

# **State of Alaska FY2005 Governor's Operating Budget**

## **Department of Health and Social Services Certification and Licensing Component Budget Summary**

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**Component: Certification and Licensing**

**Contribution to Department's Mission**

The Department's mission is to promote and protect the health and well-being of Alaskans. In support of this mission, assisted living homes, nursing homes and other health care facilities are surveyed and certified and/or licensed to ensure safe living conditions, continued access to health care and to provide health coverage for Alaskans in need.

**Core Services**

The federal government has established minimum standards for providers who wish to participate in the Medicare or Medicaid programs. Section 1864 of the Social Security Act establishes the framework within which State health facilities licensure agencies carry out the Medicare certification process under agreements between the State and the Secretary of Health and Human Services. The Social Security Act stipulates that these same agencies are authorized to set and enforce standards for Medicaid. The Code of Federal Regulations requires the state agency to perform surveys (inspections) in order to support its certification, both for Medicare and Medicaid. In Alaska, this is done by Health Facilities Licensing and Certification (HFL&C).

Inspect and ensure necessary corrections or improvements are implemented for the safety of the residents of assisted living homes, nursing homes, and other health care facilities.

**FY2005 Resources Allocated to Achieve Results**

<b>FY2005 Component Budget: \$1,850,000</b>	<b>Personnel:</b>	
	Full time	18
	Part time	1
	<b>Total</b>	<b>19</b>

**Key Component Challenges**

7 AAC 12 will be changed to add regulations that require safeguards for residents of nursing facilities and which implement AS 18.20.302, dealing with requirements for criminal background checks for persons hired or retained by nursing facilities. AS 18.20.302 was enacted in 1996, making Alaska one of more than 38 states that have enacted background check requirements for employees who work with the vulnerable, elderly, and disabled.

Recruitment and retention of qualified staff is becoming increasingly difficult due to stringent federal training requirements with limited availability of training courses, extensive travel involved with surveying facilities throughout the state, and inadequate salaries for qualified staff.

Due to recruitment and retention difficulties the State is in jeopardy of losing authority to certify health care facilities for purposes of qualifying for Medicare and Medicaid reimbursement.

Currently there is a confusing and often contradictory array of statutes and regulations establishing authority for licensing of various facilities and individuals caring for children, the elderly and the disabled. The Department of Law has proposed these statutes be rewritten and consolidated into a minimalist statutory framework with more of the detailed standards to be in regulation. Work has begun on this project and will continue into FY05.

**Significant Changes in Results to be Delivered in FY2005**

As part of the Department's efforts to streamline services, authority for the certification, licensing, and monitoring of

facilities that provide care to the elderly and/or disabled is being centralized in the Division of Public Health.

### Major Component Accomplishments in 2003

The Balanced Budget Act of 1997 (Public Law 105-33) established the Medicare Rural Hospital Flexibility Program, a national program designed to assist states and rural communities in improving access to essential health care services through the establishment of limited services hospitals and rural health networks. The program created the Critical Access Hospital as a limited service hospital eligible for Medicare certification and reimbursement and supports the development of rural health networks consisting of Critical Access Hospitals, acute care hospitals, and other health care providers. Health Facilities Licensing & Certification continues to play a key role in the implementation of the Rural Hospital Flexibility program. Alaska now has 5 hospitals which are designated as Critical Access Hospitals under the Federal rules, and many Alaska communities have received assistance through the program to perform Community Needs Assessments, Financial Feasibility Studies and develop Emergency Medical System (EMS) Plans.

Health Facilities Licensing & Certification developed a "Self Survey" training manual for Critical Access hospitals to incorporate into their quality improvement program to assist them in maintaining compliance with required standards.

### Statutory and Regulatory Authority

Alaska Statutes:

AS 47.07 Medical Assistance for Needy Persons

AS 47.08 Assistance for Catastrophic Illness and Chronic or Acute Medical Conditions

AS 47.25 Public Assistance

Social Security Act:

Title XVIII Medicare

Title XIX Medicaid

Title XXI Children's Health Insurance Program

Administrative Code:

7 AAC 43 Medicaid

7 AAC 48 Chronic and Acute Medical Assistance

Code of Federal Regulations:

Title 42 CFR Part 400 to End

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### Certification and Licensing Component Financial Summary

*All dollars shown in thousands*

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	602.3	776.5	1,342.8
72000 Travel	153.2	87.6	115.4
73000 Contractual	243.9	253.8	373.3
74000 Supplies	15.8	5.0	11.5
75000 Equipment	0.0	0.0	7.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,015.2</b>	<b>1,122.9</b>	<b>1,850.0</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	769.5	781.5	908.9
1003 General Fund Match	184.5	175.6	179.8
1004 General Fund Receipts	61.2	165.8	505.9
1037 General Fund / Mental Health	0.0	0.0	100.0
1092 Mental Health Trust Authority Authorized Receipts	0.0	0.0	145.0
1156 Receipt Supported Services	0.0	0.0	10.4
<b>Funding Totals</b>	<b>1,015.2</b>	<b>1,122.9</b>	<b>1,850.0</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<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	769.5	781.5	908.9
Receipt Supported Services	51073	0.0	0.0	10.4
<b>Restricted Total</b>		<b>769.5</b>	<b>781.5</b>	<b>919.3</b>
<b>Total Estimated Revenues</b>		<b>769.5</b>	<b>781.5</b>	<b>919.3</b>

**Summary of Component Budget Changes  
From FY2004 Authorized to FY2005 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2004 Authorized</b>	<b>341.4</b>	<b>781.5</b>	<b>0.0</b>	<b>1,122.9</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer Certification and Licensing of Assisted Living Homes from SDS Protection, Comm Svcs & Admin	326.7	113.6	10.4	450.7
-Transfer Certification and Licensing for Assisted Living Homes from Behavioral Health Administration	109.6	0.0	145.0	254.6
-Changes to Retirement and Other Personal Services Rates	9.9	19.6	0.0	29.5
<b>Proposed budget decreases:</b>				
-Department-wide travel reduction	-1.9	-5.8	0.0	-7.7
<b>FY2005 Governor</b>	<b>785.7</b>	<b>908.9</b>	<b>155.4</b>	<b>1,850.0</b>

**Certification and Licensing  
Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<b>FY2004 Authorized</b>	<b>FY2005 Governor</b>		
Full-time	12	18	Annual Salaries	954,079
Part-time	0	1	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	412,620
			<i>Less 1.75% Vacancy Factor</i>	<i>(23,899)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>12</b>	<b>19</b>	<b>Total Personal Services</b>	<b>1,342,800</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	1	0	0	0	1
Community Care Lic Spec I	4	0	0	0	4
Community Care Lic Spec II	2	0	0	0	2
Hlth Facil Cert Lic Adm	1	0	0	0	1
Hlth Facil Surv I	8	0	0	0	8
Hlth Facil Surv II	1	0	0	0	1
Social Worker II	1	0	0	0	1
<b>Totals</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>