

# **State of Alaska FY2011 Governor's Operating Budget**

## **Department of Health and Social Services Children's Medicaid Services Component Budget Summary**

## Component: Children's Medicaid Services

### Contribution to Department's Mission

Provides for the cost of Behavioral Rehabilitative Services for vulnerable children.

### Core Services

- Provide residential child care program management to 30 statewide grantees.
- Fund and process payments for services provided to Medicaid eligible clients.
- Fund and process Bring the Kids Home program payments for services provided to non-Medicaid eligible clients.

### Key Component Challenges

The Children's Medicaid Services component funds reimbursable services provided to clients under the Office of Children's Services (OCS). Many of these services are provided by grantees and OCS acts as the Medicaid provider to process billings, resulting in a need for divisional quality assurance and internal procedures that ensure timely and accurate payment. This component provides for payment of Medicaid eligible behavioral rehabilitative services. The management of grantee service delivery is located in the Children's Services Management component.

### Significant Changes in Results to be Delivered in FY2011

Review and emphasis on streamlined, accurate and timely processing of payments will result in increased care provider satisfaction, fewer processing errors, and fewer audit exceptions.

### Updated Status for Results to be Delivered in FY2010

No significant changes in results are expected in FY10.

### Major Component Accomplishments in 2009

- Improved payment processing policies to increase accuracy of payments.
- Successfully provided services and processed payments for children and youth in 30 residential care facilities statewide (grantees): Level II Emergency Stabilization and Assessment Centers, Level III Residential Treatment and Level, and IV Residential Diagnostic Treatment.

### Statutory and Regulatory Authority

AS 47.07 Medical Assistance for Needy Persons  
7 AAC 43 Medicaid Assistance  
7 AAC 100 Medicaid Assistance Eligibility

Social Security Act:  
Title XIX Grants to States for Medical Assistance Programs  
Title XXI State Children's Health Insurance Program

### Contact Information

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**Children's Medicaid Services  
Component Financial Summary**

*All dollars shown in thousands*

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	10,918.7	16,053.3	13,562.4
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>10,918.7</b>	<b>16,053.3</b>	<b>13,562.4</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	5,215.8	8,190.2	7,441.8
1003 General Fund Match	941.2	1,642.7	1,642.7
1004 General Fund Receipts	0.0	1,310.7	850.0
1037 General Fund / Mental Health	4,185.6	4,185.6	2,903.8
1108 Statutory Designated Program Receipts	1.3	0.0	0.0
1212 Federal Stimulus: ARRA 2009	574.8	724.1	724.1
<b>Funding Totals</b>	<b>10,918.7</b>	<b>16,053.3</b>	<b>13,562.4</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Authorized	FY2011 Governor
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	0.0	0.0	0.0	0.0	7,441.8
Federal Economic Stimulus	51118	0.0	0.0	0.0	0.0	724.1
<b>Restricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8,165.9</b>
<b>Total Estimated Revenues</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8,165.9</b>

**Summary of Component Budget Changes  
From FY2010 Management Plan to FY2011 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2010 Management Plan</b>	<b>7,139.0</b>	<b>8,914.3</b>	<b>0.0</b>	<b>16,053.3</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer Non Medicaid Eligible Costs for Custody Children to Residential Child Care	-717.5	0.0	0.0	-717.5
-Transfer Non Medicaid Eligible Costs for Non-Custody Children (BTKH) to Residential Child Care	-1,025.0	0.0	0.0	-1,025.0
<b>Proposed budget decreases:</b>				
-Delete Excess Federal Authority Based on FY2011 Short Term Alaska Medicaid Projections (STAMP)	0.0	-748.4	0.0	-748.4
<b>FY2011 Governor</b>	<b>5,396.5</b>	<b>8,165.9</b>	<b>0.0</b>	<b>13,562.4</b>

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

**Component:** Children's Medicaid Services (2661)  
**RDU:** Children's Services (486)

	<b>FY2009 Actuals</b>	<b>FY2010 Conference Committee</b>	<b>FY2010 Authorized</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>	<b>FY2010 Management Plan vs FY2011 Governor</b>	
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	0.0	0.0	0.0	0.0	0.0	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	10,918.7	16,145.7	16,145.7	16,053.3	13,562.4	-2,490.9	-15.5%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>10,918.7</b>	<b>16,145.7</b>	<b>16,145.7</b>	<b>16,053.3</b>	<b>13,562.4</b>	<b>-2,490.9</b>	<b>-15.5%</b>
<b>Fund Sources:</b>							
1002 Fed Rcpts	5,215.8	8,236.4	8,236.4	8,190.2	7,441.8	-748.4	-9.1%
1003 G/F Match	941.2	1,688.9	1,688.9	1,642.7	1,642.7	0.0	0.0%
1004 Gen Fund	0.0	1,421.1	1,310.7	1,310.7	850.0	-460.7	-35.1%
1037 GF/MH	4,185.6	4,185.6	4,185.6	4,185.6	2,903.8	-1,281.8	-30.6%
1108 Stat Desig	1.3	0.0	0.0	0.0	0.0	0.0	0.0%
1212 Fed ARRA	574.8	613.7	724.1	724.1	724.1	0.0	0.0%
<b>General Funds</b>	<b>5,126.8</b>	<b>7,295.6</b>	<b>7,185.2</b>	<b>7,139.0</b>	<b>5,396.5</b>	<b>-1,742.5</b>	<b>-24.4%</b>
<b>Federal Funds</b>	<b>5,790.6</b>	<b>8,850.1</b>	<b>8,960.5</b>	<b>8,914.3</b>	<b>8,165.9</b>	<b>-748.4</b>	<b>-8.4%</b>
<b>Other Funds</b>	<b>1.3</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>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:** Children's Medicaid Services (2661)

**RDU:** Children's Services (486)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
<b>FY2010 Conference Committee</b>												
ConfCom		16,145.7	0.0	0.0	0.0	0.0	0.0	16,145.7	0.0	0	0	0
1002 Fed Rcpts		8,236.4										
1003 G/F Match		1,688.9										
1004 Gen Fund		1,421.1										
1037 GF/MH		4,185.6										
1212 Fed ARRA		613.7										
<b>ADN 06-9-0059 FMAP increase 1.765% Sec 12 Ch 17 SLA2009, P 17, L 24 (HB199)</b>												
OthApr		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-110.4										
1212 Fed ARRA		110.4										
FMAP Increase 1.765%												
Reference: HB 199 Section 12(a) and 12(b), p 17, line 24												
Description:												
Anticipated federal economic stimulus funding available to replace state funds under the federal medical assistance program (sec. 1905(b), Social Security Act).												
When ARRA was originally signed in February 2009, the percentage of Title XIX costs that the federal government would pay (FMAP) increased from 50.53% for FFY 2009 and 51.43% for FFY 2010 to 58.68% for the period from October 2008 through December 2010. Included in ARRA is a provision that allows the FMAP to increase further if a state's unemployment rate exceeds certain thresholds. Alaska reached the first unemployment tier when its unemployment rate averaged 8.5% for three months. This fund change is a result of Alaska reaching the first unemployment tier, which brings Title XIX spending up to a 61.12% FMAP for 2010.												
When the calculations were originally made for "FMAP Increase of 6.2%," the amount of fund changes for FFY 2010 were overstated; fund changes were made for an FMAP increase of 8.15 percentage points, which comprised of a 6.2 percentage point FMAP increase and a 1.95 percentage point hold harmless. However, for FFY 2010 the hold harmless should have only been 1.05 percentage points, not the 1.95 percentage points that went into the change record.												
Instead of making a change record for 2.44 percentage points, once we include the fact that the federal fiscal years and state fiscal years don't line up, the 2010 change record associated with the FMAP increase to 61.12% is 1.765 percentage points (1 quarter of 2.44 percent and 3 quarters at 1.54 percent).												
Fund Change:												
-110.4 GF												
110.4 Federal Stimulus												
	<b>Subtotal</b>	<b>16,145.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>16,145.7</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Component:** Children's Medicaid Services (2661)

**RDU:** Children's Services (486)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
<b>ADN 06-0-0003 Transfer to the Front Line Social Workers Component to fund Childrens Svc Spec II ( PCN 06-1403)</b>												
	Trout	-92.4	0.0	0.0	0.0	0.0	0.0	-92.4	0.0	0	0	0
1002 Fed Rcpts		-46.2										
1003 G/F Match		-46.2										
<p>Transfer federal receipt and G/F Match authority to the Front Line Social Workers component to fund PCN 06-1403 as a Children's Services Specialist II. The Children's Services Specialist II position will be responsible for Medicaid discharge planning services for the Division of Children's Services (OCS) custody children. This work has been provided by a long-term nonpermanent position and has proven effective in minimizing the number of children who become decertified from Medicaid.</p> <p>It has been determined that this position has generated a savings of more than \$300.0 in general funds annually. The savings to Children's Medicaid Services component will be the source of funds for this position. The position will be eligible for a 50/50 match.</p>												
<b>Subtotal</b>		<b>16,053.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>16,053.3</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2010 Management Plan To FY2011 Governor *****												
<b>Delete Excess Federal Authority Based on FY2011 Short Term Alaska Medicaid Projections (STAMP)</b>												
	Dec	-748.4	0.0	0.0	0.0	0.0	0.0	-748.4	0.0	0	0	0
1002 Fed Rcpts		-748.4										
<p>FY2011 Short Term Alaska Medicaid Projection (STAMP) projections for Children's Services Medicaid expenditures indicate excess federal authority of \$748.4.</p>												
<b>Transfer Non Medicaid Eligible Costs for Custody Children to Residential Child Care</b>												
	Trout	-717.5	0.0	0.0	0.0	0.0	0.0	-717.5	0.0	0	0	0
1004 Gen Fund		-460.7										
1037 GF/MH		-256.8										
<p>Transfer non-Medicaid eligible Behavioral Rehabilitative Services costs to the Residential Care Component (RCC) for custody children age 0 to 5 years in residential care facilities. This transfer, along with the transfer for non-Medicaid eligible non-custody children (BTKH), will consolidate all non-Medicaid eligible costs under one component (RCC) and facilitate the department's use of the Short Term Alaska Medicaid Projection (STAMP) method to accurately project Medicaid expenditures.</p>												
<b>Transfer Non Medicaid Eligible Costs for Non-Custody Children (BTKH) to Residential Child Care</b>												
	Trout	-1,025.0	0.0	0.0	0.0	0.0	0.0	-1,025.0	0.0	0	0	0
1037 GF/MH		-1,025.0										
<p>Transfer non-Medicaid eligible Behavioral Rehabilitative Services costs to the Residential Care Component (RCC) for non-custody children under the Bring the Kids Home Program (BTKH). This transfer, along with the transfer for non-Medicaid eligible custody children in residential care, will consolidate all non-Medicaid eligible costs under one component (RCC) and facilitate the department's use of the Short Term Alaska Medicaid Projection (STAMP) to accurately</p>												

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

**Component:** Children's Medicaid Services (2661)

**RDU:** Children's Services (486)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP	
										PFT	PPT		
project Medicaid expenditures.													
	<b>Totals</b>	<b>13,562.4</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>13,562.4</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Component:** Children's Medicaid Services (2661)  
**RDU:** Children's Services (486)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
77000	Grants, Benefits		10,918.7	16,053.3	13,562.4
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>77000 Grants, Benefits Detail Totals</b>			<b>0.0</b>	<b>0.0</b>	<b>13,562.4</b>
77116	Residential Care	Behavioral rehabilitation services (BRS): Payments to providers who deliver three levels of residential care to children in state custody. Services include Emergency Stabilization and Assessment, 24-hour behavioral rehabilitation services and small therapeutic care facilities. Emergency Stabilization provides temporary residential care for children in immediate danger. 24-hour treatment cares for children with emotional and behavioral disorders that need a more restrictive setting. Therapeutic care facilities address crisis placements. These funds support children as they step down from acute care and divert youth from entering acute care.	0.0	0.0	13,562.4

**Restricted Revenue Detail**  
**Department of Health and Social Services**

**Component:** Children's Medicaid Services (2661)  
**RDU:** Children's Services (486)

Master Account	Revenue Description	FY2010		
		FY2009 Actuals	Management Plan	FY2011 Governor
51010	Federal Receipts	0.0	0.0	7,441.8

**Detail Information**

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
57301	Title XIX Map				0.0	0.0	7,441.8
	Medicaid Federal Collections - The bulk of the federal funding for Medicaid Title XIX Medical Assistance Payments comes from claims reimbursed at the federal medical assistance percentage or FMAP. Additional Medicaid federal financial participation rates are IHS (Indian Health Service) at 100% Federal and "Enhanced" FMAP for the State Children's Health Insurance Program or SCHIP and Breast and Cervical Cancer. Actual collections are based on the proportion of expenditures eligible for each type of federal reimbursement.						

**Restricted Revenue Detail**  
**Department of Health and Social Services**

**Component:** Children's Medicaid Services (2661)  
**RDU:** Children's Services (486)

Master Account	Revenue Description	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51118	Federal Economic Stimulus	0.0	0.0	724.1

**Detail Information**

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
51118	Federal Economic Stimulus		06214360	11100	0.0	0.0	724.1
Funds available due to the federal economic stimulus package, OMB Fund Code #1212.							