

# **State of Alaska FY2015 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.

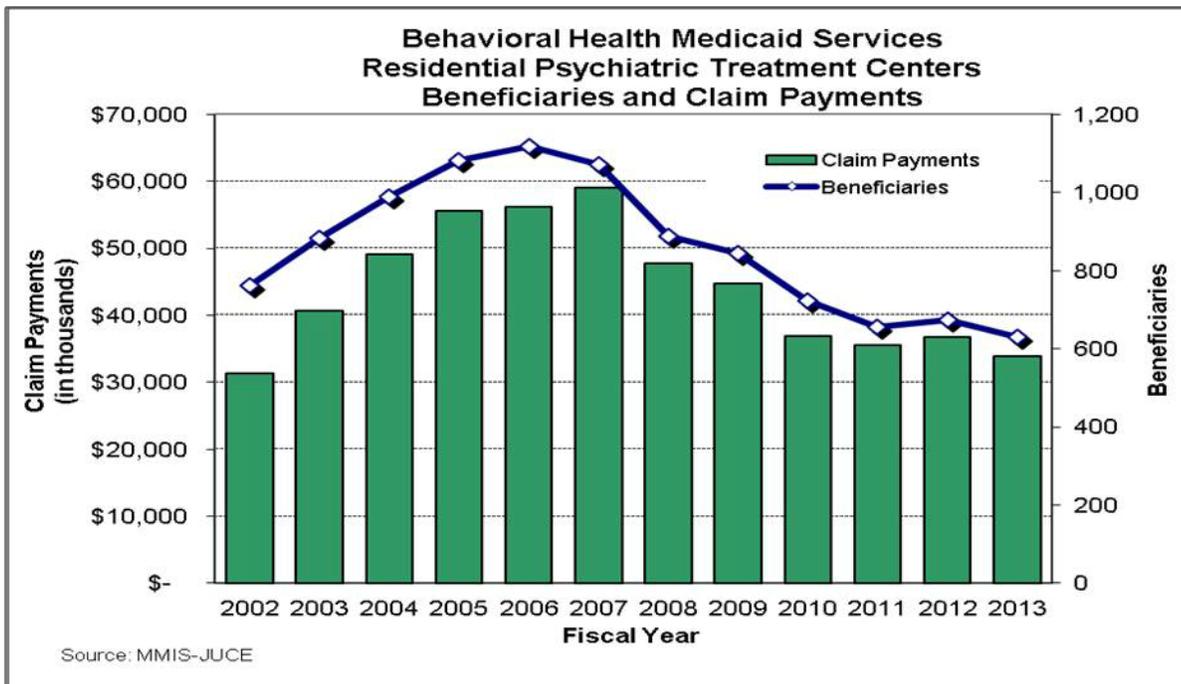
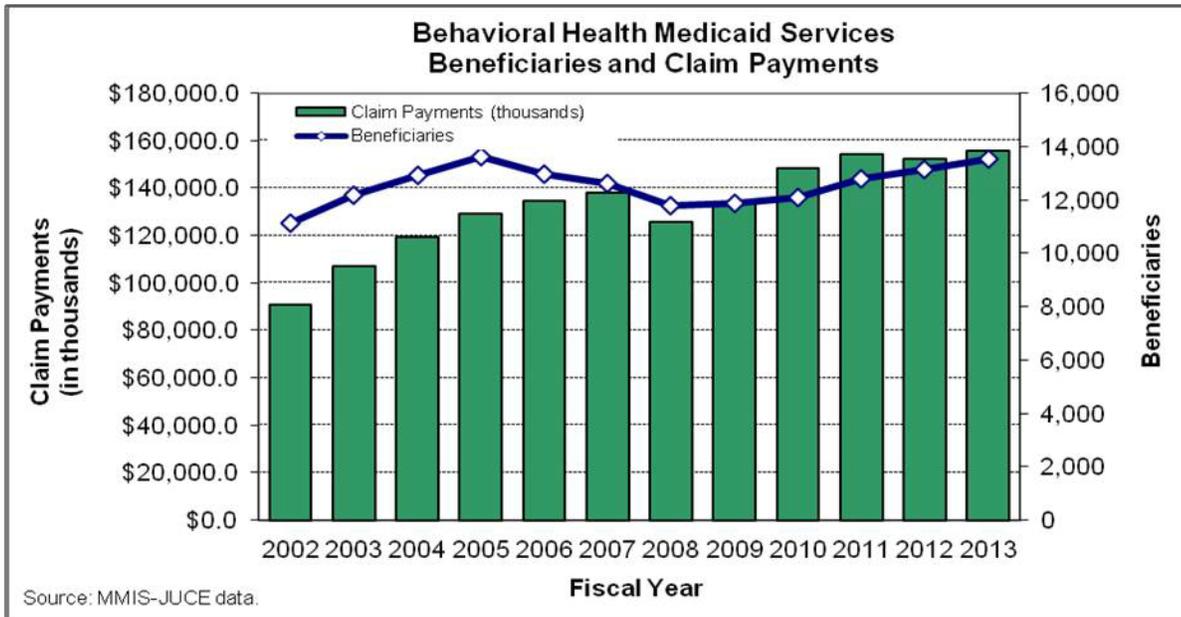
This component of Alaska Medicaid is under the programmatic oversight of the DHSS Division of Behavioral Health.

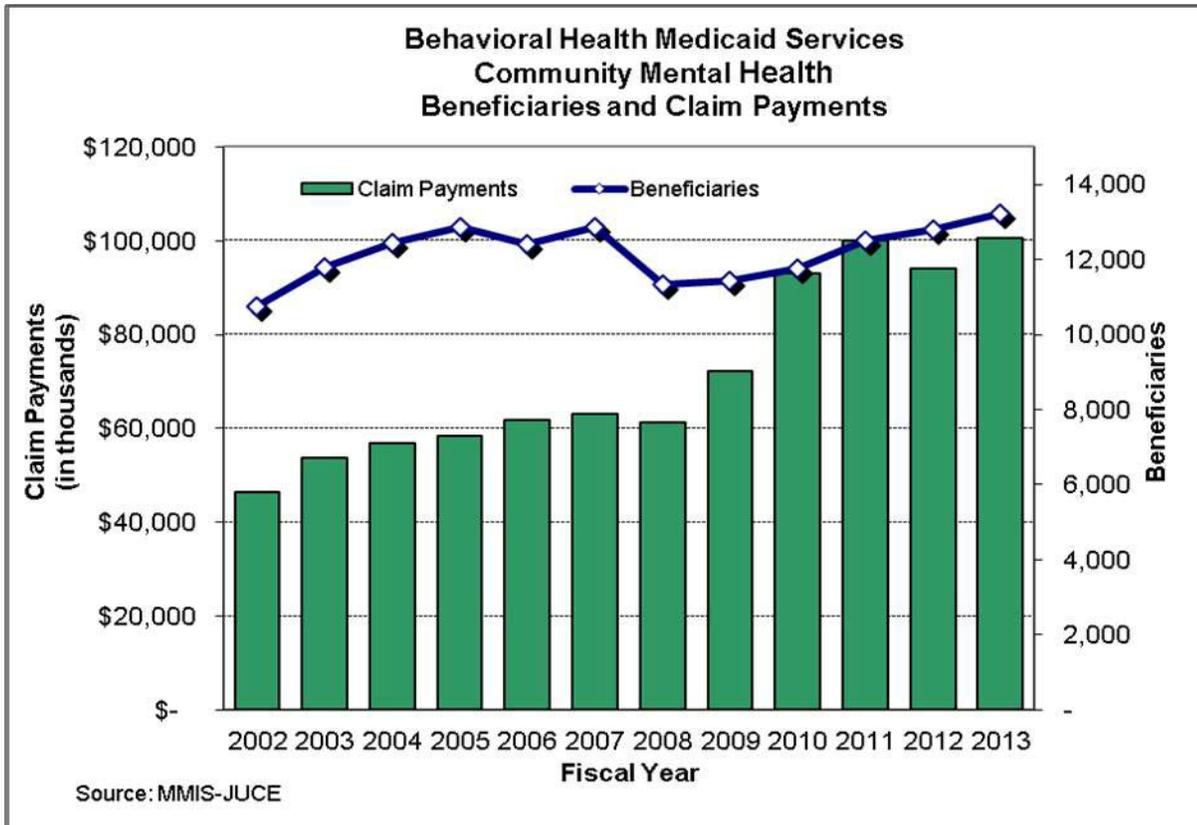
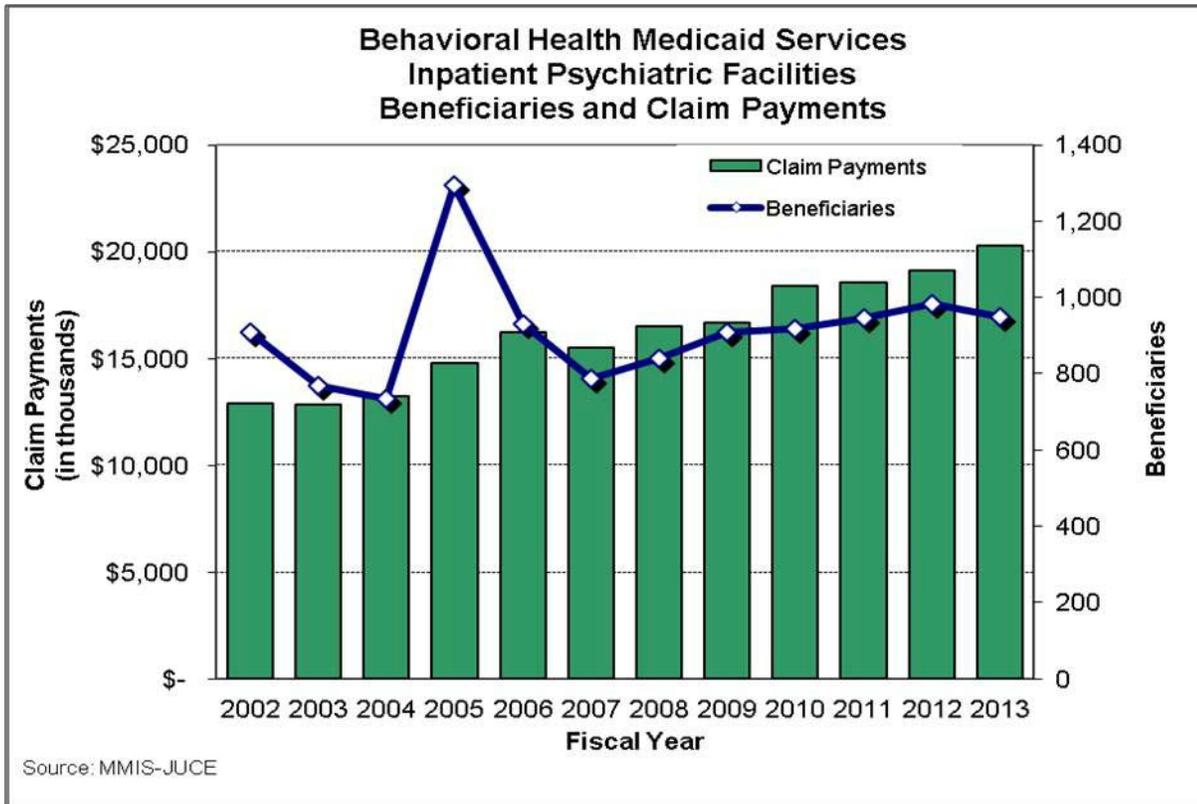
**Core Services**

- 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.
- Psychiatric 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 2013**

In FY2013 the Behavioral Health Medicaid component provided services to 13,519 persons at an average annual cost of \$11,517 per beneficiary. This represents a 3.0% increase in the number of beneficiaries and a 0.8% decrease in the cost per beneficiary from FY2012 to FY2013.

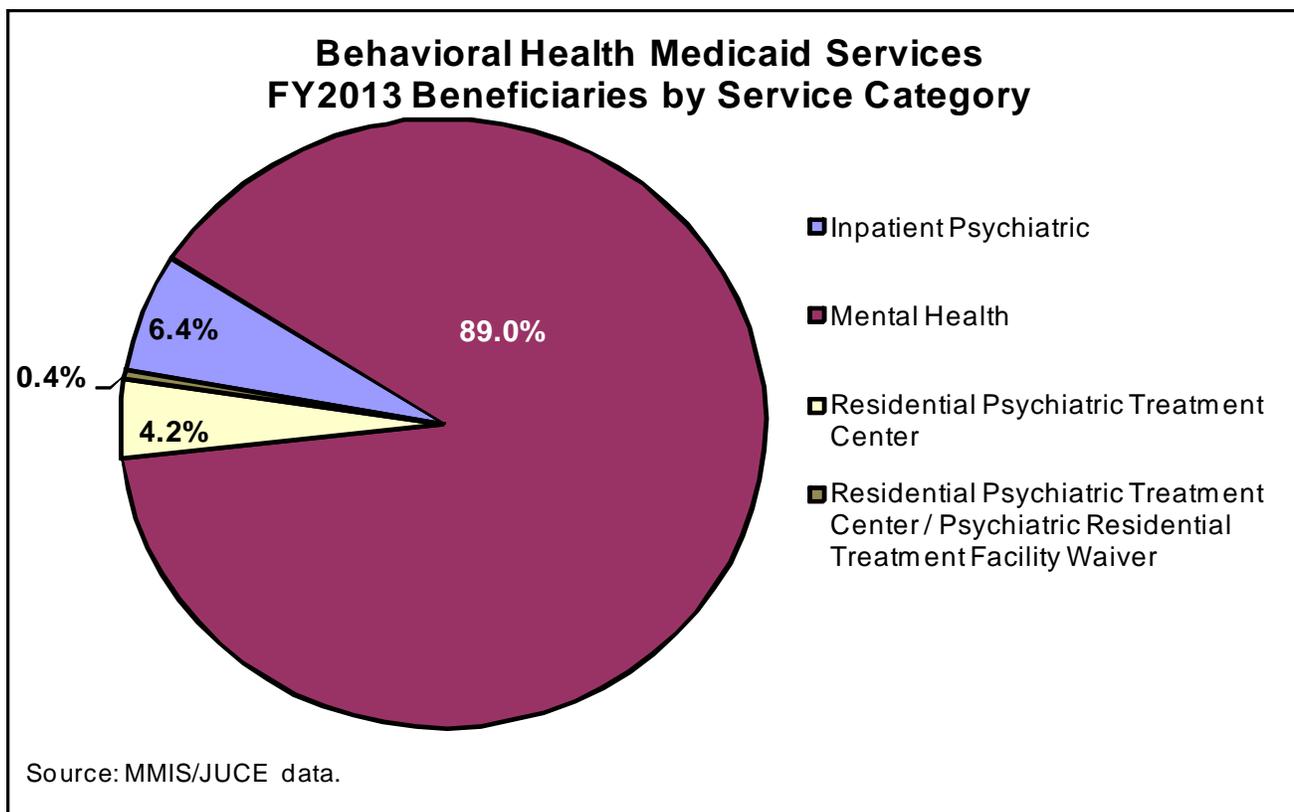




**Behavioral Health Medicaid Services FY2013 Claim Payments by Service Category**

The Behavioral Health Medicaid Services component funds four types of services: inpatient psychiatric hospital services, residential psychiatric treatment center services, community behavioral health services, and the psychiatric rehabilitation treatment facility waiver.

1. Inpatient psychiatric hospital claims account for 13% of total FY2013 Behavioral Health Medicaid claim payments. The inpatient psychiatric hospital category is comprised of psychiatric services delivered at non-state hospitals, and at the Alaska Psychiatric Institute.
2. Residential psychiatric treatment center claims account for 22% of Behavioral Health Medicaid claim payments in FY2013.
3. The community behavioral health category is comprised of psychologist services and behavioral health clinic and rehabilitation services, and substance abuse rehabilitation services. Claims submitted for community behavioral health services account for 65% of claim payments in FY2013.
4. The psychiatric rehabilitation treatment facility waiver accounted for approximately 1% of claims payments in FY2013.



- Program integrity and detection of fraud, waste, and abuse remains a focus. In FY2013 the Division of Behavioral Health improved its methodology for identifying agencies in need of targeted technical assistance; developed and implemented the use of a standardized and comprehensive program review tool; developed clear, easily accessible training materials; and developed and implemented use of a standardized format to identify agency deficiencies and tracking progress toward improvement. The division has formalized the process for identifying and referring suspected overpayments to the department’s Program Integrity Unit.
- In FY2013 the division completed implementation of its utilization review project to apply standardized clinical criteria to all service authorization requests for outpatient behavioral health services.

**Key Component Challenges**

- Evaluating the feasibility of incorporating an acuity adjustment into the rate methodology applied to outpatient

behavioral health services remains a challenge as no models to support this effort have been identified. However, a cost survey which will be completed in FY2014 will be evaluated to determine its utility in supporting an appropriate acuity tool.

- Behavioral Health is continuing efforts to develop program initiatives to support integration of primary care medical services to ensure patients with behavioral health problems receive efficient and appropriate coordinated care. The current Patient Centered Medical Home project includes a requirement for integration. However, aligning systems that operate under separate administrative, professional, and funding requirements remains a challenge. The division anticipates completing recommendations for Community Behavioral Health providers by the end of FY2014.
- Behavioral Health revised the contract for Behavioral Health Utilization Review services to include enhanced care coordination services to children receiving services in residential psychiatric treatment centers. The model includes a family resource needs assessment and discharge readiness assessment to facilitate discharge to the most appropriate services. The anticipated outcomes include reduced lengths of stay at hospitals or residential psychiatric treatment centers, reduced readmissions to inpatient psychiatric hospitals or residential psychiatric treatment centers, improved access to appropriate quality services, increased use of community services, improvement in family participation, increased client ability to live independently, and improvement in a client's ability to succeed in school. The program was implemented July 1, 2012. By June 2014, the division will conduct a program outcome evaluation to assess effectiveness.

### **Significant Changes in Results to be Delivered in FY2015**

- While the department has been successful in decreasing out-of-state admissions to residential psychiatric treatment centers, ensuring appropriate psychiatric treatment for children with developmental disorders remains a challenge. Treatment outcomes for this population have shown improvement for those treated in specialized treatment units while the overall cost of treatment is lower than traditional services. The department continues to work to support development of a specialized unit in the state to provide specialized residential psychiatric treatment center services for this population. The program is now scheduled to open in early FY2015.
- By October 1, 2014 the division will complete the transition to the use of the Diagnostic and Statistical Manual of Mental Disorders, fifth edition, and the International Classification of Diseases, tenth revision. All agencies will be required to use these most recent versions for diagnosing patients for mental disorders and for all billing and utilization review activities.

### **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

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

**Contact Information**

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**Behavioral Health Medicaid Services  
Component Financial Summary**

*All dollars shown in thousands*

	<b>FY2013 Actuals</b>	<b>FY2014 Management Plan</b>	<b>FY2015 Governor</b>
<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	1,682.5	1,551.9	1,551.9
74000 Commodities	0.1	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	167,178.2	201,007.4	191,767.5
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>168,860.8</b>	<b>202,559.3</b>	<b>193,319.4</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	94,487.9	119,076.8	119,076.8
1003 General Fund Match	5,263.2	1,518.8	1,518.8
1004 General Fund Receipts	0.0	6,000.0	0.0
1037 General Fund / Mental Health	68,622.9	73,746.2	70,506.3
1108 Statutory Designated Program Receipts	151.8	717.5	717.5
1180 Alcohol & Other Drug Abuse Treatment & Prevention Fund	335.0	1,500.0	1,500.0
<b>Funding Totals</b>	<b>168,860.8</b>	<b>202,559.3</b>	<b>193,319.4</b>

**Estimated Revenue Collections**

<b>Description</b>	<b>Master Revenue Account</b>	<b>FY2013 Actuals</b>	<b>FY2014 Management Plan</b>	<b>FY2015 Governor</b>
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	94,487.9	119,076.8	119,076.8
Statutory Designated Program Receipts	51063	151.8	717.5	717.5
<b>Restricted Total</b>		<b>94,639.7</b>	<b>119,794.3</b>	<b>119,794.3</b>
<b>Total Estimated Revenues</b>		<b>94,639.7</b>	<b>119,794.3</b>	<b>119,794.3</b>

**Summary of Component Budget Changes  
From FY2014 Management Plan to FY2015 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>
<b>FY2014 Management Plan</b>	<b>81,265.0</b>	<b>1,500.0</b>	<b>717.5</b>	<b>119,076.8</b>	<b>202,559.3</b>
<b>Adjustments which will continue current level of service:</b>					
-Reverse Behavioral Health Grants Sec16 Ch14 SLA2013 Pg71 L10 (HB65) Lapses 6/30/2014	-6,000.0	0.0	0.0	0.0	-6,000.0
<b>Proposed budget decreases:</b>					
-Medicaid Services Growth Reduction	-3,239.9	0.0	0.0	0.0	-3,239.9
<b>FY2015 Governor</b>	<b>72,025.1</b>	<b>1,500.0</b>	<b>717.5</b>	<b>119,076.8</b>	<b>193,319.4</b>

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

**Component:** Behavioral Health Medicaid Services (AR23115) (2660)  
**RDU:** Medicaid Services (595)

	FY2013 Actuals	FY2014 Conference Committee	FY2014 Authorized	FY2014 Management Plan	FY2015 Governor	FY2014 Management Plan vs FY2015 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	1,682.5	1,551.9	1,551.9	1,551.9	1,551.9	0.0	0.0%
74000 Commodities	0.1	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	167,178.2	197,384.1	201,007.4	201,007.4	191,767.5	-9,239.9	-4.6%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>168,860.8</b>	<b>198,936.0</b>	<b>202,559.3</b>	<b>202,559.3</b>	<b>193,319.4</b>	<b>-9,239.9</b>	<b>-4.6%</b>
<b>Fund Sources:</b>							
1002Fed Rcpts (Fed)	94,487.9	119,076.8	119,076.8	119,076.8	119,076.8	0.0	0.0%
1003G/F Match (UGF)	5,263.2	1,518.8	1,518.8	1,518.8	1,518.8	0.0	0.0%
1004Gen Fund (UGF)	0.0	0.0	6,000.0	6,000.0	0.0	-6,000.0	-100.0%
1037GF/MH (UGF)	68,622.9	76,122.9	73,746.2	73,746.2	70,506.3	-3,239.9	-4.4%
1108Stat Desig (Other)	151.8	717.5	717.5	717.5	717.5	0.0	0.0%
1180Alcohol Fd (DGF)	335.0	1,500.0	1,500.0	1,500.0	1,500.0	0.0	0.0%
<b>Unrestricted General (UGF)</b>	<b>73,886.1</b>	<b>77,641.7</b>	<b>81,265.0</b>	<b>81,265.0</b>	<b>72,025.1</b>	<b>-9,239.9</b>	<b>-11.4%</b>
<b>Designated General (DGF)</b>	<b>335.0</b>	<b>1,500.0</b>	<b>1,500.0</b>	<b>1,500.0</b>	<b>1,500.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>151.8</b>	<b>717.5</b>	<b>717.5</b>	<b>717.5</b>	<b>717.5</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>94,487.9</b>	<b>119,076.8</b>	<b>119,076.8</b>	<b>119,076.8</b>	<b>119,076.8</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:** 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 FY2014 Conference Committee To FY2014 Authorized *****												
<b>FY2014 Conference Committee</b>												
	ConfCom	198,936.0	0.0	0.0	1,551.9	0.0	0.0	197,384.1	0.0	0	0	0
1002 Fed Rcpts		119,076.8										
1003 G/F Match		1,518.8										
1037 GF/MH		76,122.9										
1108 Stat Desig		717.5										
1180 Alcohol Fd		1,500.0										
<b>Behavioral Health Grants Sec16 Ch14 SLA2013 Pg71 L10 (HB65) Lapses 6/30/2014</b>												
	CarryFwd	6,000.0	0.0	0.0	0.0	0.0	0.0	6,000.0	0.0	0	0	0
1004 Gen Fund		6,000.0										
The unexpended and unobligated balance not to exceed \$6,000,000, of the appropriation made in sec. 23, ch 17, SLA 2012 (Department of Health and Social Services, Behavioral Health Grants) is reappropriated to the Department of Health and Social Services, for the fiscal year ending June 30, 2014.												
<b>Align Authority for Reduction within Medicaid Services</b>												
	Unalloc	-2,376.7	0.0	0.0	0.0	0.0	0.0	-2,376.7	0.0	0	0	0
1037 GF/MH		-2,376.7										
Distribute the \$8,368.8 general fund unallocated reduction in Medicaid Services to:												
Health Care Medicaid Services (\$3,632.0)												
Behavioral Health Medicaid Services (\$2,376.7)												
Children's Medicaid Services (\$1,648.7)												
Adult Prevention Dental Medicaid Services (\$711.4)												
<b>Subtotal</b>		<b>202,559.3</b>	<b>0.0</b>	<b>0.0</b>	<b>1,551.9</b>	<b>0.0</b>	<b>0.0</b>	<b>201,007.4</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2014 Authorized To FY2014 Management Plan *****												
<b>Subtotal</b>		<b>202,559.3</b>	<b>0.0</b>	<b>0.0</b>	<b>1,551.9</b>	<b>0.0</b>	<b>0.0</b>	<b>201,007.4</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2014 Management Plan To FY2015 Governor *****												
<b>Reverse Behavioral Health Grants Sec16 Ch14 SLA2013 Pg71 L10 (HB65) Lapses 6/30/2014</b>												
	OTI	-6,000.0	0.0	0.0	0.0	0.0	0.0	-6,000.0	0.0	0	0	0
1004 Gen Fund		-6,000.0										

Reverse a one-time FY2014 appropriation for behavioral health grants.

**Medicaid Services Growth Reduction**

**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	
1037 GF/MH	Dec	-3,239.9	0.0	0.0	0.0	0.0	0.0	-3,239.9	0.0	0	0	0
		-3,239.9										
<b>Totals</b>		<b>193,319.4</b>	<b>0.0</b>	<b>0.0</b>	<b>1,551.9</b>	<b>0.0</b>	<b>0.0</b>	<b>191,767.5</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Behavioral Health Medicaid Services component supports three types of services: inpatient psychiatric hospitals, residential psychiatric treatment centers, and outpatient behavioral health services. The programs support the department's mission to manage health care for eligible Alaskans in need. Providing behavioral health services through Medicaid improves and enhances the quality of life for Alaskans with serious behavioral health problems. Behavioral Health Medicaid Services are also a major component of the department's Bring the Kids Home initiative.

Behavioral Health Medicaid component has seen a reduction in the rate of growth for the cost of services. Therefore a decrease of excess general fund match is needed to align authority with projected expenditures. Due to the reduction in the rate of growth for the Behavioral Health Medicaid component, the projected increase from FY2014 to FY2015 will only be 1.2%; this is based on the historical trends in population, utilization, and provider reimbursement. Although there was a 3% increase in beneficiaries from FY2012 to FY2013, the cost per beneficiary decreased by 0.8%. This trend has continued for a third year in a row, allowing this reduction of general fund match authority.

**Line Item Detail**  
**Department of Health and Social Services**  
**Services**

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

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000	Services		1,682.5	1,551.9	1,551.9
<b>Expenditure Account</b>			<b>FY2013 Actuals</b>	<b>FY2014 Management Plan</b>	<b>FY2015 Governor</b>
		<b>Servicing Agency</b>			
		<b>Explanation</b>			
<b>73000 Services Detail Totals</b>			<b>1,682.5</b>	<b>1,551.9</b>	<b>1,551.9</b>
73753	Program Mgmt/Consult		1,682.5	1,551.9	1,551.9

**Line Item Detail**  
**Department of Health and Social Services**  
**Commodities**

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

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
74000	Commodities		0.1	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
<b>74000 Commodities Detail Totals</b>			<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
74200	Business		0.1	0.0	0.0

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

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

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
77000	Grants, Benefits		167,178.2	201,007.4	191,767.5
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
<b>77000 Grants, Benefits Detail Totals</b>			<b>167,178.2</b>	<b>201,007.4</b>	<b>191,767.5</b>
77670	Benefits		167,178.2	201,007.4	191,767.5

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

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

<b>Master Account</b>	<b>Revenue Description</b>				<b>FY2013 Actuals</b>	<b>FY2014 Management Plan</b>	<b>FY2015 Governor</b>
51010	Federal Receipts				94,487.9	119,076.8	119,076.8
<b>Detail Information</b>							
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2013 Actuals</b>	<b>FY2014 Management Plan</b>	<b>FY2015 Governor</b>
51010	Federal Receipts				94,487.9	0.0	0.0
51010	Federal Receipts 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.		06338240	11100	0.0	119,076.8	119,076.8

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

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

<b>Master Account</b>	<b>Revenue Description</b>				<b>FY2013 Actuals</b>	<b>FY2014 Management Plan</b>	<b>FY2015 Governor</b>
51063	Statutory Designated Program Receipts				151.8	717.5	717.5
<b>Detail Information</b>							
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2013 Actuals</b>	<b>FY2014 Management Plan</b>	<b>FY2015 Governor</b>
51063	Stat Desig Prog Rec				151.8	0.0	0.0
51063	Stat Desig Prog Rec Recovery of Overpayments to Medicaid providers discovered through audit		06338240	11100	0.0	717.5	717.5