

State of Alaska FY2012 Governor's Operating Budget

Department of Health and Social Services Quality Assurance and Audit Component Budget Summary

Component: Quality Assurance and Audit

Contribution to Department's Mission

Program Integrity/Quality Assurance efforts focus on meeting and exceeding department and federal standards and requirements related to protecting program assets and assuring quality services.

Core Services

- Audits of Medical Assistance providers' claims
- Organize and chair functional Audit Committee
- Management and oversight of the contract audits mandated under Alaska Statute 47.05.200
- Compliance Officer contact and responsibility with the Center for Medicare and Medicaid Services
- Departmental contact for the Department of Law, Medicaid Fraud Control Unit (MFCU)
- Payment Error Rate Measurement (PERM)
- Leadership Team reporting and participation

Key Component Challenges

- Compliance with increased federal mandates such as the CMS Medicaid Integrity Group audits and reviews, and the Program integrity related provisions of the Affordable Care Act including the establishment of a Medicaid Recovery Audit Contract.
- Continue to improve coordination and reporting of department-wide efforts related to program integrity, quality assurance and surveillance and utilization review functions.
- Current appeal case load is high and additional appeals are anticipated from the new federal audit requirements.
- Continuing to ensure organizational independence of Program Integrity function.

Significant Changes in Results to be Delivered in FY2012

No changes to be delivered for FY2012.

Significant Changes in Results to be Delivered in FY2011

No significant Changes.

Status Update:

None

Major Component Accomplishments in 2010

- Successfully managed the medical record and claims processing portion of the payment error rate measurement initiative, resulting in the lowest PERM error rate of the FFY2008 cycle.
- Identified \$2.6 million in provider overpayments.
- Finalized the establishment of program integrity procedures and processes in accordance with best practices and underwent CMS Medicaid Integrity Program comprehensive review.
- The Program Integrity component is now fully staffed with appropriately qualified personnel.

Statutory and Regulatory Authority

AS 47.07 Welfare, Social Services and Institutions, Medical Assistance for Needy People
7 AAC 160.100 - 140, Article 1 Program Integrity and Quality Assurance.

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**Quality Assurance and Audit
Component Financial Summary**

All dollars shown in thousands

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	623.7	761.5	781.7
72000 Travel	5.3	69.7	69.7
73000 Services	55.9	365.3	365.3
74000 Commodities	14.8	10.0	10.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	699.7	1,206.5	1,226.7
Funding Sources:			
1002 Federal Receipts	349.8	589.1	600.6
1003 General Fund Match	349.9	617.4	626.1
Funding Totals	699.7	1,206.5	1,226.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	349.8	589.1	600.6
Restricted Total		349.8	589.1	600.6
Total Estimated Revenues		349.8	589.1	600.6

**Summary of Component Budget Changes
From FY2011 Management Plan to FY2012 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>
FY2011 Management Plan	617.4	0.0	0.0	589.1	1,206.5
Adjustments which will continue current level of service:					
-FY 2011 Over/Understated GGU/SU salary adjustments	-5.0	0.0	0.0	-2.2	-7.2
-FY 2012 Personal Services increases	13.7	0.0	0.0	13.7	27.4
FY2012 Governor	626.1	0.0	0.0	600.6	1,226.7

Quality Assurance and Audit Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2011 Management Plan	FY2012 Governor		
Full-time	7	7	Annual Salaries	508,565
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	293,752
			<i>Less 2.57% Vacancy Factor</i>	(20,617)
			Lump Sum Premium Pay	0
Totals	7	7	Total Personal Services	781,700

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Internal Auditor III	1	0	0	0	1
Internal Auditor IV	1	0	0	0	1
Internal Auditor V	1	0	0	0	1
Medical Assist Admin II	1	0	0	0	1
Medical Assist Admin III	1	0	0	0	1
Medical Assist Admin IV	1	0	0	0	1
Office Assistant I	1	0	0	0	1
Totals	7	0	0	0	7

Component Detail All Funds
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Management Plan	FY2012 Governor	FY2011 Management Plan vs FY2012 Governor	
71000 Personal Services	623.7	761.5	761.5	761.5	781.7	20.2	2.7%
72000 Travel	5.3	69.7	69.7	69.7	69.7	0.0	0.0%
73000 Services	55.9	274.3	274.3	365.3	365.3	0.0	0.0%
74000 Commodities	14.8	10.0	10.0	10.0	10.0	0.0	0.0%
75000 Capital Outlay	0.0	91.0	91.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	699.7	1,206.5	1,206.5	1,206.5	1,226.7	20.2	1.7%
Fund Sources:							
1002 Fed Rcpts	349.8	589.1	589.1	589.1	600.6	11.5	2.0%
1003 G/F Match	349.9	617.4	617.4	617.4	626.1	8.7	1.4%
Unrestricted General (UGF)	349.9	617.4	617.4	617.4	626.1	8.7	1.4%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	349.8	589.1	589.1	589.1	600.6	11.5	2.0%
Positions:							
Permanent Full Time	7	7	7	7	7	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: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2011 Conference Committee (Final) To FY2011 Authorized *****												
FY2011 Conference Committee												
	ConfCom	1,206.5	761.5	69.7	274.3	10.0	91.0	0.0	0.0	7	0	0
1002 Fed Rcpts		589.1										
1003 G/F Match		617.4										
Subtotal		1,206.5	761.5	69.7	274.3	10.0	91.0	0.0	0.0	7	0	0
***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
ADN 06-1-0064 realign expenditures to division spending plan												
	LIT	0.0	0.0	0.0	91.0	0.0	-91.0	0.0	0.0	0	0	0
Align authorization with FY11 spending plan.												
Subtotal		1,206.5	761.5	69.7	365.3	10.0	0.0	0.0	0.0	7	0	0
***** Changes From FY2011 Management Plan To FY2012 Governor *****												
FY 2011 Over/Understated GGU/SU salary adjustments												
	SalAdj	-7.2	-7.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-2.2										
1003 G/F Match		-5.0										

When the SU and GGU salary adjustments were calculated, errors were made that understated some GGU amounts and overstated some SU amounts. This change record identifies the over and under stated amounts associated with these calculations.: -\$7.2

FY 2012 Personal Services increases

	SalAdj	27.4	27.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		13.7										
1003 G/F Match		13.7										

This change record includes the following personal services increases:
: \$27.4

Alaska State Employees Assn (GGU) FY2012 Health Insurance Increased Costs : \$8.0

Alaska Public Employees Assn (SU) FY2012 Health Insurance Increased Costs : \$5.8

Alaska State Employees Association (GGU) FY 12 COLA increases
: \$6.4

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

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Alaska Public Employees Association (SU) FY 12 COLA increases : \$7.2												
	Totals	1,226.7	781.7	69.7	365.3	10.0	0.0	0.0	0.0	7	0	0

Personal Services Expenditure Detail
Department of Health and Social Services

Scenario: FY2012 Governor (8665)
Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
06-0456	Internal Auditor IV	FT	A	SS	Anchorage	200	23C / D	12.0		85,505	0	0	46,430	131,935	65,968
06-1050	Office Assistant I	FT	A	GP	Anchorage	200	8E / F	12.0		31,993	0	0	27,326	59,319	29,660
06-4095	Medical Assist Admin IV	FT	A	SS	Anchorage	200	21C / D	12.0		73,678	0	0	42,103	115,781	57,891
06-4099	Medical Assist Admin II	FT	A	GP	Anchorage	200	18E / F	12.0		62,580	0	0	38,518	101,098	50,549
06-4104	Internal Auditor V	FT	A	SS	Anchorage	200	25F / J	12.0		110,760	0	0	55,428	166,188	83,094
06-7000	Internal Auditor III	FT	A	GP	Anchorage	200	21E / F	12.0		76,429	0	0	43,585	120,014	60,007
06-7010	Medical Assist Admin III	FT	A	GP	Anchorage	200	20C / D	12.0		67,620	0	0	40,362	107,982	53,991

	Total Positions	New	Deleted	Total Salary Costs:
Full Time Positions:	7	0	0	508,565
Part Time Positions:	0	0	0	Total COLA: 0
Non Permanent Positions:	0	0	0	Total Premium Pay: 0
Positions in Component:	7	0	0	Total Benefits: 293,752
Total Component Months:	84.0			Total Pre-Vacancy: 802,317
				Minus Vacancy Adjustment of 2.57%: (20,617)
				Total Post-Vacancy: 781,700
				Plus Lump Sum Premium Pay: 0
				Personal Services Line 100: 781,700

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1002 Federal Receipts	401,159	390,850	50.00%
1003 General Fund Match	401,159	390,850	50.00%
Total PCN Funding:	802,317	781,700	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Health and Social Services
Travel

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000	Travel		5.3	69.7	69.7
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000 Travel Detail Totals			5.3	69.7	69.7
72100	Instate Travel		2.2	0.0	0.0
72111	Airfare (Instate Employee)	Airfare - Employee In State Travel	0.0	20.0	20.0
72112	Surface Transport (Instate Employee)	Surface Transportation - Employee In State Travel	0.0	11.0	11.0
72113	Lodging (Instate Employee)	Lodging - Employee In State Travel	0.0	10.0	10.0
72114	Meals & Incidentals (Instate Employee)	Meals & Incidentals - Employee In State Travel	0.0	7.7	7.7
72400	Out Of State Travel		3.1	0.0	0.0
72411	Airfare (Out of state Emp)	Airfare - Employee Out of State Travel	0.0	10.0	10.0
72412	Surface Transport (Out of state Emp)	Surface Transportation - Employee Out of State Travel	0.0	2.0	2.0
72413	Lodging (Out of state Emp)	Lodging - Employee Out of State Travel	0.0	4.5	4.5
72414	Meals & Incidentals (Out of state Emp)	Meals & Incidentals - Employee Out of State Travel	0.0	4.5	4.5

Line Item Detail
Department of Health and Social Services
Services

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000	Services		55.9	365.3	365.3
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000 Services Detail Totals			55.9	365.3	365.3
73025		Education Services	2.9	0.0	0.0
73026		Training/Conferences	0.0	10.0	10.0
73075		Legal & Judicial Svc	0.0	112.5	112.5
73150		Information Technlgy	1.4	0.0	0.0
73154		Software Licensing	0.0	2.5	2.5
73156		Telecommunication	3.9	0.0	0.0
73225		Delivery Services	4.1	0.0	0.0
73227		Courier	0.0	0.5	0.5
73228		Postage	0.0	4.0	4.0
73401		Long Distance	0.0	5.0	5.0
73404		Cellular Phones	0.0	2.0	2.0
73450		Advertising & Promos	0.2	0.0	0.0
73451		Advertising	0.0	1.0	1.0
73525		Utilities	0.1	0.0	0.0
73528		Disposal	0.0	1.0	1.0
73650		Struc/Infstruct/Land	0.4	0.0	0.0
73660		Other Repairs/Maint	0.0	3.5	3.5
73675		Equipment/Machinery	1.6	0.0	0.0
73750		Other Services (Non IA Svcs)	1.0	0.0	0.0
73756		Print/Copy/Graphics	0.0	2.0	2.0
73805	Enterprise Technology Services	RSA with DOA/ETS for Non - Telcom Computer	4.5	5.0	5.0

Line Item Detail
Department of Health and Social Services
Services

Component: Quality Assurance and Audit (2880)

RDU: Departmental Support Services (106)

Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000 Services Detail Totals			55.9	365.3	365.3
73806	IT-Telecommunication	Enterprise Technology Services RSA with DOA/ETS for Telcomm EPR's and PBX	12.6	12.6	12.6
73809	Mail	Central Mail RSA with DOA/DGS for Central Mail Integration	0.0	1.0	1.0
73810	Human Resources	Personnel RSA with DOA/Personnel for Human Resource Services	7.1	7.1	7.1
73811	Building Leases	Leases RSA with DOA/DGS for Building Leases	0.0	60.0	60.0
73814	Insurance	Risk Management RSA with DOA/Admin for Risk Management Costs	0.2	0.2	0.2
73816	ADA Compliance	Labor RSA with DOLabor for Statewide ADA Allocation	0.0	2.0	2.0
73818	Training (Services-IA Svcs)	Admin RSA with DOA/DGS for Procurement Training Certification	0.0	0.5	0.5
73818	Training (Services-IA Svcs)	H&SS	0.5	0.0	0.0
73821	Hearing/Mediation (IA Svcs)	Admin RSA with DOA/OAH for Hearing Officer Services	13.1	125.0	125.0
73979	Mgmt/Consulting (IA Svcs)	Administrative Support Svcs RSA with FMS-Dept Support Services for Support	0.0	2.4	2.4
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office RSA with Commissioner's Office for Support Services	0.6	2.0	2.0
73979	Mgmt/Consulting (IA Svcs)	Information Technology Services RSA with FMS-Information Technology for Support Services	0.9	2.0	2.0
73979	Mgmt/Consulting (IA Svcs)	Public Affairs RSA with FMS-Public Affairs for Support Services	0.8	1.5	1.5

Line Item Detail
Department of Health and Social Services
Commodities

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000	Commodities		14.8	10.0	10.0
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000 Commodities Detail Totals			14.8	10.0	10.0
74200	Business		14.8	0.0	0.0
74226	Equipment & Furniture	Equipment & Furniture	0.0	3.6	3.6
74229	Business Supplies	Business Supplies	0.0	5.5	5.5
74233	Info Technology Equip	Info Tech Equipment	0.0	0.9	0.9

Restricted Revenue Detail
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51010	Federal Receipts	349.8	589.1	600.6

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51010	Federal Receipts Federal Receipts are from Medicaid Admin.		06355406	1002	0.0	589.1	600.6
57302	Title Xix Map Admin				349.8	0.0	0.0

Inter-Agency Services
Department of Health and Social Services

Component: Quality Assurance and Audit (2880)
RDU: Departmental Support Services (106)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010 Actuals	FY2011		
					Management Plan	FY2012 Governor	
73805	IT-Non-Telecommnctns	RSA with DOA/ETS for Non - Telcom Computer	Inter-dept	Enterprise Technology Services	4.5	5.0	5.0
				73805 IT-Non-Telecommnctns subtotal:	4.5	5.0	5.0
73806	IT-Telecommunication	RSA with DOA/ETS for Telcomm EPR's and PBX	Inter-dept	Enterprise Technology Services	12.6	12.6	12.6
				73806 IT-Telecommunication subtotal:	12.6	12.6	12.6
73809	Mail	RSA with DOA/DGS for Central Mail Integration	Inter-dept	Central Mail	0.0	1.0	1.0
				73809 Mail subtotal:	0.0	1.0	1.0
73810	Human Resources	RSA with DOA/Personnel for Human Resource Services	Inter-dept	Personnel	7.1	7.1	7.1
				73810 Human Resources subtotal:	7.1	7.1	7.1
73811	Building Leases	RSA with DOA/DGS for Building Leases	Inter-dept	Leases	0.0	60.0	60.0
				73811 Building Leases subtotal:	0.0	60.0	60.0
73814	Insurance	RSA with DOA/Admin for Risk Management Costs	Inter-dept	Risk Management	0.2	0.2	0.2
				73814 Insurance subtotal:	0.2	0.2	0.2
73816	ADA Compliance	RSA with DOLabor for Statewide ADA Allocation	Inter-dept	Labor	0.0	2.0	2.0
				73816 ADA Compliance subtotal:	0.0	2.0	2.0
73818	Training (Services-IA Svcs)	RSA with DOA/DGS for Procurement Training Certification	Inter-dept	Admin	0.0	0.5	0.5
73818	Training (Services-IA Svcs)		Intra-dept	H&SS	0.5	0.0	0.0
				73818 Training (Services-IA Svcs) subtotal:	0.5	0.5	0.5
73821	Hearing/Mediation (IA Svcs)	RSA with DOA/OAH for Hearing Officer Services	Inter-dept	Admin	13.1	125.0	125.0
				73821 Hearing/Mediation (IA Svcs) subtotal:	13.1	125.0	125.0
73979	Mgmt/Consulting (IA Svcs)	RSA with FMS-Dept Support Services for Support	Inter-dept	Administrative Support Svcs	0.0	2.4	2.4
73979	Mgmt/Consulting (IA Svcs)	RSA with Commissioner's Office for Support Services	Inter-dept	Commissioner's Office	0.6	2.0	2.0
73979	Mgmt/Consulting (IA Svcs)	RSA with FMS-Information Technology for Support Services	Inter-dept	Information Technology Services	0.9	2.0	2.0
73979	Mgmt/Consulting (IA Svcs)	RSA with FMS-Public Affairs for Support Services	Inter-dept	Public Affairs	0.8	1.5	1.5
				73979 Mgmt/Consulting (IA Svcs) subtotal:	2.3	7.9	7.9
				Quality Assurance and Audit total:	40.3	221.3	221.3
				Grand Total:	40.3	221.3	221.3