

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Finance



P.O. Box 113200  
Juneau, AK 99811-3200  
(907) 465-3795  
FAX (907) 465-1327  
[www.legfin.state.ak.us](http://www.legfin.state.ak.us)

### MEMORANDUM

DATE: November 25, 2011  
TO: Legislative Budget and Audit Committee  
FROM: David Teal, Director  
SUBJECT: Preparation for the December 5, 2011 LB&A Meeting

OMB submitted the following RPLs for consideration at the December 5, 2011 Legislative Budget and Audit Committee meeting. These RPLs, along with Legislative Finance comments, are posted on our web site at <http://www.legfin.state.ak.us/>. If you have any questions that you want an agency to address at the meeting, please call us so we can help ensure the agency has a response prepared.

<b>RPL#</b>	<b>Agency</b>	<b>Subject</b>	<b>Amount</b>	<b>Fund Source</b>
06-2-0348	Department of Health & Social Services	Patient-Centered Medical Home Model	\$100,000	MHTAAR Operating
18-2-0382	Department of Environmental Conservation	Contaminated Sites Cleanup	\$350,000	Federal Operating

**Department of Health and Social Services  
Division of Health Care Services  
Medical Assistance Administration**

<b>Subject of RPL:</b> Patient-Centered Medical Home Model	<b>ADN/RPL #:</b> 06-2-0348
<b>Amount requested:</b> \$100,000	<b>Appropriation Authority:</b> Sec 1, Ch 3, FSSLA 2011, Pg 19, Line 32
<b>Funding source:</b> \$100,000 MHTAAR (1092) Operating	<b>Statutory Authority:</b> AS 47.07

**PURPOSE**

The Division of Health Care Services (HCS) requests \$100,000 in additional MHTAAR authority in order to fund consultant costs of developing guidelines for creating a sustainable and successful Patient-Centered Medical Home (PCMH) model of care delivery system. The adoption of the PCMH model is a highly recommended action of the Medicaid Task Force, and it fits into the long-term plans, missions, and measures of the Division.

**PREVIOUS LEGISLATIVE CONSIDERATION**

There has been no previous consideration of this request by finance committees. In addition, the division has not submitted any previous RPLs for this activity. The Alaska Mental Health Trust is the source of funding. Consideration during the last legislative session was not possible because the recommendation to pursue PCMH had not been approved by the Governor and the division was not made aware of the funding approval until October 2011. There are no funds appropriated for the purpose of supporting a Patient Centered Medical Home model of care delivery system.

**TIMING ISSUES**

This funding was just approved by the Mental Health Trust in September 2011, and the memo from the Trustees notifying DHSS of the approved funding is dated October 5<sup>th</sup>. However, the funds are available for expenditure for this purpose only until June 30, 2012. Additionally, HCS has no other MHTAAR authority in the division. For this reason, HCS cannot wait for the supplemental process to receive legislative approval of the MHTAAR authority.

The consequences of delay to expend these funds will result in missed opportunities to obtain the best qualified consultant to meet the needs of the department for the establishment of a PCMH model of care delivery system. If this request is not approved, the department will jeopardize an opportunity to develop a PCMH and the Trust-authorized funds will revert back to the Trust.

**BUDGETARY ISSUES**

HCS plans to match the \$100,000 in MHTAAR with \$200,000 in one-time Federal authority in order to fully fund the consultant's FY2012 work.

***Legislative Fiscal Analyst Comment: If this RPL is approved, the department will satisfy its \$200,000 federal match requirement by using receipts from an FY10 Children's Health Insurance (CHIP) performance bonus. Although some federal requirements apply, these incentive funds are discretionary and are intended to be spent on priority programs within the agency. The Legislative Finance Division has no technical issues with this request, but notes that this RPL funds only the development of a model for a care delivery system; the Committee may wish to have the Department discuss the anticipated fiscal impact of implementing the model service delivery.***

Agency Contact: Nancy Rolfzen, DHSS Assistant Commissioner, (907) 465-1630  
LFD Contact: Kelly Cunningham, (907) 465-3821

There is no possibility to replace existing general funds. This project uses funds from the Trust and the federal government with the understanding that the funds are a supplement to existing funds. The funding from each source expires June 30, 2012.

3745 Community Park Loop  
Suite #200  
Anchorage, AK 99508  
Phone: (907) 269-7960  
Fax: (907) 269-7966



## Memo

**To:** Nancy Rolfzen, DHSS Assistant Commissioner,  
**From:** Kevin Buckland, Chief Financial Officer *Kevin Buckland*  
**Date:** October 5, 2011  
**Re:** Medical Home Model - \$100,000 FY12 MHTAAR Funding Approval

---

During the September full board of trustees meeting, Trustees conditionally approved granting the department \$100,000 in MHTAAR funding (OMB Fund Code 1092) for the "Medical Home Model" project. Subsequently the Finance Committee met on September 26, 2011 to hear a presentation, review a tentative budget for the project and ask additional questions of Commissioner Streur and Deputy Commissioner Poppe-Smart. At that time the Trust approved releasing of funds.

As such, please feel free to use this memo as backup to your request to the Legislative Budget & Audit Committee as DHSS will require their approval for you to receive and expend the unplanned MHTAAR funding during FY12.

If you have any questions please contact myself or the appropriate associate here at The Trust. Thank you.

cc: Michael Baldwin, Delisa Culpepper, Luke Lind, Marilyn McMillan, AMHTA  
Joe Hall, Jocelyn Yadao, DHSS  
Sarah Brinkley, OMB

**Department of Environmental Conservation  
Spill Prevention and Response  
Contaminated Sites**

<b>Subject of RPL:</b> Contaminated Sites Program	<b>ADN/RPL #:</b> 18-2-0382
<b>Amount requested:</b> \$350,000	<b>Appropriation Authority:</b> Sec 1, Ch 3, SLA 2011, pg 14, line 25
<b>Funding source:</b> \$350,000 Federal (1002) Operating	<b>Statutory Authority:</b> AS 46.03.020

**PURPOSE**

The Department of Environmental Conservation, Division of Spill Prevention and Response, Contaminated Sites Program requests additional federal receipt authority to receive unanticipated increased grant dollars made available by the Department of Defense and the Environmental Protection Agency for the management of contaminated site cleanup, technical assistance and policy development for military facilities, formerly used defense sites, and rural communities. This work reduces historical contamination and the associated risks at historical contaminated sites. Remediating contaminated sites benefit Alaskans by reducing risks to human health and the environment.

**PREVIOUS LEGISLATIVE CONSIDERATION**

The FY2012 authorized budget of \$7,638,400 includes \$3,868,500 of federal authority for this annual operating appropriation.

**TIMING ISSUES**

The Environmental Protection Agency and the Department of Defense allocated larger grants to Alaska this year than in the prior year. This increase was unanticipated. The federal grant funds were made available to the program on July 1, 2011. In order to complete the contaminated site cleanup work associated with these grants, the program requires additional federal receipts authority in the FY2012 budget.

**BUDGETARY ISSUES**

The increased federal receipts authority will allow the Department to utilize these available federal funds to conduct additional contaminated site cleanup work that was not already budgeted for in the FY2012 budget. The Department is responsible for identifying, overseeing and conducting contaminated site cleanup as well as redeveloping and managing contaminated sites in Alaska. Completion of this work will help reduce risks posed by contaminated sites in Alaska and allow them to be restored for use. No funding has been obligated in excess of current authority.

No general funds are designated for this activity in the current budget. Federal funding provided for this program allows the Department to accomplish additional contaminated site cleanup work not already identified in the existing budget. Continuing federal receipts authority will be requested in the FY2013 budget to ensure adequate authority moving forward. No new positions are required to fulfill the grant objectives. This cleanup work, however, will help create more private sector jobs through the use of contractual services.

***Legislative Fiscal Analyst Comment: There are no technical issues with this RPL. In FY11, 129 sites were cleaned up. These funds will all be for contractual services to assist FY12 contaminated site clean up efforts.***

Agency Contact: Larry Dietrick, Director, Division of Spill Prevention and Response, (907)465-5255  
Legislative Finance Contact: Danith Watts, (907) 465-5435

**Division of Spill Prevention and Response  
Federal Grant Report 2012-2013**

Name	Federal agency	Federal ID #	FY12	FY13
Brownfield Program (State/Tribal Response Program)	Environmental Protection Agency	RP97055606	670,246.46	703,758.78
Superfund Core Program	Environmental Protection Agency	VC97055505	93,622.96	98,304.11
Department of Defense	Department of Defense	AS W912DY-08-2-01-01	2,507,386.12	2,632,755.43
Amchitka Oversight Cooperative Agreement	Department of Energy	DE-FG01-06LM00075	82,803.44	86,943.61
Bureau of Land Management Oversight	Department of the Interior	L10PA00439	90,632.64	95,164.27
National Park Service Oversight	Department of the Interior	P9917100001	23,945.89	25,143.18
Federal Aviation Administration Cleanup Contaminated Sites	Department of Transportation	DTFAAL-04-X-8000	107,892.03	113,286.63
Leaking Underground Storage Tanks	Environmental Protection Agency	LS99087911	358,655.10	376,587.86
Leaking Underground Storage Tanks Cost Recovery	Environmental Protection Agency		250,000.00	262,500.00
Pribilof Island Restoration	Department of Commerce	AB133C06SE3435	4,000.00	4,200.00
Coast Guard Oversight-Juneau	Homeland Security	HSCG87-10-P-6XA001	8,400.00	8,820.00
Coast Guard Oversight-Kodiak	Homeland Security	HSCG50-09-p-643GB8	14,400.00	15,120.00
Forest Service Contaminated Sites Cleanup	Department of Agriculture	AG-0109-P-08-0028	400.00	420.00
Underground Storage Tanks	Environmental Protection Agency		327,170.87	343,529.42

**Grand Totals for Division**

**4,539,555.51**      **4,766,533.30**

**Division Federal Authorization**

4,210,500.00      4,210,500.00

**(329,055.51)**      **(556,033.30)**