicaid Assistance and Division of Behavioral Health Quality Assurance staff continue to work closely with tribal and non-tribal organizations providing technical assistance to increase the ability of grantee agencies to maximize access to Medicaid revenues for behavioral health services.
- A priority for the Division of Behavioral Health was the completion and submission of the 1115 Waiver Demonstration Project. The goal of the demonstration waiver is to enhance the existing behavioral health continuum of care to better meet the needs of Alaskans who experience mental health and substance use disorders. Through the waiver, Alaska will transform its behavioral health Medicaid system allowing for effective, cost efficient, and high quality integrated care serving Alaskans at the right time, at the right level of care.
- The division received Center for Medicare and Medicaid Services approval for the substance use disorder component of the 1115 Demonstration Waiver in November 2018. In July 2019, implementation of the substance use disorder component of the 1115 Waiver expanded the continuum of care to include several new services to treat symptoms at the mild to moderate level, while aiming to reduce the use of costly acute inpatient and residential treatment services. Twelve new Medicaid covered services were added for youth and adults, including the removal of the institution for mental disease (IMD) exclusion, which now allows

Medicaid coverage in facilities of sixteen beds or more for individuals over 21 and under 64.

- The division is in the final approval process with Center for Medicare and Medicaid Services on the behavioral health portion of the 1115 Demonstration Waiver. The major focus of the behavioral health component includes developing community-based services to keep children and adolescents in their home environments and out of institutional care. The approval of the behavioral health component of the waiver combined with the substance use disorder component adds twenty-three new waiver services to the behavioral health continuum of care. 1115 Waiver services are the financial mechanism and leverage required to transition cost from a grant-based system to Medicaid. The ability for behavioral health providers to transition from grants to Medicaid is essential to maintain and increase the level and quality of behavioral health services as the State of Alaska presses forward with behavioral health reform.

Administrative Service Organization (ASO)

- The Administrative Services Organization will work with the division in implementing and managing the 1115 Waiver. The Administrative Service Organization will improve coordination of 1115 Waiver services, provide workforce development support, manage cost, and achieve efficiencies in the delivery of services.
- The department completed the proposal evaluation process and the notice of intent to award went to Optum; the department anticipates contract execution to occur in FY2020.

Key RDU Challenges

System Change Management

- Developing issues on the national and state landscape have profound 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.
- As mandated by Senate Bill 74, the division has applied for and been approved for a section 1115 Medicaid waiver. Once fully implemented, both the substance use disorder and behavioral health components of the 1115 Waiver, the division anticipates the 1115 Waiver initiative will increase access and improve health outcomes for recipients of behavioral health services while remaining cost-neutral to the State of Alaska.

Medicaid Reform and Behavioral Health System Redesign

- The division is challenged to adapt nimbly, innovatively and efficiently to behavioral health reform as the 1115 Waiver initiative is implemented. The division will reorganize staffing sections to respond to the initiatives approved in Senate Bill 74 (2016). Additional staffing adjustments will be necessary as the full extent of the redesigned behavioral health care system is better understood.

Workforce Development

- Workforce is a significant factor in program costs and a challenge for behavioral health programs in Alaska; staff shortages and turnover continue to be a challenge.
- The success of the 1115 Medicaid Demonstration Project Waiver will depend on the ability to expand workforce to implement the new services. One area that will likely be a challenge will be to support the substance use disorder workforce to meet the new credentialing requirements for the Qualified Addiction Professional.
- Fully and successfully implementing the certification process for peer support workers will be another challenge. It is important to have appropriately prepared and credentialed workers, but a challenge to make certification accessible to a range of individuals with lived experience.

Opioid and Substance Use Disorder (SUD) Treatment

- While the 1115 Waiver functions as the funding mechanism, many regions throughout the state lack the infrastructure to implement high priority services.

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 mobile crisis response, crisis respite beds and other crisis services are needed to minimize admissions and readmissions to the Alaska Psychiatric Institute, which is the only state-owned psychiatric hospital.

- Through the 1115 Waiver a suite of crisis services are now available; however, the infrastructure necessary to ensure those services are available statewide has yet to be developed. Ongoing efforts include standing up a Crisis Stabilization Center, implementing the Crisis Now model, distributing Disproportionate Share Hospital funds, and expanding limitations on inpatient psychiatric care for eligible patients.

Significant Changes in Results to be Delivered in FY2021

The Division of Behavioral Health will integrate an Administrative Services Organization through a reorganization with division staff to improve outcomes, increase cost efficiencies, and increase service delivery options in FY2021. In FY2021 implementation of new community based crisis services will be made available through the 1115 Waiver.

Behavioral Health Prevention and Early Intervention Grants

- FY2021 will continue to see the division's prevention and intervention program shifting to a more data-driven process. 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). The division views these changes as leading to stronger communities and, over time, healthier families.

Medicaid Quality Assurance Section

- The division will supervise an Administrative Service Organization, which will require further restructuring within the division as the Administrative Service Organization 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 Administrative Service Organization's work.

| Contact Information |
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**Behavioral Health
RDU Financial Summary by Component**

All dollars shown in thousands

| | FY2019 Actuals | | | | FY2020 Management Plan | | | | FY2021 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 | 51,585.3 | 947.0 | 8,644.5 | 61,176.8 | 38,804.3 | 1,457.4 | 11,507.8 | 51,769.5 | 38,536.2 | 1,387.2 | 11,507.8 | 51,431.2 |
| Alcohol Safety Action Program | 2,460.5 | 1,609.0 | 395.4 | 4,464.9 | 2,947.7 | 1,881.4 | 521.1 | 5,350.2 | 2,961.7 | 1,797.3 | 521.1 | 5,280.1 |
| Behavioral Health Administration | 10,454.2 | 817.3 | 3,808.7 | 15,080.2 | 11,720.3 | 1,452.9 | 4,932.5 | 18,105.7 | 12,329.6 | 1,508.2 | 5,031.0 | 18,868.8 |
| BH Prev & Early Intervntn Grants | 4,970.9 | 0.0 | 2,075.4 | 7,046.3 | 5,440.3 | 0.0 | 3,255.0 | 8,695.3 | 5,290.3 | 0.0 | 3,255.0 | 8,545.3 |
| Designated Eval & Treatment | 6,602.0 | 0.0 | 0.0 | 6,602.0 | 5,029.3 | 0.0 | 0.0 | 5,029.3 | 2,794.8 | 0.0 | 0.0 | 2,794.8 |
| Alaska Psychiatric Institute | 16,044.7 | 25,786.8 | 0.0 | 41,831.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| AK MH/Alc & Drug Abuse Brds | 294.1 | 386.9 | 1.5 | 682.5 | 431.7 | 501.7 | 36.5 | 969.9 | 435.4 | 526.3 | 37.1 | 998.8 |
| Suicide Prevention Council | 594.8 | 35.0 | 0.0 | 629.8 | 590.8 | 0.0 | 0.0 | 590.8 | 192.5 | 0.0 | 0.0 | 192.5 |
| Residential Child Care | 3,105.3 | 0.0 | 1.2 | 3,106.5 | 3,325.7 | 0.0 | 153.0 | 3,478.7 | 3,153.1 | 0.0 | 82.9 | 3,236.0 |
| Totals | 96,111.8 | 29,582.0 | 14,926.7 | 140,620.5 | 68,290.1 | 5,293.4 | 20,405.9 | 93,989.4 | 65,693.6 | 5,219.0 | 20,434.9 | 91,347.5 |

Behavioral Health
Summary of RDU Budget Changes by Component
From FY2020 Management Plan to FY2021 Governor

All dollars shown in thousands

| | <u>Unrestricted Gen (UGF)</u> | <u>Designated Gen (DGF)</u> | <u>Other Funds</u> | <u>Federal Funds</u> | <u>Total Funds</u> |
|---|-----------------------------------|---------------------------------|--------------------|--------------------------|--------------------|
| FY2020 Management Plan | 39,179.1 | 29,111.0 | 5,293.4 | 20,405.9 | 93,989.4 |
| One-time items: | | | | | |
| -BH Treatment and Recovery Grants | 0.0 | 0.0 | -750.0 | 0.0 | -750.0 |
| -Behavioral Health Administration | 0.0 | 0.0 | -176.3 | 0.0 | -176.3 |
| -Designated Eval & Treatment | 0.0 | -2,234.5 | 0.0 | 0.0 | -2,234.5 |
| -AK MH/Alc & Drug Abuse Brds | 0.0 | 0.0 | -471.2 | 0.0 | -471.2 |
| -Suicide Prevention Council | -400.0 | 0.0 | 0.0 | 0.0 | -400.0 |
| Adjustments which continue current level of service: | | | | | |
| -BH Treatment and Recovery Grants | -11,668.1 | 11,400.0 | 750.0 | 0.0 | 481.9 |
| -Alcohol Safety Action Program | 14.0 | 0.0 | -84.1 | 0.0 | -70.1 |
| -Behavioral Health Administration | 454.4 | 154.9 | 231.6 | 98.5 | 939.4 |
| -BH Prev & Early Intervntn Grants | 0.0 | -150.0 | 0.0 | 0.0 | -150.0 |
| -AK MH/Alc & Drug Abuse Brds | 3.7 | 0.0 | 495.8 | 0.6 | 500.1 |
| -Suicide Prevention Council | 1.7 | 0.0 | 0.0 | 0.0 | 1.7 |
| -Residential Child Care | -172.6 | 0.0 | 0.0 | -70.1 | -242.7 |
| Proposed budget decreases: | | | | | |
| -BH Treatment and Recovery Grants | 0.0 | 0.0 | -70.2 | 0.0 | -70.2 |
| FY2021 Governor | 27,412.2 | 38,281.4 | 5,219.0 | 20,434.9 | 91,347.5 |