

CORRECTED
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
FY2015 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT

SUBCOMMITTEE MEMBERS

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Rep. Bill Stoltze, Co-Chair Finance
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Rep. Bryce Edgmon
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Rep. Lindsey Holmes
Rep. Cathy Munoz
Rep. Steve Thompson
Rep. Tammie Wilson
Alt. Rep. Scott Kawasaki

RECOMMENDATIONS

The Health and Social Services Finance Budget Subcommittee for the Department of Health and Social Services submits a recommended Operating Budget for FY2015 to the House Finance Committee as follows:

FUND SOURCE:

Unrestricted General Funds (UGF)	\$ 1,249,655.7
Designated General Funds (DGF)	\$ 72,589.5
Other Funds	\$ 88,924.3
Federal Funds	<u>\$ 1,250,431.4</u>
TOTAL	\$ 2,661,600.9

POSITIONS:

Permanent Full Time	3,489
Permanent Part Time	60
Temporary	<u>101</u>
TOTAL	3,650

BUDGET ACTION

The House Finance Budget Subcommittee for the Department of Health and Social Services held ten meetings with the Department, analyzing mission statements, core services and performance measures at both the department and division levels. The subcommittee also analyzed all of the Governor's budget transactions.

Budget Action Highlights (for details please see the BA Sheet and the LFD reports)

The Subcommittee accepted the Governor's proposed budget, with the following exceptions:

Conditional Language

- **Department of Health and Social Services.** Added Conditional Language allowing the Commissioner the discretion to transfer up to \$50,000,000 between appropriations in the Department of Health and Social Services.

Intent Language

- **Pioneer Homes.** Added Intent Language stating that the Department prepare and submit a report to the Legislature by January 22, 2015, outlining statutory and regulatory changes that need to occur to ensure that the Alaska Pioneer Homes maximizes Medicaid funding.

Reductions

- **Behavioral Health/Behavioral Health Grants.** Decrement \$1,043.0 GF/MH and reflect savings from the reallocation of funding from residential treatment services to intensive outpatient substance abuse treatment services. This reallocation will allow for the treatment of approximately 223 additional individuals.
- **Behavioral Health/Behavioral Health Grants.** Decrement \$1,000.0 GF/MH in the Behavioral Health Grants allocation.
- **Community Action Prevention & Intervention (CAPI) Grants.** Decrement \$1.4 Million of I/A Receipts to reflect the redirection of the Governor's Domestic Violence Sexual Assault Funding from Health and Social Services to the Department of Public Safety.
- **Public Assistance/Energy Assistance Program.** Reduced Public Assistance Energy Assistance Program for Alaska Heating Assistance by \$2,000.0.
- **Public Health/Health Plan and Systems Development.** Reduced by \$1,200.0 UGF, a portion of the Supporting Health Care Access through Loan Repayment Program (SHARP I & II).
- **Public Health/Community Health Grants.** Decrement \$1,000.0 UGF from the Community Health Aide Training and Supervision Grants. The needs and uses of this program have changed considerably since this program was established in 1984. The use of modern technology methods of training such as Tele-health and online training opportunities allow this program to continue with reduced funding.
- **Health Care Medicaid Services.** Decrement \$193.7 UGF (which is the projected cost for abortion services in FY15) and added wordage prohibiting the expenditure of funds for non-mandatory abortion services.

- **Health Care Medicaid Services.** Removed \$52.5 Federal Receipts and \$52.5 G/F Match used to fund the Alaska Prescription Drug Database that is housed in the Department of Commerce, Community and Economic Development's Division of Corporations, Business and Professional Licensing.

Budget Structure Change

- **Juvenile Justice.** Created a new allocation called "Juvenile Justice Health Care" and transferred \$1,019,400 of UGF that is budgeted for health care costs to the new allocation. The new allocation clarifies the amount of funding needed for health care and will make it easier to assess the impacts of future health care cost cutting measures.

Increment Recommendations:

- To avoid inappropriate and costly institutional placements such as API and correctional facilities the Subcommittee may recommend funding the Complex Behavioral Collaborative.

ATTACHED REPORTS

The House Finance Budget Subcommittee for the Department of Health and Social Services adopts the attached reports.

Legislative Finance Division Reports – Operating Budget - House Structure

1. Agency Totals – FY2015 Operating Budget – House Structure
2. Allocation Summary (All Funds) – House Structure
3. Allocation Summary (GF) – House Structure
4. Transaction Comparison - ADJ Base (15 AdjBase) and House Subcommittee (HSub)
5. Transaction Comparison – Governor Amended (GovAmd) and House Subcommittee (HSub)
6. Wordage Report – FY2015 Operating Budget – House Structure

Subcommittee Generated Reports

1. Budget Action Worksheet - attached for informational purposes

Respectfully Submitted,



Representative Mark Neuman, Chair
 House Finance Budget Subcommittee
 Department of Health and Social Service
 February 28, 2014