

**Department of Health and Social Services  
FY22 - Mid-Year Status Report**

Item #	Approp/ Allocation	Description	Amount / Fund Source	Comment	LFD Questions	Agency Comments
1	API / API	Support Client Services at API  <b>Supplemental</b>	\$6,000 GF/MH	Funding to cover API shortfall	Has the Chilkat Adolescent Unit been opened?  Will capacity reach 80 beds by December 31, 2021 as projected?	The Chilkat adolescent unit opened May 2021.  Although it was the intent to increase capacity to 80 by end of December, API has been experiencing staffing shortages due to COVID and has some areas of the hospital isolated for COVID positive patients.
2	API / API	Replace Unrealizable I/A and SDPR with UGF to Support Client Services at API	(\$2,000) I/A (\$4,000) SDPR \$6,000 GF/MH	Funding to cover API shortfall	If API is able to reach full capacity of ~80 beds and increase billings, is an anticipated fund change back to SDPR and I/A anticipated?	API does not anticipate a fund change back to SDPR and I/A. The budget proposal submitted projected anticipated revenues with all 80 beds filled.

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3	Behavioral Health / Behavioral Health Treatment and Recovery Grants	Reduce Authority for Sobering Centers Transitioning to Medicaid 1115 Waiver	(\$200.0) GF/MH (UGF)	This reduction was denied by the legislature (but ultimately vetoed by the Governor) as it was not made clear whether the services provided by the impacted sobering centers would qualify for coverage under the Medicaid 1115 Waiver.	Some providers indicated that 1115 Waivers could not replace the grant revenue from this cut due to DBH billing code issues. Has this issue been resolved?  Are there other impacts to the sobering centers?	<p>To our knowledge there have been no Medicaid billing issues reported by sobering center providers.</p> <p>Below are some 1115 Behavioral Health Medicaid Waiver billing codes and one Medicaid State Plan code which would most likely be used by sobering centers:</p> <p>1115 BH Medicaid Waiver Services</p> <ul style="list-style-type: none"> <li>•Intensive Case Management Services (ICM)</li> <li>•Intensive Outpatient Services (IOP)</li> <li>•Peer-Based Crisis Services</li> <li>•Community Recovery Support Services</li> <li>•Substance Use Disorder (SUD) Care Coordination</li> </ul> <p>Alaska Medicaid Program – State Plan Service</p> <ul style="list-style-type: none"> <li>•Screening and Brief Intervention and Referral to Treatment (SBIRT)</li> </ul> <p>To bill Medicaid, a provider must be enrolled through the department as a Medicaid provider and bill services for Medicaid-eligible recipients. If there are sobering center providers who are encountering Medicaid billing issues, we would encourage those providers to contact the division at <a href="mailto:mpassunit@alaska.gov">mpassunit@alaska.gov</a>.</p> <p>In FY21, two sobering centers – administered by the Tanana Chiefs Conference and the Yukon-Kuskokwim Health Corporation (YKHC) – received grants from the <del>Division of Behavioral Health to provide services</del></p>

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4	OCS / Front Line Social Workers	VETO - OCS Retention Funding	\$1,220.0 UGF	\$1.2 million UGF to address ongoing issues associated with OCS case-carrying worker retention was vetoed. Funding was intended for Case-Carrying Protective Services Specialists (PSS) Retention Bonuses, 1 MH Clinician, Tuition Reimbursement & Other Retention Strategies.	<p>The legislature appropriated \$1.2 million UGF to address ongoing issues associated with OCS case-carrying worker retention. The funding was vetoed.</p> <p>What are the current retention trends compared to pre-HB 151?</p> <p>How are the improved workload standards associated with that legislation being met without stable case-worker retention?</p> <p>In terms of case statistics for abuse &amp; neglect, are we seeing an increase in reporting now that schools are opening back up?</p>	<p>Retention has not improved, unfortunately. OCS continues to see increasing trends of turnover. Below is data for turnover among case carrying staff, which reflects the rolling prior 4 quarters for each quarter end. Increases are likely attributable to workload, burnout, the pandemic, and the highly publicized nationwide workforce crisis.</p> <table border="1"> <thead> <tr> <th>Quarter End</th> <th>Leavers</th> <th>Turnover Rate</th> </tr> </thead> <tbody> <tr> <td>9/30/2019</td> <td>107</td> <td>45.9%</td> </tr> <tr> <td>12/31/2019</td> <td>101</td> <td>43.3%</td> </tr> <tr> <td>3/31/2020</td> <td>101</td> <td>43.2%</td> </tr> <tr> <td>6/30/2020</td> <td>112</td> <td>47.9%</td> </tr> <tr> <td>9/30/2020</td> <td>111</td> <td>47.6%</td> </tr> <tr> <td>12/31/2020</td> <td>121</td> <td>51.9%</td> </tr> <tr> <td>3/31/2021</td> <td>133</td> <td>57.1%</td> </tr> <tr> <td>6/30/2021</td> <td>135</td> <td>58.2%</td> </tr> <tr> <td>9/30/2021</td> <td>136</td> <td>59.4%</td> </tr> <tr> <td>12/31/2021</td> <td>138</td> <td>60.3%</td> </tr> </tbody> </table> <p>Tenured case carrying staff are being overloaded with cases to ensure acceptable standards for new case carrying staff. Therefore, workload standards are being met for new staff, but maintaining an average of 12 or 13 families for workers who have been with the agency 6 or more months is very challenging.</p> <p>OCS is seeing the number of reports of harm increasing since the schools reopened however our overall reports are still lower than pre pandemic.</p>	Quarter End	Leavers	Turnover Rate	9/30/2019	107	45.9%	12/31/2019	101	43.3%	3/31/2020	101	43.2%	6/30/2020	112	47.9%	9/30/2020	111	47.6%	12/31/2020	121	51.9%	3/31/2021	133	57.1%	6/30/2021	135	58.2%	9/30/2021	136	59.4%	12/31/2021	138	60.3%
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5	OCS / Front Line Social Workers	VETO - Tribal Welfare Compact Funding	\$3.4 million UGF	<p>Funding was intended to bridge the gap between existing OCS funding (~\$1.5 million UGF) and the amount the Tribal Co-Signers indicate is needed to fully implement. Costs thus far have been absorbed by OCS as follows:</p> <p>FY18 - \$1.3 million  FY19 - \$1.5 million  FY20 - \$1.5 million  FY21 - \$1.5 million (original projection was \$1.6 million).</p>	<p>Does the lack of additional funding mean the distribution of services between OCS and the Tribal Co-Signers has remained status quo for FY22?</p> <p>How was the \$1.4 million Governor's request for FY23 determined?</p> <p>What is the status of the Compact and is the intention to expand services provided by the Tribal Co-Signers?</p>	<p>OCS obligated \$1,834.0 to the Compact in FY2022. The \$1.4 million request was a result of the Administration's commitment to the Compact in FY2023 in the amount of \$3.1 million.</p> <p>Currently, 16 Tribes and Tribal Organizations are participating in the Compact. This represents 164 Tribes of the 229 federally recognized Tribes (71%) for the state of Alaska. The intention is to increase compacted Tribes and Tribal organizations in FY2023 to 18.</p> <p>Tribes and Tribal Organizations met with the State in November 2021 for official negotiations. The State offered increased funding for prevention services and activities and the Co-Signers accepted \$3.1 million. Both Compact Co-Signers and the State believe that prevention is fundamental in keeping children out of the State foster care system. It is the Department's intent that the prevention funding enhance prevention services and activities for children and families served by their Tribes and Tribal Organizations.</p>

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6	OCS / Various	Reduce Circles of Support Funding and Utilize Block Grants to Serve Same Category of Clients (Title IVB I & II)	<b>(\$1,101.1) Total</b> (\$528.2) Fed (\$115.3) GF/Match UGF (\$457.6) UGF	The legislature approved half of the Governor's reduction to the Circles of Support program, however, the remaining half was vetoed.	<p>How were the following FY2021 grantees impacted by the reduction:</p> <ol style="list-style-type: none"> <li>1. Alaska Youth and Family Network</li> <li>2. Cook Inlet Tribal Council, Inc.</li> <li>3. Alaska Family Services, Inc.</li> <li>4. Resource Center for Parents and Children, Inc.</li> <li>5. Juneau Youth Services</li> <li>6. Frontier Community Services</li> <li>7. Nome Community Center, Inc.</li> </ol> <p>Are 355 children and 203 families still served? Please provide any updates to those numbers.</p> <p>Were Social Services Block Grants able to replace eliminated federal authority as envisioned? Have any of the grantees appealed the funding distribution?</p>	<p>All grantees continue to serve families through the Circles of Support grant except for Frontier Community Services. They ceased providing this program as of 8/13/2021 due to the funding cut.</p> <p>In FY2021, 178 families with 471 children were served by the Circles of Support grant. FY22 Quarter 1 data has not been reported by all grantees, however incomplete quarter 1 reports indicate 70 families with 189 children have already been served.</p> <p>Social Services Block Grant federal funds were used to cover the general fund reduction in FY2022. It may not be the case every year that the federal SSBG would be available. FY2021 expenditures were lower due to COVID, which allowed about \$1 million Social Services Block Grant funds were used for FY2022 quarter 1 costs that would have normally been used in the prior fiscal year.</p> <p>No grantees have appealed the funding distribution.</p>

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7	Juvenile Justice / Various	Eliminate Positions and Funding in Juvenile Justice	<b>(\$986.6) Total</b> (\$960.9) UGF (\$25.7) SDPR  (8) PFT Positions	The Governor submitted several reductions to Juvenile Justice. The legislature accepted most of the decrements and what remained was vetoed by the Governor.	The largest decrement to Juvenile Justice was tied to the Step-Up program, an academic option for students who are long- term suspended or expelled from the Anchorage School District (ASD) for aggressive behaviors such as fighting, assault and weapons offenses. It was not clear in subcommittee if all involved parties were on the same page about the budget cut. Was funding tapered off and costs picked up by ASD, or was the program defunded completely? If so, is there an alternative program for the students previously served by Step-Up?	The only funding that was cut was the salary for the DJJ positions that were helping to support the program. ASD continues to operate the program, in the same building that is leased by the State with half the costs for the yearly lease paid by ASD and the other half by DJJ. DJJ is obligated to continue to pay this cost until the lease expires and have entered into a Memorandum of Understanding with ASD.
8	Public Assistance / Public Assistance Field Services	Delete Public Assistance Positions Due to Efficiencies	<b>(\$6,115.9) Total</b> (\$2,683.0) Fed (\$3,432.9 GF/Match UGF  (101) PFT Positions	Reported savings attributed to telework and advancing technology resulted in this reduction. The deleted positions will be handled through attrition.	How many of the 101 PCNs are vacant? How does the volume of applications compare between FY19-FY21? If possible, please separate the volume between paper and online applications.	81 of the 101 PCNs are vacant, or 101 of the 121 PCNs are vacant.  Initial Applications FFY19 140,540 FFY20 131,315 FFY21 115,042 Please note: the Childcare application numbers for FFY21 are incomplete due to the cyberattack.  DPA systems are unable to split out between paper and online applications.

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9	Medicaid Services / Medicaid Services	Reduce Medicaid	(\$35,065.6) GF Match UGF	The legislature approved half (\$17,565.6) of the Governor's reduction and the remaining amount of the requested decrement was vetoed.	<p>What is the most updated amount of UGF lapse in FY21?</p> <p>Does the FY23 increment for \$45 million UGF indicate utilization is trending back to pre-COVID numbers?</p> <p>Last session there was mention of a contracted report (PCG Human Services?) to look into how the department could achieve \$35 million in non-temporary savings other than reducing provider payments. Has this report been completed? If so, please provide the results.</p>	<p>UGF lapse for FY21 was \$87.5 million.</p> <p>Yes.</p> <p>The PCG report was transmitted to the legislature on 11/15/2021 as an attachment to the Medicaid Reform report and a copy is attached for easy reference.</p> <p>(Due to the file size, copies of the report can be obtained by request of the Legislative Finance Division)</p>
10	Medicaid Services / Medicaid Services	Increase Draw from Individual Development Disabilities Waiver Waitlist from 50 to 70	<p><b>\$1,890.0 Total</b></p> <p>\$945.0 Federal</p> <p>\$945.0 GF/Match</p>		How many additional people have come off the list in addition to the regular 50?	Thus far 44 new individuals have been offered a waiver slot and another draw of 8 is taking place by next week. Between that date and June 30th 70 people in total will be offered access to the waiver through the draw process.

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11	Public Health / Nursing	Restore \$1.25 million of Recent UGF Reductions to Public Health Nursing	\$1.25 million UGF	Initially, the Governor vetoed \$1.25 million UGF added by the legislature through Ch. 1, SSSLA 2021 (CCS HB 69). The Governor then restored the veto through Ch. 1, TSSLA 2021 (CS HB HB 3003).	What changes in staffing and programs occurred because of the additional funding?	Funding is supporting recruitment and retention for hard to fill nursing positions. So far, a nurse has been hired in Nome and another is pending in Bethel. Three additional permanent positions are currently in recruitment. Funding is also supporting recruitment of additional public health workforce to support the public health centers.
12	Public Health / Emergency Programs	Additional Medical Workers for COVID	\$87 million Federal	In late September, 2021, the State entered into a contract with the federal General Services Administration for COVID support. The plan involved deployment of approximately 400 medical workers to various hospitals throughout the State and DHSS reports that funding will be handled through the Disaster Relief Fund.	The State announced in early December the contract has been extended to Jan. 20, 2022. What is the additional cost of the extension?	The contract has now been extended to March 20, 2022. The total amount of the contract to-date is \$142.8 million federal.
13	Various	SB 55, Ch. 9, SLA 2021 Employer Contributions to PERS	\$14,268.2 Gen Fund (UGF)	SB 55 removes the 22% cap on payroll contributions to the Public Employee Retirement System (PERS) for the State of Alaska as a PERS employer. The budgetary impact of this legislation is reflected as a shift from the direct appropriation to PERS (which is typically funded with UGF) to agency payroll, where the cost can be spread across all fund sources. This shift results in a UGF increase to Agency Operations of \$72,871.7, and a UGF decrease to Statewide Items of \$95,794.5, for a net statewide UGF savings of \$22,922.8. Specifically, the UGF impact to the Department of Health and Social Services is \$14,268.2 spread across multiple appropriations.	How has this legislation and funding affected your agency?  Has DHSS been able to realize all non-UGF fund sources associated with SB 55?	As part of the fiscal note process for SB55, OMB worked with departments to identify fund sources that would not be realizable and backfill them with UGF. The department is not aware of any additional areas of concern at this time. The department will continue to monitor this through the projections process and will notify OMB if there are any concerns identified.



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14	Various	ARPA - COVID	Federal	Covid Relief Funding	<p>How much ARPA funding has DHSS received? How much has been spent to date and on what programs?</p> <p>What restrictions are there on the funding? Please provide a spreadsheet.</p>	Please see attached spreadsheet.
15	Departmental Support Services / Commissioner's Office	Recent Cyberattack	?	On September 16, 2021, DHSS notified the public of a security breach of the Health Insurance Portability and Accountability Act (HIPAA) and the Alaska Personal Information Protection Act (APIPA). The breach was first detected in May 2021.	<p>Please provide an update on the investigation and response?</p> <p>What services are still impacted (e.g. reporting delays)?</p> <p>Are other monetary impacts (in addition to the of the attack?</p>	DHSS has completed the detection and analysis phase of the response. It is the majority of the way through the containment, eradication and recovery phase of the response. Some DHSS IT application teams are working on recovery of applications while other DHSS IT teams are working on post-incident activities such as strengthening processes, tools and people to become more resistant to future cyberattacks and more resilient if attacked again. To date, nine systems have been restored, 11 systems have restoration in process and four systems have not yet been started. There have been fiscal impacts related to the cyberattack; the department is considering whether a supplemental is needed.

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16	LB&A Oversight - Audit Issues Related to DHSS	The majority of LB&A's "Top 10 Audit Issues" are DHSS related	?	LB&A released a document titled "LB&A Oversight - Top 10 Audit Issues" on August 27, 2021.  <a href="http://www.akleg.gov/basis/get_documents.asp?session=32&amp;docid=67366">http://www.akleg.gov/basis/get_documents.asp?session=32&amp;docid=67366</a>	"Top Ten Audit Issues" items three through seven involve Medicaid. Item eight involves the Temporary Assistance for Needy Families (TANF) program.  Please provide a short response to each of the six DHSS issues.	We received an inquiry from Legislative Budget and Audit on these items. Our December 29, 2021 response to LBA is attached.