

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
FY18 - Increment Status Report**

Item #	Approp/ Allocation	Description	Amount/ Fund Source	FY18 CC Book Comment	GF Dec?	LFD Questions/ Comments	Agency Comments
1	Children's Services/ Front Line Social Workers	Add funding for 31 new PFTs to reduce caseloads and increase training	Total: \$3,861.2 \$1,435.5 Federal Receipts \$2,425.7 UGF 31 PFT Positions	The legislature added a portion of the funding needed in FY18 for 31 new PFT positions to reduce excessive caseloads of new workers, extend training to a more appropriate level, and add mentors and supervisors. To reflect the time needed to recruit new employees, the legislature did not fully fund the 31 positions in FY18. To fully fund the positions and provide training, another \$481.8 of federal receipts and \$958.7 of UGF is being requested in FY19.	No	How many of the positions have been filled?	As of December 31, 2017, 28 of the 31 positions have been hired with start dates ranging from October 2017 to February 2018. The final three positions are at varying levels of recruitment.
2	Behavioral Health/ Behavioral Health Treatment & Recovery Grants	Year Two Fiscal Note SB 91 (Chapter 36, SLA 2016) Omnibus Criminal Law & Procedure; Corrections	\$1,000.0 RecidReduc Fund (DGF)	<u>Behavioral Health/Behavioral Health Treatment and Recovery Grants</u> Legislative Fiscal Analyst Comment: SB 91 created a new Recidivism Reduction Fund, which is comprised of 50% of marijuana tax revenue. In FY18, \$6 million of Recidivism Reduction Funding was split three ways—\$2 million each to the Departments of Corrections (DOC), Health and Social Services (DHSS) and Public Safety (DPS). In FY19, DHSS expects that a portion of the re-entry center services will be billable to Medicaid. As a result, \$375.0 of the \$2 million will be requested in Medicaid Services and the remainder (\$1,625.0) will remain in Behavioral Health (BH) Treatment and Recovery Grants. The \$375.0 is expected to match \$1,125.0 of federal Medicaid funding.	No	Initial funding of \$1 million was received in a fiscal note for FY17 and is used as outlined in statute. This increment brings the total amount to \$2 million.	For FY18, the recidivism reduction funds were primarily allocated for eight grants awarded under the Recidivism Reduction program to organizations in Nome, Anchorage, Fairbanks, Juneau, Dillingham, Kenai, Ketchikan, and the Mat-Su to support community reentry coalitions. In addition, a portion of the recidivism reduction funds were used to increase/expand services to the one established reentry center, located in Anchorage. The division also provided funding to the Alaska Housing Finance Corporation to assist in securing housing for individuals recently released from a correctional institution.

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3	Medicaid Services/ Senior and Disabilities Medicaid Services	Add funding to increase Day Habilitation services from 8 to 12 hours	\$1,486.0 UGF	As a cost saving measure, DHSS proposed reductions in Waiver Day Habilitation Services from 15 hours/week to 8 hours/week (see item 23). The legislature added funding with the intent of providing up to 12 hours per week. In addition, the legislature added intent that "the level of funding for day habilitation services in assisted living homes be sufficient to provide a 'soft cap' on recipients of up to 12 hours of services per week."	No	Has the new soft cap of 12 hours per week been implemented?	The new regulation went into effect October 1, 2017. As a result of reducing Day Habilitation, Senior and Disabilities Services is beginning to see increases to Supported Living and In-home Supports. The Department is tracking this trend and will have a better sense of the impacts once more information is collected.
4	Senior and Disabilities Services Administration	Second Year Medicaid Reform Fiscal Note Funding for SB 74	\$452.4 Total \$226.2 Federal Receipts \$226.2 UGF 2 PFT Positions	Section 38(d)(1) and (2) of SB74 directs the state to apply to the Centers for Medicare and Medicaid Services (CMS) to develop the 1915 options. Under these options, the state will realize savings in the provision of home and community-based services because it allows for the services to be funded with 50% Federal Receipts and 50% UGF (instead of 100% UGF). Additional funding is associated with increased eligibility assessments.	No	Have both positions been filled? If so, what were the hire dates?	Both positions have been filled. PCN 06-2446 was filled in November, 2017 and PCN 06-2447 was filled in January, 2018.
5	Public Assistance/ Public Assistance Administration	One-time funding to hire a contractor to identify state programs/expendi tures that can be used for MOE	\$200.0 UGF IncOTI	The legislature decremented \$3 million of DPA/ATAP UGF in FY18 but provided \$200.0 of one-time funding in FY18 for a contractor to identify state programs or expenditures that can be used to meet the state's MOE for FY17 and beyond.	N/A	What was the total amount of MOE claimable expenditures identified by the contractors for FFY17?	The contractors, Public Consulting Group, identified \$8.9 million in third party expenditures that can be used for the state's FFY17 claimable amount--an increase of \$6 million over FFY16.

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6	Children's Services/ Foster Care Special Need and Foster Care Base Rate	Replace UGF with Federal Receipts to Reflect Increased Efforts by OCS to Collect Title IV-E Fed Rcpts	(\$1,460.0) UGF \$1,460.0 Federal Rcpts	To more closely align Title IV-E Federal Receipts with a recommendation in a 2015 Performance Review, the legislature replaced \$860.0 more UGF than the \$600.0 requested in the Governor's FY18 budget: -\$600.0 Foster Care Special Need -\$860.0 Foster Care Base Rate	No	Have the policy changes produced the anticipated UGF savings?	The savings from the performance review were not realized. However, the Office of Children's Services has been successful in increasing federal claiming based on an amendment to the Public Assistance Cost Allocation Plan (PACAP). The LB&A Committee approved a \$6.5 million federal RPL for FY17 and additional federal authority (associated with the PACAP amendment) is included in the Governor's FY19 request.
7	Departmental Support Services/ Administrative Support Services & Information Technology Services	Replace UGF with I/A Receipts	(\$990.5) UGF \$990.5 I/A Rcpts (Other)	The legislature replaced UGF with Inter-agency Receipts with the expectation that reductions be made and/or other divisions pay for provided services. The UGF was replaced with I/A in the following amounts: --Administrative Support Services: \$577.7 --Information Technology Services: \$412.8	No	Is the I/A collectible? What are the impacts to the divisions paying the I/A?	Inter-agency receipts are collectible via an increase in billings to the divisions for the services provided.