

State of Alaska FY2008 Governor's Operating Budget

Department of Health and Social Services

Department of Health and Social Services

Mission

To promote and protect the health and well being of Alaskans.

Core Services

- Provide quality assisted living in a safe home environment.
- Provide an integrated behavioral health system.
- Promote stronger families, safer children.
- Manage health care coverage for Alaskans in need.
- Address juvenile crime by promoting accountability, public safety and skill development.
- Provide self-sufficiency and basic living expenses to Alaskans in need.
- Protect and promote the health of Alaskans.
- Promote independence of Alaska Seniors and people with physical and developmental disabilities.
- Provide quality administrative services in support of the Department's mission.

While the core services serve as the basis for the department's service delivery system the Department has three main guiding principles: self sufficiency for Alaskans, a strong safety net for those who cannot provide for themselves, and local access to care.

End Results	Strategies to Achieve Results
<p>A: Outcome Statement #1: Provide a safe environment for Alaska pioneers and veterans.</p> <p><u>Target #1:</u> Injury rate below half the national standard, which is two to six percent. <u>Measure #1:</u> Pioneers Home sentinel event injury rate.</p>	<p>A1: Provide sufficient staffing for safe environment in the homes.</p>
End Results	Strategies to Achieve Results
<p>B: Outcome Statement #2: Improve and enhance the quality of life for Alaskans with serious behavioral health problems.</p> <p><u>Target #1:</u> To reduce the number/percentage of kids in out-of-state placement by 50 children annually over the next seven years. <u>Measure #1:</u> Change in number/percentage of children reported in out-of-state care from Medicaid MMIS.</p> <p><u>Target #2:</u> To reduce the rate of suicides in Alaska to 10.6 deaths per 100,000 population. <u>Measure #2:</u> Alaska's suicide death rate compared to National rate.</p> <p><u>Target #3:</u> Reduce 30 day readmission rate for API to 10%. <u>Measure #3:</u> Rate of API readmissions.</p>	<p>B1: Provide enhancements to prevention and early intervention services.</p>
End Results	Strategies to Achieve Results

<p>C: Outcome Statement #3: Children who come to the attention of the Office of Children's Services are, first and foremost, protected from abuse or neglect.</p> <p><u>Target #1:</u> Decrease the rate of substantiated allegations of child abuse and neglect in Alaska. <u>Measure #1:</u> The rate of child abuse and neglect per 1,000 children under the age of 18.</p> <p><u>Target #2:</u> To decrease the rate of repeat maltreatment to meet or exceed the national standard of 6.1 percent. <u>Measure #2:</u> Percentage rate of repeat maltreatment.</p> <p><u>Target #3:</u> Decrease the percentage of substantiated maltreatment by out-of-home providers. <u>Measure #3:</u> Percentage of children maltreated by an out-of-home provider.</p> <p><u>Target #4:</u> Reduce the rate staff turnover and increase the number of workers providing direct services at any given time. <u>Measure #4:</u> Annual employee turnover rate; number of positions available to provide direct services.</p>	<p>C1: Implementation of new safety assessment model to provide front line workers with a better tool to identify safety issues in the home.</p> <p>C2: Children placed outside of the home are protected from further abuse and neglect.</p> <p>C3: Retain an effective and efficient workforce.</p>
<p>End Results</p>	<p>Strategies to Achieve Results</p>
<p>D: Outcome Statement #4: To provide quality management of health care coverage services to providers and clients.</p> <p><u>Target #1:</u> Decrease average response time from receiving a claim to paying a claim. <u>Measure #1:</u> Average number of days per annum from receipt of claims to payment of claims.</p> <p><u>Target #2:</u> Increase the percentage of adjudicated claims paid with no provider errors. <u>Measure #2:</u> Change in the percentage of adjudicated claims paid with no provider errors.</p> <p><u>Target #3:</u> Reduce the rate of Medicaid payment errors <u>Measure #3:</u> Improper payment estimates as provided to Center for Medicare and Medicaid Services</p>	<p>D1: Continue to develop new Medicaid Management Information System (MMIS).</p>
<p>End Results</p>	<p>Strategies to Achieve Results</p>
<p>E: Outcome Statement #5: Improve juvenile offenders' success in the community following completion of services resulting in higher levels of accountability and public safety.</p> <p><u>Target #1:</u> Reduce percentage of juveniles who re-offend following release from institutional treatment facilities to less than 40% of the total. <u>Measure #1:</u> Percentage change in re-offense rate following release from institutional treatment.</p> <p><u>Target #2:</u> Reduce percentage of juveniles who re-offend following completion of formal court-ordered probation</p>	<p>E1: Implement and review information from research-based assessment tools, and incorporate practices proven to reduce recidivism and criminal behavior among youth.</p>

<p>supervision to less than 20% of the total. <u>Measure #2:</u> Percentage change in re-offense rate following completion of formal court-ordered probation supervision. <u>Target #3:</u> Alaska's juvenile crime rate will be reduced by 5% over a two-year period. <u>Measure #3:</u> Percentage change of Alaska juvenile crime rate compared to the rate one and two years earlier. <u>Target #4:</u> Divert at least 60% of youth referred to the Division away from formal court processes as appropriate given their risks, needs, and the seriousness of their offenses. <u>Measure #4:</u> The percentage of referrals that are managed through informal processes.</p>	
<p style="text-align: center;">End Results</p>	<p style="text-align: center;">Strategies to Achieve Results</p>
<p>F: Outcome Statement #6: Low income families and individuals become economically self-sufficient. <u>Target #1:</u> Increase self-sufficient individuals and families by 10% annually. <u>Measure #1:</u> Rate of change in self-sufficient families.</p>	<p>F1: Use TANF high performance bonus funds for families approaching 60-month time limit.</p>
<p style="text-align: center;">End Results</p>	<p style="text-align: center;">Strategies to Achieve Results</p>
<p>G: Outcome Statement #7: Healthy people in healthy communities <u>Target #1:</u> 80% of all 2 year olds are fully immunized <u>Measure #1:</u> % of all Alaskan 2 year olds fully immunized <u>Target #2:</u> Reduce post-neonatal death rate to 2.7 per 1,000 live births by 2010 <u>Measure #2:</u> Three year average post-neonatal mortality rate (Post-neonatal is defined as 28 days to 1 year) <u>Target #3:</u> Decrease diabetes in Alaskans <u>Measure #3:</u> Prevalence of Diabetes among Adults (18+) in Alaska based upon three-year averages <u>Target #4:</u> Decrease Alaska's adult obesity rate to less than 18% <u>Measure #4:</u> Obesity rate of Alaskans</p>	<p>G1: Strengthen public health in strategic areas.</p>
<p style="text-align: center;">End Results</p>	<p style="text-align: center;">Strategies to Achieve Results</p>
<p>H: Outcome Statement #8: Senior and physically and/or developmentally disabled Alaskans live independently as long as possible. <u>Target #1:</u> Increase the number of DD waiver recipients receiving Supported Employment Services. <u>Measure #1:</u> % change of beneficiaries receiving supported employment services under Developmental Disabilities Waiver.</p>	<p>H1: Promote independent living and provide preadmission screening to nursing homes.</p>

End Results	Strategies to Achieve Results
<p>I: Outcome Statement #9: The efficient and effective delivery of administrative services.</p> <p><u>Target #1:</u> Increase by 5% the percentage of customers that report Finance and Management Services (FMS) is meeting their needs.</p> <p><u>Measure #1:</u> Percentage of customer service internal survey respondents that report FMS is meeting their needs.</p> <p><u>Target #2:</u> Reduce the average response time for complaints/inquiries to 14 days.</p> <p><u>Measure #2:</u> Department Inquiry/Complaint "HSS Track" log response times.</p> <p><u>Target #3:</u> Reduce by 5% per year processing time for key indicators.</p> <p><u>Measure #3:</u> Track number of days it takes to process: Purchase Requisitions; Operating Grant Awards; Processing Time for Payments; Capital Grant Awards; and Legislative inquiries.</p>	<p>I1: Implement results of Business Process Review.</p>

FY2008 Resources Allocated to Achieve Results							
<p>FY2008 Department Budget: \$2,160,336,100</p>	<p>Personnel:</p> <table> <tr> <td>Full time</td> <td>3,314</td> </tr> <tr> <td>Part time</td> <td>107</td> </tr> <tr> <td>Total</td> <td>3,421</td> </tr> </table>	Full time	3,314	Part time	107	Total	3,421
Full time	3,314						
Part time	107						
Total	3,421						

Performance Measure Detail

A: Result - Outcome Statement #1: Provide a safe environment for Alaska pioneers and veterans.

Target #1:Injury rate below half the national standard, which is two to six percent.

Measure #1: Pioneers Home sentinel event injury rate.

Alaska Pioneer Home Sentinel Event Injury Rate

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	2.9%	0.7%	0%	0.37%	.99%
2003	1.1%	.04%	1.79%	1.5%	1.1%
2004	1.96%	0.1.26%	0.97%	1.47%	1.45%
2005	2.6%	2.4%	1.5%	2.3%	2.2%
2006	0.6%	2.7%	1.3%	1.1%	1.43%
2007	4.0%	0 0%	0 0%	0 0%	0 0%

The Sentinel Event injury rate reports the percentage of falls that resulted in a major injury. The rate is calculated by dividing the number of Sentinel injuries to Pioneer Homes residents by the total number of falls reported for the same quarter.

Analysis of results and challenges: The elderly, who represent 12 percent of the population, account for 75 percent of deaths from falls.

The average age in the Pioneer Homes is 84.5. This puts the residents in the highest risk category, and they are more likely to suffer a serious injury from a fall, and experience significant morbidity thereafter.

The Pioneer Homes will respond to serious injuries with root cause analysis investigations and corrective action plans to address underlying causes.

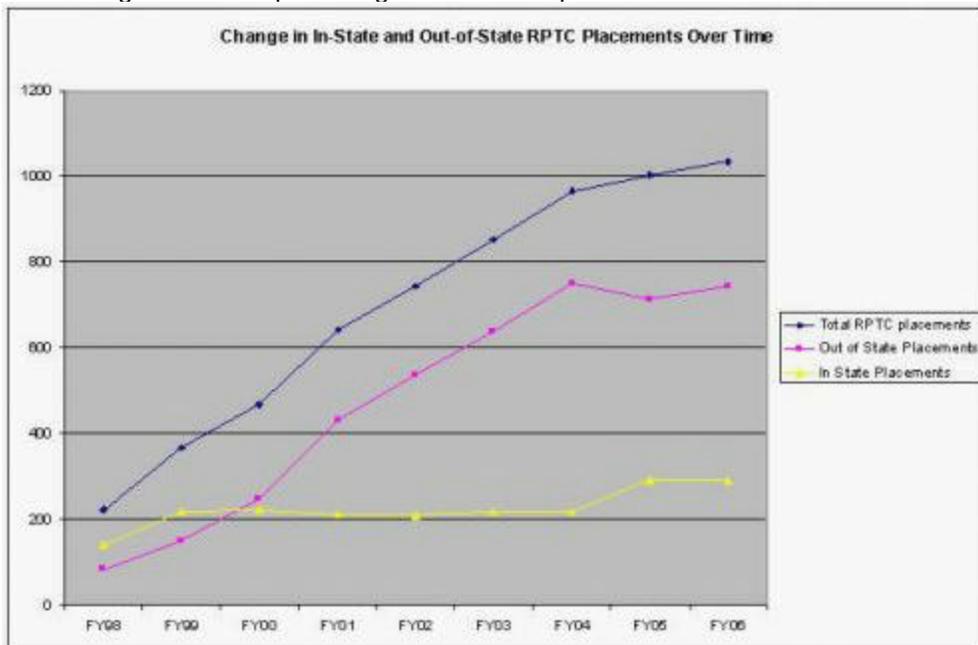
Despite remarkable advances in almost every field of medicine, the age-old problem of health-care errors continues to haunt health care professionals. When such errors lead to "sentinel events," those with serious and undesirable occurrences, the problem is even more disturbing. The event is called "sentinel" because it sends a signal or warning that requires immediate attention. One in three people age 65 and older, and 50 percent of those 80 and older fall each year. The National Safety Council lists falls in older adults as five times more likely to lead to hospitalization than other injuries. One estimate suggests that direct medical costs for fall-related injuries will rise to \$32.4 billion by 2020. Falls can have devastating outcomes, including decreased mobility, function, independence, and in some cases, death.

A1: Strategy - Provide sufficient staffing for safe environment in the homes.

B: Result - Outcome Statement #2: Improve and enhance the quality of life for Alaskans with serious behavioral health problems.

Target #1: To reduce the number/percentage of kids in out-of-state placement by 50 children annually over the next seven years.

Measure #1: Change in number/percentage of children reported in out-of-state care from Medicaid MMIS.



Source: DBH Policy and planning using MMIS-JUCE data, unduplicated count of RPTC beneficiaries.

Analysis of results and challenges: For the past eight years there has been a steady increase in the number of children receiving out-of-state Residential Psychiatric Treatment Center (RPTC) services. Between SFY 1998 and 2004, the unduplicated number of youth with Serious Emotional Disorders (SED) receiving out-of-state RPTC care has steadily increased – on average 46.7% per year. The RPTC population as a whole has also showed steady increase from SFY 98-04, an average annual increase of 24.8%.

The Bring the Kids Home Project was initiated during SFY 2004. Positive changes are already apparent. Between SFY 2004 and 2005 there was a 5.1% reduction in the number of children receiving out-of-state RPTC care, from 749 to 711. However, between SFY 2005 and 2006, there was again an increase in out-of-state

placement, of 5%, from 711 to 743. In SFY 2006, there has also been a 3% increase in total RTPC placements. The historical average increase of 46.7% for out-of-state placements has been effectively challenged with the efforts to enhance "step-down" activities, that is, programs for children that are less intensive, less restrictive, and closer to home, than out-of-state residential programs.

Alaska Statute 47.07.032 requires that the department may not grant assistance for out-of-state inpatient psychiatric care if the services are available in the state. To that end, the Department has developed and implemented "diversion" activities, including aggressive case management services that discharge and return children to less restrictive levels of care; utilization review staff implementing gate-keeping protocols with a "level of care" instrument that insures appropriate placements; and collaboration with community-based providers to augment services at the least restrictive level within a client's home community. There have also been multiple capital projects initiated to increase the number of beds in-state, some of which have become available in SFY 07. As more new beds and other programs become available, it is anticipated that there will be further impact on the rate of out-of-state placements. This project is a collaboration of the Division of Behavioral Health, Division of Juvenile Justice and Office of Children's Services, in partnership with the Mental Health Trust Authority.

Target #2: To reduce the rate of suicides in Alaska to 10.6 deaths per 100,000 population.

Measure #2: Alaska's suicide death rate compared to National rate.

Suicide by Age Group 1998-2005		
Age Group	Deaths	Rate
05-14	17	1.9
15-24	275	37.7
25-34	188	26.7
35-44	201	22.7
45-54	182	22.9
55-64	76	18.6
65-74	32	17.0
75-84	21	23.1
85+	6	25.4
*Rates are age-specific rates per 100,000 population.		
Suicides by Region 1998-2005		
Region	Deaths	Rate
Anchorage/Mat-Su	412	16.2
Fairbanks/SE Fairbanks	121	18.1
Gulf Coast	108	19.1
Northern/Interior	158	61.2
Southeast	71	12.4
Southwest	128	40.9
*Rates are age-adjusted rates per 100,000 standard population		

Rate of Suicides 1998-2005

Year	Alaska Rate	Lives Lost	US Rate
1998	22.7	131	11.1
1999	17.2	95	10.5
2000	21.1	135	10.4
2001	16.5	103	10.7
2002	20.9	131	10.9
2003	20.6	124	10.8
2004	23.5	155	10.7
2005	18.8	122	N/A

*Rate is number per 100,000 standard population and accounts for differences in population distribution.

*The US rate for 2005 will not be available until approximately April 2007.

Analysis of results and challenges: Alaska averages 125 suicides per year and has a suicide rate double the National Suicide rate. The Healthy Alaskan 2010 target is to reduce Alaska's rate to 10.6 deaths per 100,000 populations. The suicide rate for Alaska in 2005 shows a slight decline, however is still at 18.8, still much higher than the target. This measure reflects a system-wide problem that takes coordination between state agencies, community providers, school districts and faith based organizations.

Work continues to better understand the underlying causes of suicide of Alaskans. The Statewide Suicide Prevention Council partners with the Department of Health and Social Services, Division of Behavioral Health to provide training on the Statewide Suicide Prevention Plan and assessing community readiness for decreasing suicide and non-lethal suicidal behaviors. The Division of Behavioral Health has done the following: required all community-based suicide grantees align their suicide prevention efforts with the Suicide Prevention plan; conducted a presentation on community-based planning implementing effective strategies aligned with the statewide plan; and coordinated with Native health corporations, police, chaplains, and other groups to assist in suicide prevention or coping program design.

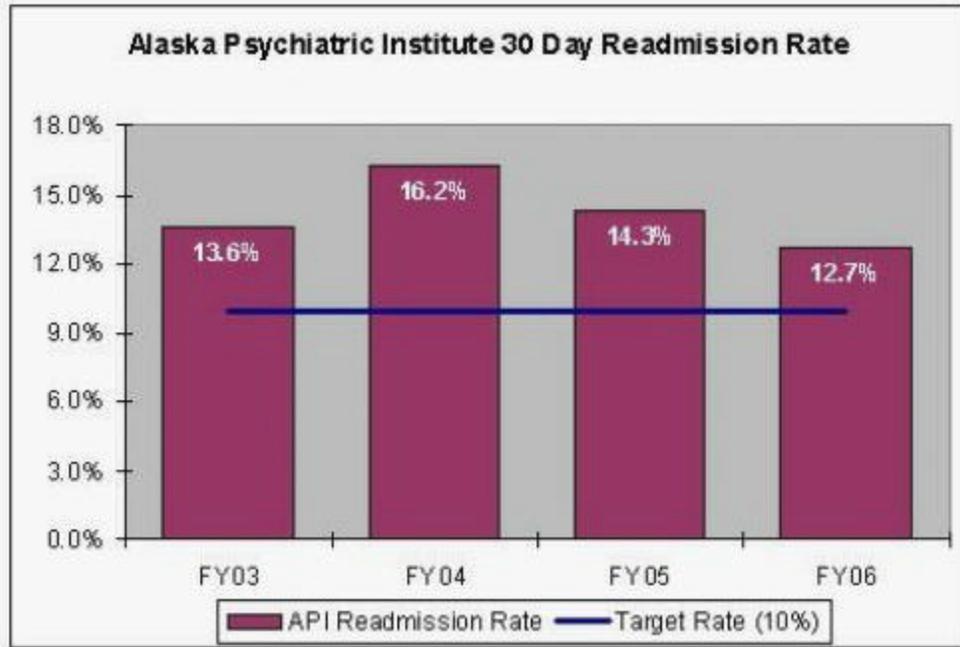
An interim report of the Suicide Follow-Back Study shows the following system-wide factors, based on a limited number of interviews, of those related to, or close to those who had died by suicide:

- 54% had quit working during the preceding year;
- 47% were seeing a therapist at the time of their death;
- 59% had current prescriptions for mental health problems;
- 65% experienced an event that caused a great deal of shame (such as sexual abuse, child porn, an arrest, etc.);
- 61% had problems with law enforcement;
- 20% were abused as children – 80% by their father;
- 50% were seen by a doctor in the last six months;
- 46% had symptoms of post traumatic stress disorder (PTSD);
- 62% were active smokers;
- 33% had prior suicide attempts; and
- 20% had recent exposure to suicide of a loved one.

As the tables above show, the rate of suicides and number of deaths is higher in the Northern/Interior and Southwest regions of Alaska and is more predominant in the 15-24 age group. The overall age span with highest suicide incidents is 15-24.

Target #3: Reduce 30 day readmission rate for API to 10%.

Measure #3: Rate of API readmissions.



Analysis of results and challenges: This measure tracks the percent of admissions to the facility that occurred within 30 days of a previous discharge of the same client from the same facility. For example, a rate of 8.0 means that 8% of all admissions were readmissions. This measure not only is an indication of successful outcomes for API, but also of the mental health community system. The ultimate goal is to have Alaska's rate fall below 10%.

According to data for FY 06, API and the 'system' continue to demonstrate unsatisfactory outcomes. API relocated to a new hospital in July 2005. The success of a 'downsized' state psychiatric hospital was predicated on increased funding for community providers and establishing 18 designated evaluation and treatment beds in Anchorage. These initiatives did not receive planning or funding. As a result, API comes under increasing pressure to shorten length of stays for acutely ill psychiatric patients who ultimately return to the hospital due to lack of adequate supportive housing and treatment options.

B1: Strategy - Provide enhancements to prevention and early intervention services.

C: Result - Outcome Statement #3: Children who come to the attention of the Office of Children's Services are, first and foremost, protected from abuse or neglect.

Target #1: Decrease the rate of substantiated allegations of child abuse and neglect in Alaska.

Measure #1: The rate of child abuse and neglect per 1,000 children under the age of 18.

Rate of Child Abuse & Neglect Per 1,000 Children Under Age 18 in Alaska

Fiscal Year	Rate Per 1,000	National Rate
FY 2001	32.2	0
FY 2002	27.6	0
FY 2003	23.0	0
FY 2004	22.3	0
FY 2005	N/A	0
FY 2006	16.0****	11.9

**** The Office of Children's Services is now through its second year using the new case management system - Online Resources for the

Children of Alaska (ORCA). With the implementation of ORCA, new methods of measurement in compliance with federal standards have been used. While the underlying federal methodology for computing measures remains the same, measures computed from these two different systems should not be considered comparable. As a result, FY 2006 data is not comparable to FY 2001 through FY 2004.

Due to data instability resulting from the conversion of the old data system to ORCA, the FY05 information is not reliable and not available for analysis.

The FY 2006 measures represent an unduplicated number of children with substantiated abuse or neglect per 1,000 children in the population. The population equals the number of children under the age of 18 years as of July 1, 2005, as estimated by the Department of Labor. Data reported prior to FY 2006 can be duplicative.

Source: Target of 11.9 - United States Department of Health and Human Services Administration for Children and Families, Child Maltreatment, 2004.

Analysis of results and challenges: The Office of Children's Services goal is to protect children from abuse and neglect. Measuring the success of children's services agencies can be done, in part, through the number of substantiated child protective services reports received per 1,000 children under the age of 18 in the state.

The Department of Labor reports 194,595 children under the age of 18 in Alaska as of July 1, 2005. The Office of Children's Services investigated 10,195 child protection reports of abuse and/or neglect and substantiated abuse and/or neglect for 3,118 children in FY 2006, or 16 per 1,000 children in the state.

In FY 2004, national levels of substantiated abuse and neglect per 1,000 children was calculated by Child Trends Databank at 11.9 and averaged 12.2 over five years. This places Alaska's victim rate at 31% higher than the national average.

While the Office of Children's Services met all of its goals as set out in the Federal Performance Improvement Plan by August 2006, outcomes affecting children and their families still need to improve. The division has embarked on several new approaches to address this issue regarding the children in our state, including a new Safety Assessment model.

When the Office of Children's Services determined that its safety assessment model was ineffective at assessing the difference between safety threats and risk factors, a new safety model was introduced and is being implemented. FY 2006 one time only training money was used to train every front line staff, supervisor, manager, key central office staff and several interested tribal partners. The new model and subsequent training focused on requiring workers to take more time to do a throughout assessment each time a new investigation is assigned.

One of the fundamental differences in the new model requires workers to do an assessment of the entire family and their overall functioning and to look beyond whether the abuse or neglect is substantiated or not substantiated. In the past, workers focused just on the maltreatment itself and did not address other issues going on in the home. This resulted in missed opportunities to engage families in remedial services to avoid subsequent abuse and neglect to the child. Further, the new model helps workers to understand the essential differences in whether the child is unsafe or at risk. Unsafe determinations require OCS intervention, while risk factors may necessitate a referral to community resources. This will result in better identification of families that must be served by the child protective services system versus those that can be served by other resources.

OCS staff, community providers and tribal partners all agree this is a better way to work with families; however, workloads make the new process very difficult to achieve given the time requirement to complete a thorough assessment.

Target #2: To decrease the rate of repeat maltreatment to meet or exceed the national standard of 6.1 percent.
Measure #2: Percentage rate of repeat maltreatment.

Year	YTD Total	Target
2000	23.6%	0
2001	25.4%	0
2002	22.6%	0
2003	17.6%	0
2004	17.3%	0
2005	10.6%****	6.1%

Data Source: National Child Abuse and Neglect Data System and Alaska's Online Resources for the Children of Alaska (ORCA).

FFY 2006 data will be available in November, 2006.

****Introduction of Online Resource for the Children of Alaska (ORCA). With the transition from the old case management system (PROBER) to the new system (ORCA), data definitions, policies, and collection procedures have been changed to conform with federal requirements. While the underlying federal methodology for computing measures remains the same, measures computed from these two different systems should not be considered comparable.

Data for this measure submitted to the federal government in FFY 2005 in compliance with the National Child Abuse and Neglect Data System requirements indicated an 8% repeat maltreatment rate. Further research, data clean-up efforts, and a separate analysis cross-checking and linking different data sources indicated the 8% was under-reported. The division has incorporated new findings into this measure.

Analysis of results and challenges: The federal guideline for repeat maltreatment includes all children who are victims of substantiated child abuse and/or neglect twice during a six month period. Because Alaska's rate of repeat maltreatment has been so high, a protocol was developed to more closely examine past investigations resulting in a substantiated finding of abuse or neglect. If there have been past substantiated investigations, the OCS worker will review the previous record to ascertain whether the newly reported allegations are against the same child by the same maltreater. If so, the worker and his/her supervisor will devise a strategy for intervention for the current investigation acknowledging that there may be a pattern of abuse that needs to be recognized. The supervisor will closely monitor the progress of the investigation and ensure the appropriate actions are taken to protect the child from further abuse.

It is expected that OCS will begin to see improvements in the number of repeat maltreatment cases not only due to this new business practice, but a positive effect is expected due to increased efforts in prevention, i.e., increased early intervention/infant learning program screenings for young children with substantiated protective services reports.

The chart above shows an adjusted rate of improvement because of the transition between the old case management system (PROBER) and the new (ORCA). FFY 2005 data has been adjusted after further work was completed. The OCS will now focus on meeting or exceeding national standards.

Target #3: Decrease the percentage of substantiated maltreatment by out-of-home providers.
Measure #3: Percentage of children maltreated by an out-of-home provider.

Percentage of Children Maltreated by an Out-of-Home Care Provider

Fiscal Year	Quarter 1	National Rate
FFY 2000	1.91%*	0
FFY 2001	2.00%*	0
FFY 2002	2.09%*	0
FFY 2003	1.35%	0
FFY 2004	1.20%	0
FFY 2005	1.10%****	.57%

* Data is based on a calendar year. Federal mandates changed to the federal fiscal year in 2003.

****Introduction of ORCA. With the transition from the old case management system (PROBER) to the new (ORCA) system, data definitions, policies, and collection procedures have been changed to conform with federal requirements. While the underlying federal

methodology for computing measures remains the same, measures computed from these two different systems should not be considered comparable.

FFY 2006 data from the National Child Abuse and Neglect Data System (NCANDS) and federal Adoption and Foster Care Analysis and Reporting System (AFCARS) will be available in November, 2006.

Source: Target of .57% - United States Department of Health and Human Services Administration for Children and Families, Child Maltreatment, 2004.

Analysis of results and challenges: Recognition that the rate of abuse of children placed outside of the home by a care provider is unacceptable lead the OCS to launch a new process to assess prospective foster and adoptive parents ("resource families") before licensure and placement of children in the home. The new process was piloted in Anchorage last year and this year expanded to other regions and more rural locations. The Resource Family Assessment is far more comprehensive than the previous licensure process and continued evaluation and changes are being made to the program as determined necessary. One of the primary issues is the amount of time needed to complete the new assessment. While most all agree it is a better way to look at potential foster or adoptive families, it requires much more from already strained resources.

Target #4: Reduce the rate staff turnover and increase the number of workers providing direct services at any given time.

Measure #4: Annual employee turnover rate; number of positions available to provide direct services.

Office of Children's Services Vacancy /Turnover Rates & the Number of Positions Filled

Fiscal Year	Vacancy Rate	Turnover Rate	Avg. # Positions Filled	Target
FY 2001	N/A	24.84%	N/A	0
FY 2002	N/A	24.21%	N/A	0
FY 2003	N/A	23.55%	N/A	0
FY 2004	7.59%	20.27%	275	0
FY 2005	9.48%	20.97%	307	0
FY 2006	9.30%	28.37%	315	20%

Vacancy Rate and number of positions filled methodology is based on a calendar year average. FY 2006 turnover rate is year-to-date as of September, 2006. Turnover rates exclude lateral transfers and promotions within OCS. As of September, 2006 there were 31 (10% of average number of positions filled) lateral transfers and 23 promotions (7% of average number of positions filled).

Includes direct service (front line) workers only.

Analysis of results and challenges: The Office of Children's Services contracted with Hornby Zeller Associates, Inc. last year to complete a workload study to provide OCS leadership with a way to evaluate whether front line staff had sufficient time to meet the basic requirements of their jobs to protect children and serve families. Workload is defined as the amount of time needed to complete the tasks necessary as opposed to caseloads that only count the numbers of families served with no regard to the differences in the amount of time to properly handle assigned cases. The final report with the results and recommendations was received in May 2006. The contractor concluded that a plan needed to be developed to fill existing vacancies and monitor caseloads over time before engaging in wide scale changes to personnel that would include transferring positions from over-staffed offices to under-staffed offices. While staffing patterns over time need to continue to be monitored and assessed, the contractor did conclude in order to meet the workload of the state, OCS needs an additional 19 positions to handle the state's entire caseload appropriately as mandated by state and federal policy guidelines.

In addition, the work load study revealed that front line workers and supervisors spend on average 12.4% of their time on administrative tasks. With the addition of the new front line staff as authorized in FY 2005 and FY 2006 but no administrative staff added, more administrative tasks have fallen to workers. The OCS will request additional administrative support when allowed to do so.

Lastly, a comprehensive plan to address retention and recruitment of front line staff is currently in development. The OCS understands that worker turnover continues to be high and of great concern and previous strategies have not changed that fact; therefore, greater emphasis and planning is necessary.

This measure has been enhanced by adding vacancy rates and the average number of direct service positions filled. Turnover rates, while extremely high and disruptive, do not provide a complete picture. OCS added

vacancy rates as a measure of positions vacant at any given time through a year and filled positions to show that while turnover and vacancy rates remain high, progress in the number of available workers at any time has improved.

C1: Strategy - Implementation of new safety assessment model to provide front line workers with a better tool to identify safety issues in the home.

C2: Strategy - Children placed outside of the home are protected from further abuse and neglect.

C3: Strategy - Retain an effective and efficient workforce.

D: Result - Outcome Statement #4: To provide quality management of health care coverage services to providers and clients.

Target #1: Decrease average response time from receiving a claim to paying a claim.
Measure #1: Average number of days per annum from receipt of claims to payment of claims.

Operation Performance Summary-Annual Average Days /Entry Date to Claims Paid Date

Fiscal Year	Claims	Avg Days	Days Changed
FY 2000	3,720,254	10	0
FY 2001	4,409,121	12	2
FY 2002	4,959,864	12	0
FY 2003	5,615,072	10	-2
FY 2004	6,690,344	10	0
FY 2005	7,903,523	13	3
FY 2006	7,721,709	12	-1
FY 2007	1,793,488	22	10

Note: Between FY02 and FY03 reports were based on six months of data. Since SFY04 reports are based on annual data. Source: MARS MR-0-08-T. No national average available.

Analysis of results and challenges: Average days to pay between first quarter State Fiscal Year (SFY) 2006 and first quarter SFY 2007 increased from 16 days in 2006 to 22 days in 2007.

Three new initiatives, two in the second half of SFY 2006 and the other in first quarter 2007 may provide explanations for the increase of average days. The Personal Care Program instituted a prior authorization process during the third quarter 2006. As part of this new initiative, claims became subject to prior authorization editing. Additionally, regulatory changes for certain Durable Medical Equipment (DME) high-volume supplies occurred during the second half of SFY 2006. This resulted in additional claims pending for evaluation and pricing. Lastly, during the first quarter 2007, several new home and community-based waiver program edits were initiated.

Adding to the hindrance, the Department of Health and Social Services' (HSS) contractor experienced a data entry backlog as they converted from outsourced data entry services to in-house data entry. As training is completed and staff becomes more proficient, holdups are improving for the second quarter of SFY 2007.

All of the above would have had impact on processing time.

Target #2: Increase the percentage of adjudicated claims paid with no provider errors.

Measure #2: Change in the percentage of adjudicated claims paid with no provider errors.

Error Distribution Analysis-Change in the percentage of adjudicated claims paid with no provider errors

Fiscal Year	Claims Pd	% No Errors	% Change
FY 2000	3,076,978	72%	0
FY 2001	3,670,331	73%	1%
FY 2002	4,202,677	74%	1%
FY 2003	4,776,730	73%	-1%
FY 2004	5,106,692	76%	3%
FY 2005	6,150,027	72%	-4%
FY 2006	6,082,318	74%	2%
FY 2007	1,363,276	72%	-2%

Chart Notes

1. Between FY01 and FY03 reports were based on six months of data. Since FY04 reports are based on annual data.
2. This measure was updated annually through SFY 2005; beginning with SFY 2006, it is being updated quarterly.
3. Source: MARS MR-0-11-T.
4. FY07 numbers are for the first quarter of FY07.

Analysis of results and challenges: Error distribution analysis is designed to capture the percentage of adjudicated claims paid with no provider errors. To ensure correct claim submission from providers, Health Care Services works with providers to resolve problem areas and to get claims paid. First Health, Medicaid's fiscal agent, provides training to providers on billing procedures, publishes billing manuals, and has a website for providers with information tailored to each provider type.

During SFY2006, the Department of Health and Social Services (HSS) had two major initiatives that impacted pharmacy: Pharmacy Cost Avoidance and Medicare Part D.

Prior to Pharmacy Cost Avoidance, HSS, as the State Medicaid Agency, paid the pharmacy claims for recipients who had insurance primary to Medicaid and then attempted to recover the costs from liable third parties. The Pharmacy Cost Avoidance initiative changed this practice and therefore the number of claims denied because of other insurance coverage is significant.

Additionally, Medicare Part D required HSS to deny pharmacy claims for Medicare-covered drugs for those recipients of both Medicaid and Medicare. Previously, Medicaid paid for this same population. This results in a significant denial of claims.

These major changes to the Pharmacy program were surely noteworthy enough to result in the decrease of claims paid, and as such, claims paid without error.

Target #3: Reduce the rate of Medicaid payment errors

Measure #3: Improper payment estimates as provided to Center for Medicare and Medicaid Services

Analysis of results and challenges: The Improper Payments Information Act of 2002 (Public Law 107-300) requires Federal agencies to annually review and identify those programs and activities that may be susceptible to significant erroneous payments, estimate the amount of improper payments and report those estimates to the Congress, and if necessary, submit a report on actions the agency is taking to reduce erroneous payments. The effect of this rule is that States are now to be required to produce improper payment estimates for their Medicaid and SCHIP programs and to identify existing and emerging vulnerabilities.

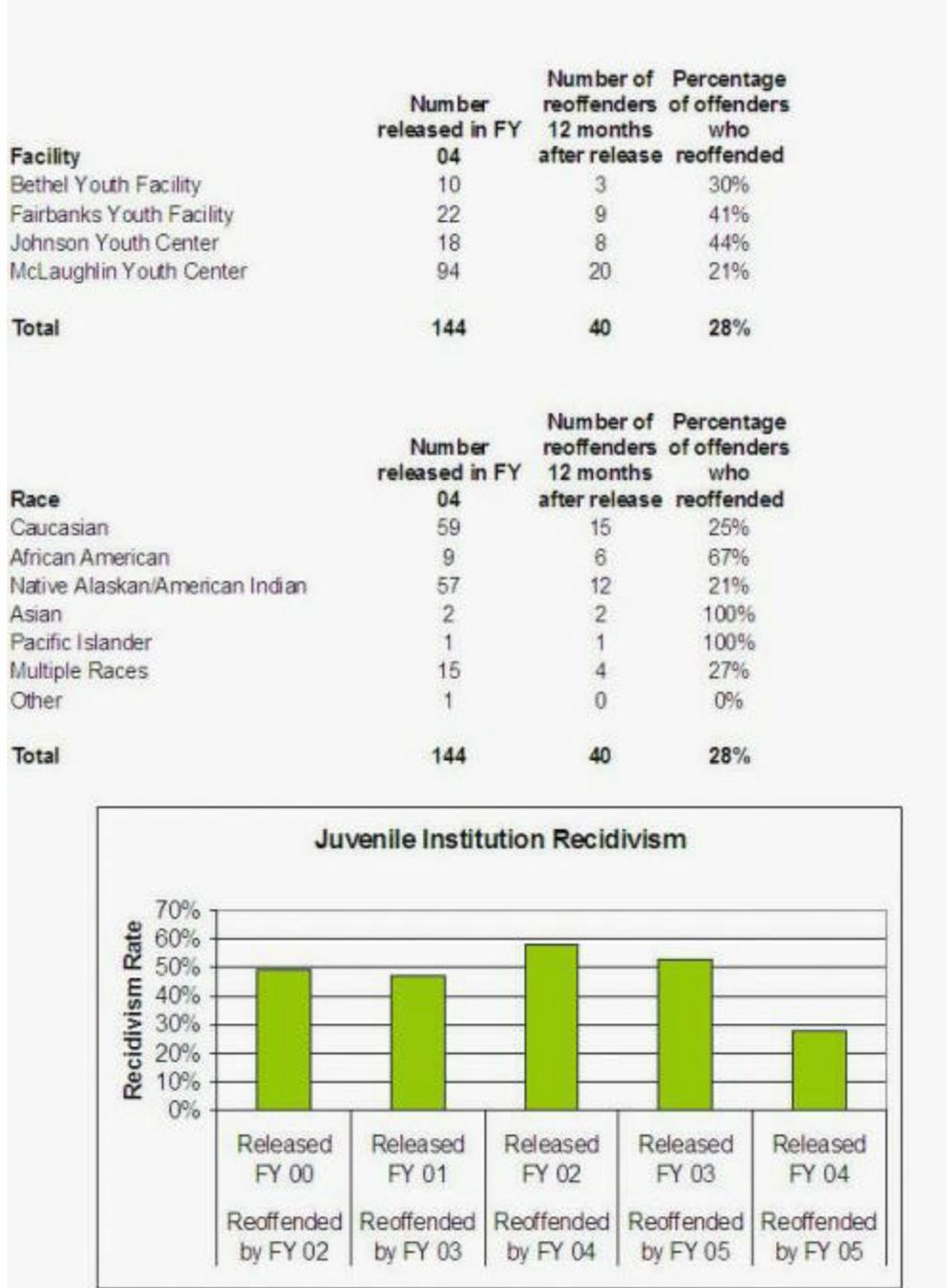
The PERM program commenced nationally on July 1, 2005 with Phase I and one-third of the states participated. Alaska is a year 3 state and will be required to participate during calendar year 2007. There will be an impact on the resources in each Division managing Medicaid Services to assist the PERM staff with access to policies, procedures and data. Division staff may be called upon to assist in the interpretation of medical records pertaining to claims associated with services that Division manages. The PERM process includes expectations for corrective actions. Divisions will need resources to implement corrective actions resulting from PERM findings.

D1: Strategy - Continue to develop new Medicaid Management Information System (MMIS).

E: Result - Outcome Statement #5: Improve juvenile offenders' success in the community following completion of services resulting in higher levels of accountability and public safety.

Target #1: Reduce percentage of juveniles who re-offend following release from institutional treatment facilities to less than 40% of the total.

Measure #1: Percentage change in re-offense rate following release from institutional treatment.



Analysis of results and challenges: This measure examines recidivism only for youth who have been committed to and released from one of the Division's four juvenile treatment facilities. These youth typically have the most intensive needs and are the state's more chronic and serious juvenile offenders compared with youth who only receive probation supervision. Recidivism rates for these two populations are considered separately because of the distinctively different levels of risk and need presented, and the different types of interventions and programming received.

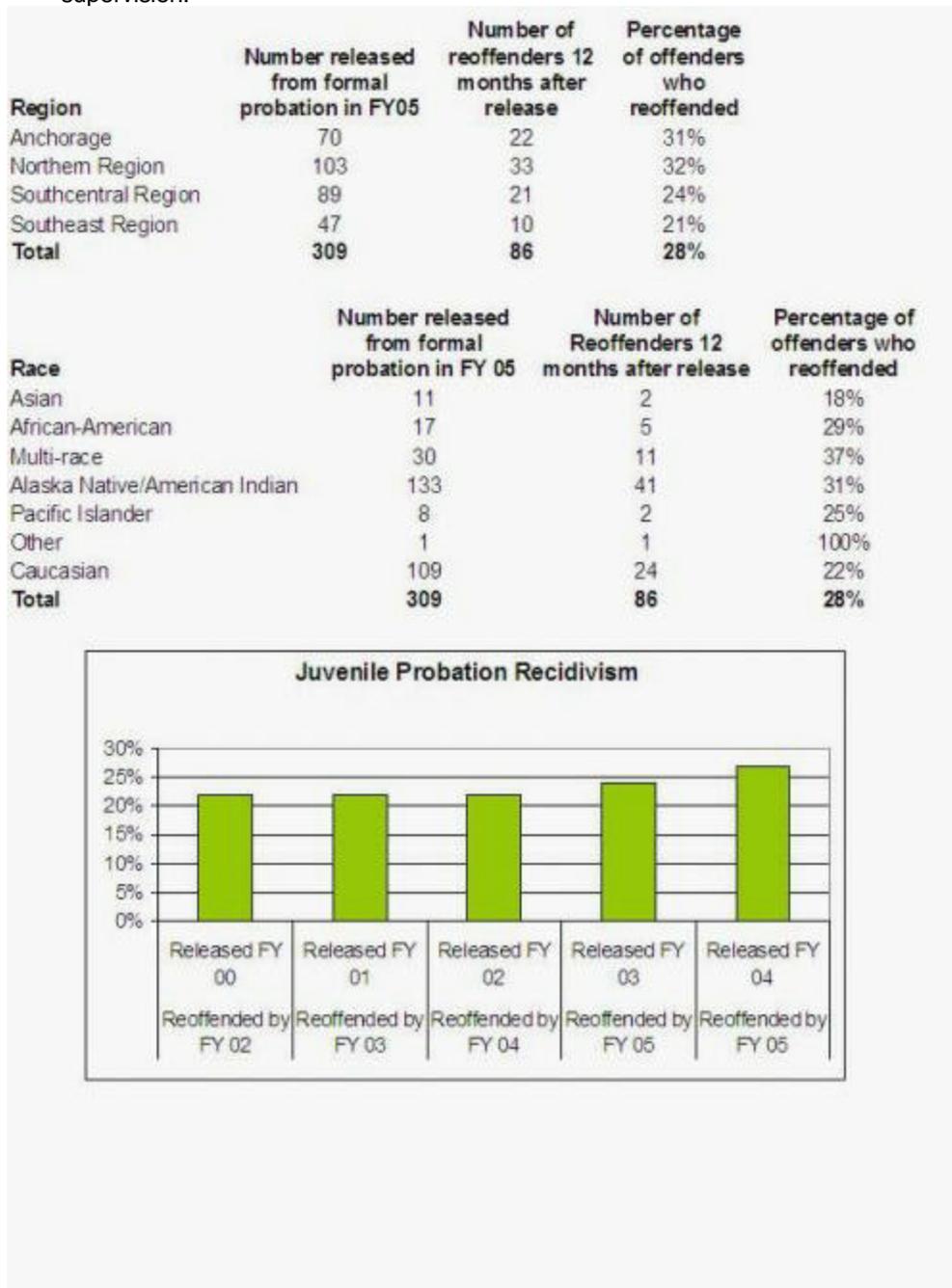
The major reason for the demonstrated drop in recidivism among this group was the change this fiscal year from surveying recidivism among juveniles in a 24-month window to 12 months. This change was made to better align Alaska's reporting of recidivism with the national norm of reporting recidivism on a 12-month basis. (Sixteen of the 32 states that track recidivism do so on a 12-month basis.) Among those states that measure recidivism based on a 12-month follow-up period, and that consider offenses "recidivism" if they result in a conviction or adjudication in the juvenile or adult systems (8 states, including Alaska), the average recidivism rate was 33%. Alaska, at a 28% rate, compares favorably with this average. (Source: Juvenile Offenders and Victims: 2006 National Report, National Center for Juvenile Justice, Pittsburgh, 2006, page 234.)

Reoffenses, like the original offenses that brought the juveniles to the Division's attention, may be felonies, misdemeanors, drug offenses, weapons crimes, crimes against persons, crimes against property, and other state crimes. Often these crimes are committed while the juvenile is under the influence of alcohol or other drugs, or in the context of domestic violence. The Division has adopted a new risk and needs assessment tool to better work with juveniles to address the root causes of their law-breaking behavior, and will continue to review institutional treatment components and research-based practices as it seeks to improve its outcomes for youths leaving institutions.

Note: Reoffenses by juveniles released from Alaska's treatment institutions are determined through analysis of entries in the Division of Juvenile Justice's database and the Alaska Public Safety Information Network. Reoffenses are defined as: any offenses resulting in a new juvenile institutional order, a new juvenile adjudication, or an adult conviction. Adjudications and convictions for motor vehicle, Fish & Game, non-habitual Minor in Possession/Consuming Alcohol, and misdemeanor-level Driving While Intoxicated offenses are excluded. Adjudication and convictions received outside Alaska are excluded from analysis. To be counted as recidivists, youth must have committed an offense within 12 months of their release date, and the offense must have resulted in an adult conviction, a new juvenile adjudication, or a new juvenile institutional order for a probation violation.

Target #2: Reduce percentage of juveniles who re-offend following completion of formal court-ordered probation supervision to less than 20% of the total.

Measure #2: Percentage change in re-offense rate following completion of formal court-ordered probation supervision.



Analysis of results and challenges: This measure examines reoffense rates for juveniles who received probation supervision while either remaining at home or in a nonsecure custodial placement. These youths typically have committed less serious offenses and have demonstrated less chronic criminal behavior than youth who have been institutionalized (and whose recidivism rate is discussed in measure #1). Recidivism rates for these two populations are considered separately because of the distinctively different levels of risk and need presented, and the different types of interventions and programming received.

As with the institutional population performance measure, this measure was changed this year such that re-

offenses were counted as recidivism if they occurred within 12 months, rather than 24 months, from the time offenders were released from formal probation. This measure also was changed to better correlate with the institutional recidivism measure (as well as national recidivism statistics) in that an offense needed to result in a new adjudication in the juvenile system or a conviction in the adult system to be counted as a reoffense (previously, only referrals to the juvenile system were counted as reoffenses). The increase in recidivism among the population of youth released from formal probation in FY 04 is primarily due to the inclusion of offenses occurring within the adult system. Inclusion of adult offenses is a more accurate measure of the activity of offenders once they are released from juvenile probation.

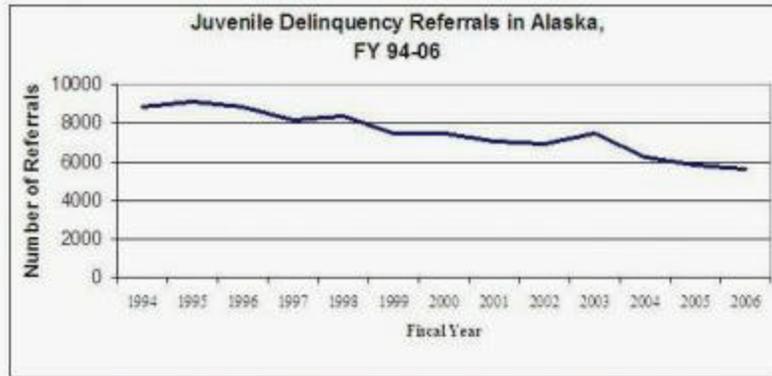
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Note: Reoffenses for juveniles released from formal probation are determined by checking for entries in the Division's Juvenile Offender Management Information System and the Alaska Public Safety Information Network. This table reports the number of youth for whom court-ordered probation episodes closed during the fiscal year for one of the following reasons: Completed Successfully, Order Expired, Non-compliant Closed, Waived to Adult Status, Declared Incompetent, or Deceased. Youth whose formal probation ends because of Court Termination Resulting in a new Supervision, Modified, Revoked, or Supervision Transfer are not included. This analysis also excludes youth who were ordered to an Alaska treatment institution, as these youth are included in the analysis for our institutional recidivism performance measure, above. Reoffenses are defined as offenses resulting in a new juvenile adjudication or an adult conviction. Adjudications and convictions for Motor Vehicle, Fish & Game, non-habitual violations of Minor in Possession/Consuming Alcohol, and misdemeanor-level Driving While Intoxicated offenses are excluded. Adjudications and convictions received outside Alaska are excluded from analysis. To be counted as recidivists, youth must have committed an offense within 12 months of their release date, and the offense must have resulted in an adult conviction or new juvenile adjudication.

Target #3: Alaska's juvenile crime rate will be reduced by 5% over a two-year period.

Measure #3: Percentage change of Alaska juvenile crime rate compared to the rate one and two years earlier.



REGION	DISTRICT	Juveniles	Referrals	Charges
ANCHORAGE	ANCHORAGE	1531	2111	3221
ANCHORAGE Total		1531	2111	3221
NORTHERN	BARROW	44	78	141
	BETHEL	227	368	768
	FAIRBANKS	459	662	1170
	KOTZEBUE	103	171	430
	NOME	104	172	301
NORTHERN Total		937	1451	2810
SOUTHCENTRAL	DILLINGHAM	90	129	228
	HOMER	52	70	122
	KENAI	273	394	632
	KODIAK	81	131	267
	MAT-SU	367	477	865
	VALDEZ	44	55	109
SOUTHCENTRAL Total		907	1256	2223
SOUTHEAST	JUNEAU	270	458	713
	KETCHIKAN	154	240	417
	PETERSBURG	18	27	49
	PRINCE OF WALES	30	37	64
	SITKA	54	75	126
SOUTHEAST Total		526	837	1369
Grand Total		3901	5655	9623

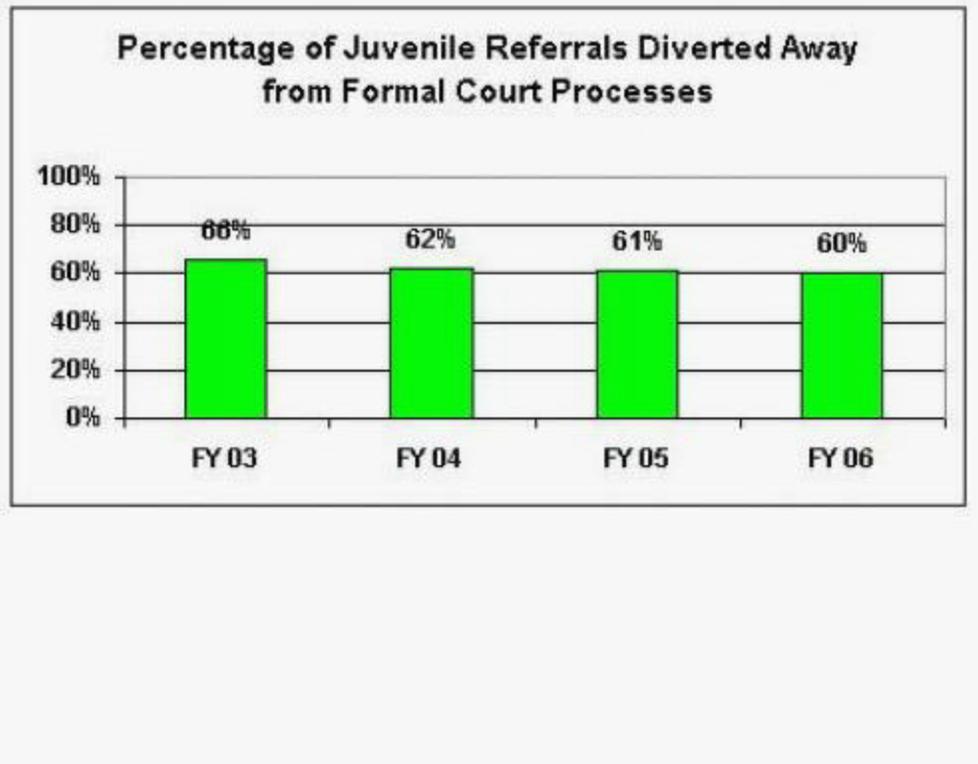
Analysis of results and challenges: The number of referrals and the percentage of these referrals per 100,000 juvenile population was very slightly reduced in FY 06 compared with FY 05, representing virtually no statistical difference between these years. Nevertheless, the target of reducing referrals by 5% from two years prior (FY 04) was surpassed. Definitive reasons for changes in referral levels are unknown, although possible causes could include changes in economic conditions, changes in prevention and intervention techniques, changes in law enforcement practices or resources, or a combination of some or all of these.

Note: Population data is based on estimates for the previous fiscal year (FY 05) from the Alaska Department of Labor. Juvenile referral data was extracted from the Division of Juvenile Justice's Juvenile Offender Management

Information System (JOMIS) database on August 1, 2006 and includes referrals for youth who are under 10 years old (these referrals make up less than 1% of the total). This data is continually refined and corrected and numbers in future reports may change slightly.

Target #4: Divert at least 60% of youth referred to the Division away from formal court processes as appropriate given their risks, needs, and the seriousness of their offenses.

Measure #4: The percentage of referrals that are managed through informal processes.



Analysis of results and challenges: In FY 06 the proportion of juvenile referrals (reports from law enforcement that allege a juvenile perpetrator) that were diverted from the formal court process remained high, at 60%. This means that approximately 2,360 juveniles out of the total 3,929 that entered the juvenile justice system in FY 06 had their cases managed through non-court adjustments, informal probation, referral to community panels such as youth court, or were dismissed.

Diversion of youth from formal court processing serves a number of important, valuable purposes. It helps low-risk juveniles who are unlikely to re-offend avoid the stigma and needless harm that can result from delinquency adjudication. Diversion can provide opportunities for community partners and victims to take more active roles in addressing low-risk juvenile offenders. Diversion processes reduce burdens on the court system, which otherwise would find it impossible to adjudicate every offender referred to them. Diversion is a considerably less expensive and faster process than the formal adversarial court process and reduces probation caseloads as well, enabling the Division to better allocate resources and staff time to more serious offenders.

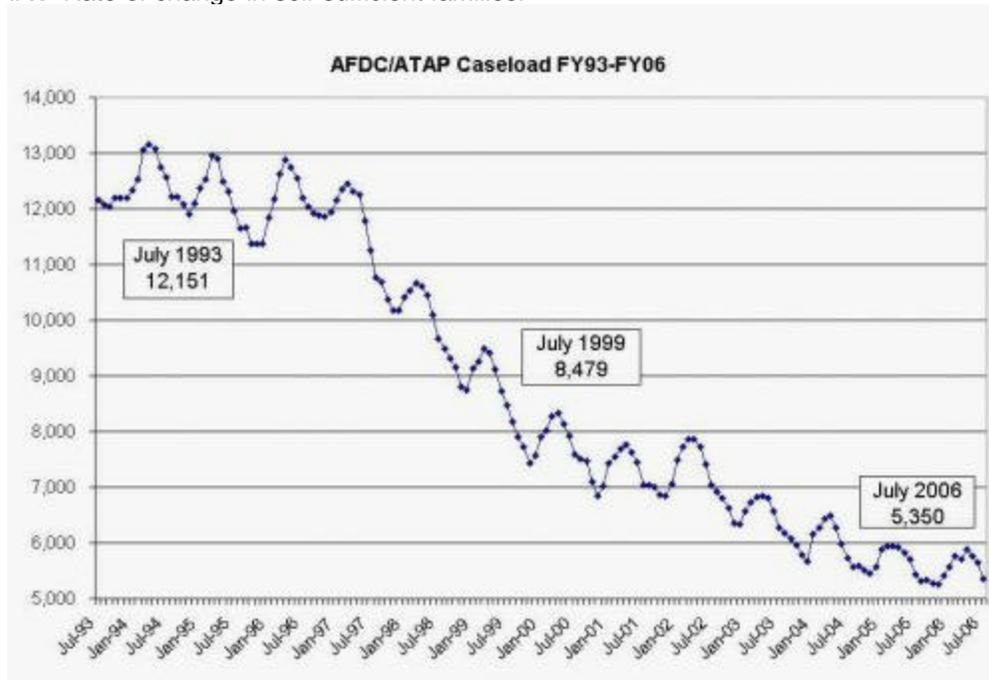
Note: For this measure, youth are considered to have been diverted away from the formal court system if the intake decision for their delinquency referral results in the referral being adjusted, dismissed, placed on informal probation, or forwarded to a community justice panel such as youth court. Additionally, diverted would include those referrals that are screened and referred elsewhere (1% of total in FY06), such as back to law enforcement for further information, and those that were still in process (4% of the total in FY06) at the time this data was collected.

*Referral: A request for a Division of Juvenile Justice response service following the arrest of a juvenile or submission of a police investigation report alleging the commission of a crime or violation of a court order by a juvenile offender.

E1: Strategy - Implement and review information from research-based assessment tools, and incorporate practices proven to reduce recidivism and criminal behavior among youth.

F: Result - Outcome Statement #6: Low income families and individuals become economically self-sufficient.

Target #1: Increase self-sufficient individuals and families by 10% annually.
Measure #1: Rate of change in self-sufficient families.



*Table includes ATAP & Native Family Assistance Programs

Changes in Self Sufficiency

Fiscal Year	September	December	March	June	YTD Total
FY 2002	-16%	6%	4%	3%	-2%
FY 2003	-1%	-11%	-14%	-13%	-9%
FY 2004	-12%	-7%	-6%	-9%	-9%
FY 2005	-6%	-7%	-8%	-6%	-7%
FY 2006	-6%	-3%	-4%	-1%	-2%
FY 2007	-5%	0%	0%	0%	-5%

*YTD Total column represents the average annual monthly caseload rate change.

Analysis of results and challenges: As shown in the YTD Total column, SFY2006 had a 2% decline in the number of families receiving Alaska Temporary Assistance Program benefits compared to SFY2005. The other four monthly columns show a snapshot of caseload rate change compared to the previous year's month. (Note: The YTD Total column represents the average annual monthly caseload rate change.)

The goal is for clients to move off of Temporary Assistance with more income than they received while on the program, and for those clients to stay employed with sufficient earnings to stay off the program. As the caseload declines, those adults with more significant barriers to employment make up a higher percentage of the caseload. Therefore, with a declining caseload, it becomes more difficult to achieve higher percentages of families becoming self-sufficient.

F1: Strategy - Use TANF high performance bonus funds for families approaching 60-month time limit.

G: Result - Outcome Statement #7: Healthy people in healthy communities

Target #1: 80% of all 2 year olds are fully immunized

Measure #1: % of all Alaskan 2 year olds fully immunized



Vaccination Coverage Among Children 19-35 Months of Age, Alaska and US

Year	US %	Alaska %	AK US Rank
1999	73.2	74.5	27
2000	72.8	70.6	41
2001	73.7	71.2	35
2002	74.8	75.3	30
2003	79.4	79.7	27
2004	80.9	75.3	45
2005	76.1	68.1*	41

Analysis of results and challenges: Chart Note: Source - National Immunization Survey, Centers for Disease Control and Prevention. Annual percentages are based on CDC recommendations at the time, which have changed over the years as vaccines have been added to the "basic immunization series."

* In 2005, the CDC increased its recommendation to a new, six-dose series of vaccinations. As a result, the national rate of fully immunized two year olds dropped considerably, as did Alaska's rate. However, Alaska's ranking amongst states increased slightly, from 45th in 2004 to 41st in 2005. These results continue to illustrate the need for renewed emphasis on the importance of timely immunizations for young children.

Target #2: Reduce post-neonatal death rate to 2.7 per 1,000 live births by 2010

Measure #2: Three year average post-neonatal mortality rate (Post-neonatal is defined as 28 days to 1 year)



Post-Neonatal Death Rate - AK and US

Year	Alaska	US
1999	3.0	2.3
2000	3.2	2.3
2001	4.5	2.3
2002	3.6	2.3
2003	3.8	2.2
2004	3.2	2.3
2005	2.8	N/A

Note: The 2005 US death rate will not be available until late in 2006 or early 2007.

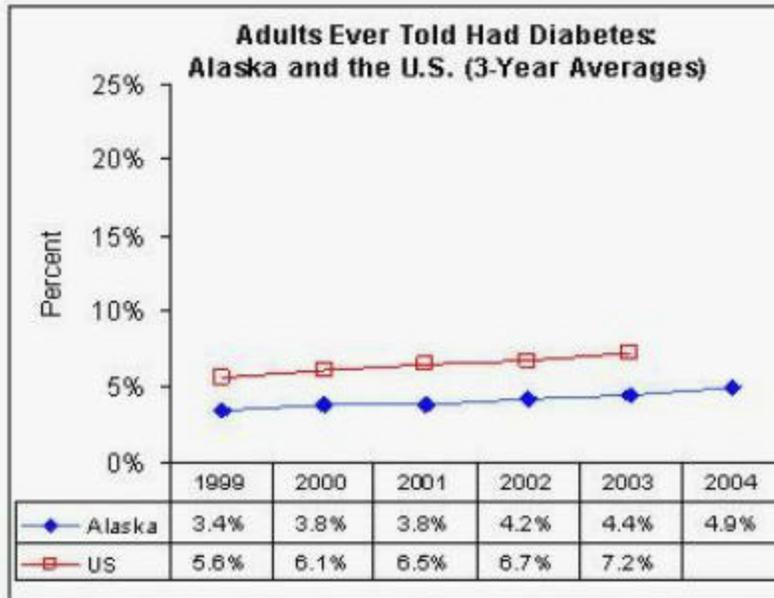
Analysis of results and challenges: Chart Note: Rate per 1,000 Live Births and reflects three year rate, i.e. 2003 represents 2001-2003.

Post-neonatal mortality is more often caused by environmental conditions than problems with pregnancy and childbirth. Nationally, the leading causes of death during the post-neonatal period (28 through 364 days) during 2002 were Sudden Infant Death Syndrome (SIDS), birth defects, and unintentional injuries. The post-neonatal mortality rate in Alaska is higher than the national target of 1.5 per 1,000 live births (Healthy People 2010) and has remained relatively static over time. While not shown graphically, over the last decade Alaska Native infants were 2.3 times more likely to die during the post-neonatal period than Caucasian infants.

Work by DHSS is underway with the Indian Health Service on a rural initiative to prevent Sudden Infant Death Syndrome (SIDS). Also, cessation efforts involving tobacco, alcohol and other drugs are being targeted on the pre-conception and prenatal periods. Finally, work has begun with health providers and community partners to establish a model program of early prevention and chronic disease management for prenatal patients.

Target #3: Decrease diabetes in Alaskans

Measure #3: Prevalence of Diabetes among Adults (18+) in Alaska based upon three-year averages



Est Annual Prevalence of Diabetes among Adults (18+) in Alaska Based upon Midpoints of Three-Year Averages

Year	Alaska	US
1999	3.4%	5.6%
2000	3.8%	6.1%
2001	3.8%	6.5%
2002	4.2%	6.7%
2003	4.4%	7.2%
2004	4.9%	N/A

Note: 2004 Alaska data is based on a 3 year average of 2003-2005.

Analysis of results and challenges: Data Source: BRFSS - Behavioral Risk Factor Surveillance System

Diabetes is a chronic disease characterized by high levels of blood glucose. Type 2 diabetes accounts for 90 to 95 percent of all diagnosed cases and typically occurs in adults, but is increasingly being diagnosed in children and adolescents. Type 2 diabetes usually begins as insulin resistance, a condition in which the cells do not use insulin properly. Risk factors for Type 2 diabetes include older age (40-plus years), obesity, family history of diabetes, prior history of gestational diabetes, impaired glucose metabolism, physical inactivity, and race/ethnicity.

Diabetes is the leading cause of blindness and end-stage renal disease in adults. Diabetes increases the risk of heart disease, stroke, and many infectious diseases. Nerve damage from diabetes is the leading cause of lower extremity amputations. Diabetes prevalence increases with age, and the prevalence of diabetes in the United States is expected to increase as the population ages.

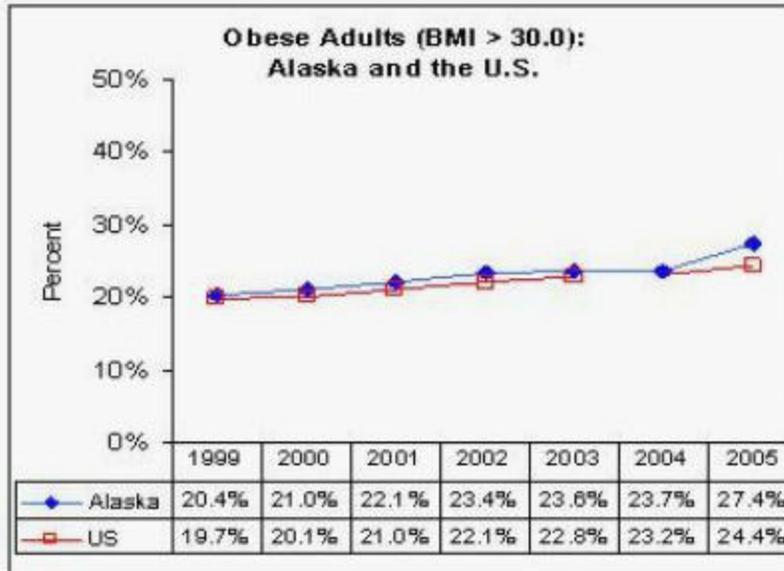
Over the past decade, an increasing number of Alaskan adults have reported being told by a health professional that they have diabetes. This number, plus the estimated 29% of all diabetes cases that go undiagnosed, yields the best estimate of the true prevalence of diabetes in Alaska. One limitation of this estimate is that, with improving surveillance and detection, prevalence will continue to increase independent of any real increase in

morbidity.

The Department works to reduce the health burden and economic costs of diabetes in Alaska through an integrated program of prevention and disease management that supports individuals and communities. To slow or halt the upward trend of diabetes, a comprehensive approach is needed to make healthy behaviors the norm. The major risk factors contributing to chronic diseases are tobacco use, physical inactivity, unhealthy eating habits and resulting obesity. The Department will address all of these factors by giving individuals the knowledge and tools they need to make healthier choices, while also assuring that healthy behaviors are reinforced in schools, worksites and other community settings.

Target #4: Decrease Alaska's adult obesity rate to less than 18%

Measure #4: Obesity rate of Alaskans



Prevalence of Obesity: Alaska & US

Year	Alaska	US
1999	20.4%	19.7%
2000	21.0%	20.1%
2001	22.1%	21%
2002	23.4%	22.1%
2003	23.6%	22.8%
2004	23.7%	23.2%
2005	27.4%	24.4%

Analysis of results and challenges: The trends in Alaska continue to show growing numbers of overweight and obese adults, with a significant increase in obesity in 2005, to 27.4%. By comparison, the Healthy Alaskans 2010 target for obesity is 18%.

Premature death and disability, increased health care costs, and lost productivity are all associated with overweight and obesity. Unhealthy dietary habits combined with sedentary behavior are primary factors in increasing body fat levels. Overweight and obesity are estimated to be responsible for approximately 300,000 deaths per year in the United States.

National studies show an association of overweight and obesity with certain types of cancers (endometrial, colon, post menopausal breast, and prostate), as well as heart disease, stroke, diabetes and arthritis. Overweight and obesity are directly associated with at least four of the top ten leading causes of death. Mortality due to unintentional injury, suicide, chronic obstructive pulmonary disease (COPD), pneumonia, and liver disease may also be influenced by obesity to some extent.

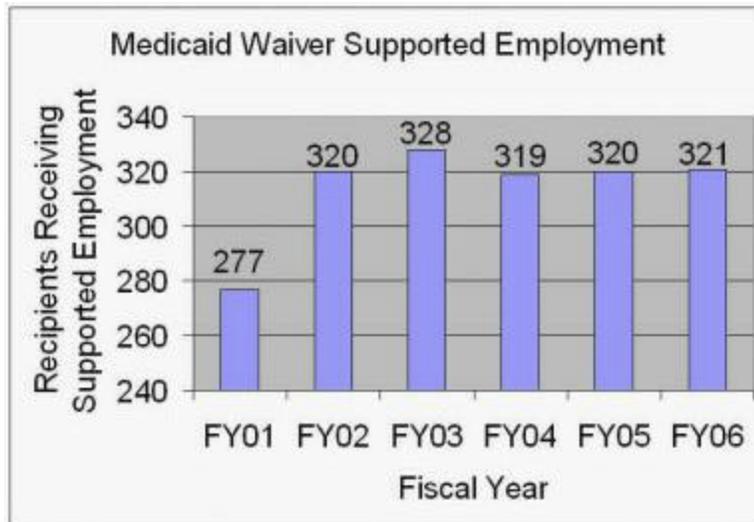
Through educational, programmatic, policy and environmental strategies, the Department works to reduce the percentage of Alaskans classified as overweight, obese or at-risk for being overweight, and to promote healthy food choices and exercise. A comprehensive approach is needed to reduce the trend of increasing obesity in Alaska. Along with tobacco use, physical inactivity and unhealthy eating habits, obesity contributes greatly to the prevalence of chronic disease. The Department is working to address all of these factors by giving individuals the knowledge and tools they need to make healthier choices. Strategies also are targeted to promote healthy behaviors in communities - the workplace, schools and other settings.

G1: Strategy - Strengthen public health in strategic areas.

H: Result - Outcome Statement #8: Senior and physically and/or developmentally disabled Alaskans live independently as long as possible.

Target #1: Increase the number of DD waiver recipients receiving Supported Employment Services.

Measure #1: % change of beneficiaries receiving supported employment services under Developmental Disabilities Waiver.



% Change in Recipients Receiving Supported Employment

Fiscal Year	% Change
FY 2002	15.5%
FY 2003	2.5%
FY 2004	-2.7%
FY 2005	0.3%
FY 2006	0.3%

Analysis of results and challenges: Supported Employment Services is one of the best resources available to developmentally disabled beneficiaries to help them live independently by providing them with the opportunity to work. The Division of Senior and Disabilities Services has determined that the reason the number of DD waiver beneficiaries receiving supported employment has reached a plateau in recent years is because only the highest-functioning clients without behavioral issues can be easily employed. In FY07 and beyond, the Division will be working with the Governor's Council on Disabilities and Special Education to increase participation in supported employment as outlined in the Alaska Works Initiative 2006-2010 Strategic Plan.

H1: Strategy - Promote independent living and provide preadmission screening to nursing homes.

I: Result - Outcome Statement #9: The efficient and effective delivery of administrative services.

Target #1: Increase by 5% the percentage of customers that report Finance and Management Services (FMS) is meeting their needs.

Measure #1: Percentage of customer service internal survey respondents that report FMS is meeting their needs.

% of Survey Respondents rating that FMS met their needs

Year	FMS Overall %	% Change	Avg % of All Services	% Change
2003	58.7%	0.0%	70.6%	0.0%
2004	64.7%	6.0%	70.6%	0.0%
2005	64.0%	-0.7%	71.5%	0.9%

Analysis of results and challenges: An internal customer survey on Finance and Management Services (FMS) performance is conducted annually. The 2006 survey has not yet been completed.

Survey results show that 64.0% of survey respondents ranked overall FMS service performance to be above average (6) or higher on a scale of 1-10.

Individual core services are surveyed; however, only the overall results are shown in the above table. You can reference the specific program areas reported at the division level Result B, Target 1, Measure 1. Combined average of respondents agreeing or highly agreeing that core services are meeting their needs is 71.5% for 2005, an increase of 0.9% over 2004. This is compared to a 0% increase from FY03 to FY04.

The long-term target is to increase the percentage of respondents showing that FMS is meeting their needs by 5% from the base year of 2003.

Although the department saw increased results in some service areas from FY04 to FY05, the overall percentage did meet expectations. Finance and Management Services conducted Business Process Reviews in FY05 on all services provided and is in the process of implementing recommendations from those reviews. We anticipate that these improvement areas, i.e. finance, budget and revenue, will help increase respondent ratings in FY06.

Target #2: Reduce the average response time for complaints/inquiries to 14 days.

Measure #2: Department Inquiry/Complaint "HSS Track" log response times.

of Inquiries/Complaints

Fiscal Year	Opened	Closed	Avg Days to Close
FY 2005	552	503	15.18
FY 2006	1590	1408	25.78
FY 2007	323	282	10.39

FY2007-represents the first quarter of FY2007.

Analysis of results and challenges: The response log "HSS Track" includes all inquiries or complaints that are received by the DHSS Commissioner's Office (i.e., public or legislative complaints, legislative questions, press inquires, etc.).

The increase in the inquiries/complaints opened in FY06 is attributed to the fact that in FY05 only a limited number of sections in the department were utilizing the log. In FY06, the Office of Children's Services was added to the HSS Track. This greatly increased the number and complexity involved to close out inquiries.

The response log "HSS Track" will be monitored by the Commissioner's Office.

Target #3: Reduce by 5% per year processing time for key indicators.

Measure #3: Track number of days it takes to process: Purchase Requisitions; Operating Grant Awards; Processing Time for Payments; Capital Grant Awards; and Legislative inquiries.

Timeliness and Accuracy		
Fiscal Year 2006		
	# Processed	Days to Process
Purchase Requisitions	507	7.00
Operating Grant Awards	610	19.12
DHSS Invoices	158,281	9.33
Capital Grant Awards	93	3.36
Legislative Logs	172	3.52

Analysis of results and challenges: This is a new indicator with new data for FY2006. The data will develop a baseline for future comparisons.

I1: Strategy - Implement results of Business Process Review.

Key Department Challenges

The Department of Health and Social Services continues to make progress on the following overall strategies:

1. Work toward more integration of services;
2. Maximize resources for effective service delivery;
3. Promote rural infrastructure development and standardization of regional structure;
4. Promote accountability at all levels of the organization; and
5. Use technology in strategic ways to accomplish the department's goals.

Key Projects

Bring the Kids Home: Implementing the Bring the Kids Home project is a challenge because of the complexity, the number of entities involved and the logistics involved in getting services put in place in Alaska.

Child Protection: The Program Improvement Plan was recently approved by the federal Administration for Children and Families (ACF); however, OCS still needs to move forward to implement recommendations of the workload study.

Continue Welfare Reform: New federal rules and standards for TANF will make it more challenging to sustain and build the successes of Alaska's welfare reform program by working with more difficult to serve clients.

Deferred Maintenance: Many of DHSS buildings are used 24 hours a day, 7 days a week. Continuing to maintain an aging infrastructure with significant deferred maintenance is a challenge.

IT Security: Information Technology security issues are at the forefront of IT challenges. DHSS needs to ensure that our network is secure and confidential data kept confidential, while maintaining service levels.

Juvenile Justice: Providing a safe environment in Juvenile facilities is increasingly more difficult because of staffing issues and aging infrastructure.

Medicaid Growth: The department is challenged with managing the growth of Medicaid with an increasing senior and disabled population.

MMIS Development: A new RFP is out for development of a new Medicaid Management Information System. The current system needs to be in place despite previous contract problems.

Pioneer Home Safety: Pioneer Home system struggles with providing adequate facilities with an aging infrastructure.

Public Health Emergency Preparedness: The Department faces the challenge of preparing for a public health emergency to ensure that the public is safe from such potential outbreaks as Avian flu.

Workforce Issues: Recruitment and retention of key staff is an increasing challenge due to state wages and other market conditions.

Significant Changes in Results to be Delivered in FY2008

The Department of Health and Social Services has developed proposals to provide a basic level of continuation for the 2008 budget year. The following is an outline of the key items:

Sustain Services: Many of the DHSS programs are based on caseload or mandated cost increases. Without additional investment, the department would not be able to sustain services. Investments in this area include:

- Medicaid program/caseload growth;
- Implement Year 2 of the Adult Dental Preventative program and the Newborn screening legislation;
- Maintain the State Child Health Insurance Program (Denali KidCare) because of reduced federal funds;
- Maintain grant levels with a reduced ProShare program;
- Caseload growth for the Child care program;
- Implement reduced federal support for child protection programs from the federal Deficit Reduction Act;
- Re-establish the Faith Based and Community Initiatives Council.

Safety and Compliance: There are several areas where safety concerns or other compliance issues have led to the need for increased investments:

- Additional staff in the Pioneer Homes to meet requirements of the federal Veterans' Administration;
- Increases for licensing requirements for Bring the Kids Home.

Healthy Futures: Investments in this area to ensure a healthy future for Alaskans:

- Medicaid Rate increases for in-state Residential Psychiatric Treatment Centers (RPTC), hospitals and nursing homes and primary care providers;
- Continuing the investment in Bring the Kids Home initiative.

Major Department Accomplishments in 2006

- Completed the conversion of the Palmer Pioneer Home to the Alaska Veterans and Pioneers Home.
- Increased the use of Medicaid as an alternative to state general fund, thereby reducing the general fund requirements to operate the Homes.
- Continued efforts to promote an integrated behavioral health care system.
- Expanded the behavioral health Designated Evaluation and Treatment program to Bethel and the Designated Evaluation program to South Peninsula Hospital.
- Implemented an outcomes and evaluation process for behavioral health prevention grants.
- Exceeded the national goal of reducing illegal tobacco sales to youth for the 3rd year in a row (2003-10%, 2004-12%, 2005-9.4%).
- Successfully achieved all seven performance improvement goals for the OCS Performance Improvement Plan (PIP).
- Completed the OCS Workload study, which provides recommendations for giving front line workers reasonable caseloads.
- Improved the performance of the ORCA system to rural areas, reducing reaction times of the system from 37 seconds to 8 seconds.
- Juvenile Justice successfully implanted a new assessment program to aid in determining the likeliness of a youth's risk to re-offend.
- Significant progress by all Juvenile Justice facilities toward reaching "Level 1 Data Certification" in Performance-based Standards (PbS) sponsored by the national council of Juvenile Correctional Administrators and US Office of Juvenile Justice and Delinquency Prevention.
- In Public Assistance the Alaska Temporary Assistance caseload declined 5% from FY05.

- Public Assistance exceeded federally mandated work participation rates for federal FY06. Alaska is one of sixteen states that continue to meet the federal All Family participation rate.
- Public Assistance Fraud investigation unit resulted in cost-avoidance, direct savings and overpayments totalling nearly \$2 million.
- Public Health distributed more than 4,500 smoke alarms with the potential of 43 lives saved, and 489 "Kids Don't Float" life jacket loaner sites were maintained. Since 1998 this program has resulted in 12 documented cases of prevented drowning.
- Of all newborns in Alaska, 99.9% were screened for metabolic disorders and nearly 90% were screened for hearing loss.
- The Division of Senior and Disabilities Services implemented regulation changes for the Personal Care Attendant Medicaid program based on several audits and legislative direction.
- The Office of Faith Based and Community Initiatives was awarded a \$500,000 federal grant for a demonstration project.
- The department developed a long term Medicaid forecast model from a contract with the Lewin Group/ECONorthwest.
- The department initiated phase II of the grants database (eGrants) and worked with the Rasmusson foundation on improving the grant process.
- The audit unit recovered \$2.6 million of unexpended or misspent grant funds.
- Re-instated a department safety program to manage OSHA and other employee safety issues.
- Implemented several components of a comprehensive IT network security program.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

- | | |
|---|--|
| 1. Alaska Psychiatric Institute | 49. Infant Learning Program Grants |
| 2. Protection and Community Services | 50. Youth Courts |
| 3. Epidemiology | 51. Certification and Licensing |
| 4. Alaska Temporary Assistance Program | 52. State Medical Examiner |
| 5. Tribal Assistance Programs | 53. Senior Residential Services |
| 6. Pioneer Homes | 54. General Relief Assistance |
| 7. HCS Medicaid Services | 55. Community Health Grants |
| 8. Senior and Disabilities Medicaid Services | 56. Community Action Prevention & Intervention Grants |
| 9. Behavioral Health Medicaid Services | 57. Designated Evaluation and Treatment |
| 10. Children's Medicaid Services | 58. Commissioner's Office |
| 11. Senior Care | 59. Administrative Support Services |
| 12. Probation Services | 60. Facilities Management |
| 13. Adult Public Assistance | 61. Office of Program Review |
| 14. Community Developmental Disabilities Grants | 62. Information Technology Services |
| 15. Foster Care Base Rate | 63. Rate Review |
| 16. Foster Care Augmented Rate | 64. Quality Control |
| 17. Foster Care Special Need | 65. Fraud Investigation |
| 18. McLaughlin Youth Center | 66. Hearings and Appeals |
| 19. Delinquency Prevention | 67. Governor's Advisory Council on Faith-Based and Community Initiatives |
| 20. Fairbanks Youth Facility | 68. Health Planning & Infrastructure |
| 21. Johnson Youth Center | 69. Facilities Maintenance |
| 22. Bethel Youth Facility | 70. Pioneers Homes Facilities Maintenance |
| 23. Nome Youth Facility | 71. Children's Services Training |
| 24. Ketchikan Regional Youth Facility | 72. Public Assistance Field Services |
| 25. Mat-Su Youth Facility | 73. Child Protection Legal Svcs |
| 26. Kenai Peninsula Youth Facility | 74. Community Health/Emergency Medical Services |
| 27. Public Health Laboratories | 75. Tobacco Prevention and Control |
| 28. Residential Child Care | 76. Assessment and Planning (Medicaid) |
| 29. Psychiatric Emergency Services | 77. Women, Children & Family Health |
| 30. Behavioral Health Grants | 78. Medicaid School Based Administrative Claims |
| 31. Rural Services and Suicide Prevention | 79. HSS State Facilities Rent |
| 32. Services for Severely Emotionally Disturbed Youth | 80. Alaskan Pioneer Homes Management |
| 33. AK Fetal Alcohol Syndrome Program | 81. Behavioral Health Administration |
| 34. Services to the Seriously Mentally Ill | |

- 35. Catastrophic and Chronic Illness Assistance
- 36. Nursing
- 37. Adult Preventative Dental Medicaid Svcs
- 38. Subsidized Adoptions & Guardianship
- 39. Child Care Benefits
- 40. Work Services
- 41. Chronic Disease Prevention/Health Promotion
- 42. Energy Assistance Program
- 43. Bureau of Vital Statistics
- 44. Emergency Medical Services Grants
- 45. Human Services Community Matching Grant
- 46. Senior Community Based Grants
- 47. Women, Infants and Children
- 48. Family Preservation

- 82. Children's Services Management
- 83. Medical Assistance Administration
- 84. Public Assistance Administration
- 85. Public Health Administrative Services
- 86. Senior and Disabilities Services Administration
- 87. Permanent Fund Dividend Hold Harmless
- 88. Council on Faith Based & Community Initiatives
- 89. Children's Trust Programs
- 90. Alcohol Safety Action Program (ASAP)
- 91. Alaska Mental Health/Alcohol & Drug Abuse Brds
- 92. Commission on Aging
- 93. Governor's Council on Disabilities
- 94. Pioneers Homes Advisory Board
- 95. Suicide Prevention Council

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2006 Actuals				FY2007 Management Plan				FY2008 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
Alaska Longevity Bonus Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33,359.2	0.0	0.0	33,359.2
Behavioral Health Children's Services	54,552.7	81,455.6	1,500.0	137,508.3	61,154.3	92,417.2	1,500.0	155,071.5	65,883.9	110,937.9	2,400.0	179,221.8
Adult Prev Dental Medicaid Svcs	22,670.4	19,662.8	1,504.4	43,837.6	26,961.2	24,287.4	1,942.7	53,191.3	27,302.2	23,946.4	1,942.7	53,191.3
Health Care Services	0.0	0.0	0.0	0.0	219.7	1,988.3	425.0	2,633.0	1,309.2	7,557.8	1,425.0	10,292.0
Public Assistance Senior and Disabilities Svcs	176,869.5	412,026.8	43,741.0	632,637.3	192,551.7	513,005.7	21,139.8	726,697.2	220,553.5	538,166.6	21,889.8	780,609.9
Departmental Support Services	87,837.0	48,522.4	28,470.3	164,829.7	101,050.6	53,700.1	22,225.2	176,975.9	102,678.8	53,982.4	22,225.2	178,886.4
	114,927.1	165,093.6	1,265.7	281,286.4	127,991.6	183,429.3	1,375.0	312,795.9	136,916.3	197,800.6	2,575.0	337,291.9
	0.0	5,757.8	0.0	5,757.8	0.0	6,243.8	0.0	6,243.8	0.0	6,243.8	0.0	6,243.8
Non-Formula Expenditures												
Alaska Longevity Bonus Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	350.0	0.0	0.0	350.0
Alaska Pioneer Homes	25,794.3	65.4	17,809.6	43,669.3	28,902.7	413.8	19,641.6	48,958.1	34,288.0	314.7	20,349.1	54,951.8
Behavioral Health Children's Services	34,236.2	9,047.1	33,383.5	76,666.8	33,358.2	11,704.7	41,781.6	86,844.5	41,423.1	11,015.6	40,242.5	92,681.2
Health Care Services	32,853.8	49,382.9	6,322.7	88,559.4	33,855.3	54,530.6	8,245.1	96,631.0	40,982.0	52,266.8	8,429.2	101,678.0
Juvenile Justice	7,932.9	17,729.3	72.3	25,734.5	8,314.0	20,361.5	194.3	28,869.8	8,536.4	20,662.0	194.3	29,392.7
Public Assistance	37,048.3	2,302.9	768.4	40,119.6	40,013.2	3,169.8	922.6	44,105.6	44,473.6	3,169.8	995.0	48,638.4
Public Health	18,793.8	41,107.8	666.7	60,568.3	21,261.5	41,562.1	927.0	63,750.6	23,516.6	43,700.3	1,047.0	68,263.9
Senior and Disabilities Svcs	23,660.5	26,700.6	16,117.7	66,478.8	27,519.7	33,028.9	19,926.5	80,475.1	31,378.1	34,934.7	20,583.4	86,896.2
Departmental Support Services	21,251.0	9,855.6	1,779.8	32,886.4	20,999.7	12,640.7	1,685.6	35,326.0	21,580.9	12,771.9	1,576.3	35,929.1
Boards and Commissions	17,650.8	15,940.0	4,355.5	37,946.3	22,213.6	21,179.5	9,268.9	52,662.0	24,654.7	22,968.2	9,411.8	57,034.7
Human Svcs	474.7	1,398.8	1,563.6	3,437.1	633.3	1,581.1	1,288.0	3,502.4	776.5	1,678.1	1,483.9	3,938.5
Comm Matching Grant	1,235.3	0.0	0.0	1,235.3	1,485.3	0.0	0.0	1,485.3	1,485.3	0.0	0.0	1,485.3
Totals	677,788.3	906,049.4	159,321.2	1,743,158.9	748,485.6	1,075,244.5	152,488.9	1,976,219.0	861,448.3	1,142,117.6	156,770.2	2,160,336.1

Funding Source Summary

All dollars in thousands

Funding Sources	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
1002 Federal Receipts	906,047.4	1,075,242.5	1,142,115.6
1003 General Fund Match	402,532.1	384,789.4	400,931.7
1004 General Fund Receipts	185,716.4	263,372.5	351,290.8
1007 Inter-Agency Receipts	60,996.1	69,603.2	70,575.1
1013 Alcoholism & Drug Abuse Revolving Loan	2.0	2.0	2.0
1037 General Fund / Mental Health	89,539.8	100,323.7	109,225.8
1050 Permanent Fund Dividend Fund	12,142.6	12,884.7	12,884.7
1061 Capital Improvement Project Receipts	1,047.8	1,308.9	1,309.7
1092 Mental Health Trust Authority Authorized Receipts	5,415.9	8,098.2	7,741.7
1098 Children's Trust Earnings	323.8	399.7	403.6
1099 Children's Trust Principal		150.0	150.0
1108 Statutory Designated Program Receipts	29,029.1	12,251.2	15,148.8
1156 Receipt Supported Services	17,702.2	20,034.1	20,712.3
1168 Tobacco Use Education and Cessation Fund	4,914.0	6,216.7	6,304.3
1180 Alcohol & Other Drug Abuse Treatment & Prevention Fund	17,189.3	18,892.7	18,892.7
1189 Senior Care Fund	10,560.4	2,649.5	2,647.3
Totals	1,743,158.9	1,976,219.0	2,160,336.1

Position Summary

Funding Sources	FY2007 Management Plan	FY2008 Governor
Permanent Full Time	3,308	3,314
Permanent Part Time	104	107
Non Permanent	231	228
Totals	3,643	3,649

FY2008 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Medicaid Management Information System Completion	1,204,100	10,836,800	0	12,040,900
Deferred Maintenance, Renovation, Repair and Equipment	193,600	150,000	0	343,600
Safety and Support Equipment for Probation Officers and Front Line Workers	245,400	245,400	0	490,800
Eligibility Information System Maintenance	154,800	154,800	0	309,600
Evaluate Eligibility Information System Alternatives	248,400	248,400	0	496,800
Mandatory Statewide Automated Child Welfare Information and Billing System Improvements	750,000	750,000	0	1,500,000
MH Southcentral Foundation Eklutna Residential Psychiatric Treatment Center - Match for Bring the Kids Home	7,000,000	0	0	7,000,000
Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project	425,000	0	0	425,000
MH Cost Share Match for Bring the Kids Home	1,000,000	0	0	1,000,000
MH Treatment and Recovery Based Special Needs Housing	250,000	0	500,000	750,000
MH Home Modification and Upgrades to Retain Housing	0	0	250,000	250,000
MH Deferred Maintenance and Americans with Disabilities Act Improvement Grants to Service Providers and for Trust Beneficiaries	2,000,000	0	0	2,000,000
MH Essential Program Equipment	350,000	0	0	350,000
Department Total	13,821,300	12,385,400	750,000	26,956,700

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2007 Management Plan to FY2008 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	748,485.6	1,075,244.5	152,488.9	1,976,219.0
Adjustments which will continue current level of service:				
-Alaska Pioneer Homes	1,108.7	-24.1	-514.0	570.6
-Behavioral Health	3,515.2	-1,644.9	-1,581.7	288.6
-Children's Services	5,040.2	-4,713.1	-296.8	30.3
-Health Care Services	2,498.2	-11,105.7	0.0	-8,607.5
-Juvenile Justice	72.4	-58.7	0.0	13.7
-Public Assistance	113.1	-33.3	-132.8	-53.0
-Public Health	1,357.1	-105.6	-649.3	602.2
-Senior and Disabilities Svcs	-8.3	-504.1	-15.7	-528.1
-Departmental Support Services	-62.8	-749.1	-427.0	-1,238.9
-Boards and Commissions	60.5	31.2	-91.0	0.7
Proposed budget decreases:				
-Alaska Pioneer Homes	0.0	-99.4	-3.3	-102.7
-Behavioral Health	0.0	-696.8	-2,048.2	-2,745.0
-Senior and Disabilities Svcs	0.0	0.0	-130.0	-130.0
-Departmental Support Services	0.0	0.0	-51.1	-51.1
-Boards and Commissions	0.0	0.0	-180.0	-180.0
Proposed budget increases:				
-Alaska Longevity Bonus Programs	33,709.2	0.0	0.0	33,709.2
-Alaska Pioneer Homes	4,276.6	24.4	1,224.8	5,525.8
-Behavioral Health	9,279.3	20,173.3	2,990.8	32,443.4
-Children's Services	2,427.5	2,108.3	480.9	5,016.7
-Adult Prev Dental Medicaid Svcs	1,089.5	5,569.5	1,000.0	7,659.0
-Health Care Services	25,726.0	36,567.1	750.0	63,043.1
-Juvenile Justice	4,388.0	58.7	72.4	4,519.1
-Public Assistance	3,770.2	2,453.8	252.8	6,476.8
-Public Health	2,501.3	2,011.4	1,306.2	5,818.9
-Senior and Disabilities Svcs	9,514.2	15,006.6	1,236.4	25,757.2
-Departmental Support Services	2,503.9	2,537.8	621.0	5,662.7
-Boards and Commissions	82.7	65.8	466.9	615.4
FY2008 Governor	861,448.3	1,142,117.6	156,770.2	2,160,336.1