

Summary

“The art of progress is to preserve order amid change, and to preserve change amid order.”

—Alfred North Whitehead,
1861-47, “Process and Reality.”



The new Alaska Psychiatric Institute in Anchorage.

INTRODUCTION

Smarter Government, Stronger Services

Change is always uncomfortable, and no one knows that better than the employees of the Department of Health and Social Services, where the first major reorganization in 20 years — the largest in its 84-year history — was undertaken beginning in July 2003 to improve what we do and how we do it.

The core mandates of the Department — public health, public welfare and public protection — involve enormous responsibilities, upon which the entire staff focuses on a daily basis. By staying focused on our mission, “to promote and protect the health and well-being of Alaskans,” we have embraced change and celebrate the positive results.

The new structure, which was adopted in July 2003, had two main goals:

- Improve services to Alaskans who need and use our help.
- Save money by reducing duplication, streamlining services and maximizing available federal funding.

The department’s reorganization resulted in name and function changes for four divisions, creation of a new departmentwide program review function, and movement of five programs — from the departments of Administration, and Education and Early Development — to Health and Social Services.

Five major initiatives

Division name changes have been more than nominal — actions speak louder than names and labels throughout the divisions. Among all the changes, five main initiatives stand out: 1) the departmentwide reorganization; 2) the Yukon-Kuskokwim Demonstration Project; 3) the improvements to the Child Protection System; 4) SeniorCare and senior issues; and 5) Bring The Kids Home Initiative.

Department reorganization

Two new units were established in the Commissioner’s Office using existing positions, whose functions are to 1) reduce General Fund expenditures, and 2) establish efficiency in rate-setting functions throughout DHSS.

The goal of the Healthy Marriages Initiative is to increase the percentage of healthy, married, two-parent families in Alaska, which has been shown to best ensure the well-being of children.

Also within the Commissioner's Office, Finance and Management Services (FMS) was created in July 2004 to replace the Division of Administrative Services. Its creation was the culmination of a yearlong process to implement the best and most effective way to organize administrative functions with the Department of Health and Social Services. Finance and Management Services incorporates the newly integrated Information Technology Services, Grants and Contracts, Division Support Services, and the Medicaid budget unit.

Finance and Management Services supports the direct service divisions in a variety of ways, including maintaining staff in fiscal, budget, finance, facilities, grants and contracts, audit and information technology.

FMS has aimed to reorganize for better efficiency and customer service. To achieve this, 300 of 800 positions new to DHSS were transfers from other departments, primarily Administration and Education.

Grants and contracts consolidation took place in 2004 to reduce administrative burdens on program managers, and information technology was integrated departmentwide in the summer of 2004.

Two main activities occupied Finance and Management Services during 2004: controlling costs and reorganizing programs. For example, reorganizing the Medicaid program, which is governed by regulations and policy, involved countless hours on the part of several divisions. As of fiscal year 2004, the department served about 130,000 Medicaid recipients. "Every time you want to change programs or save money, it's very labor intensive and takes a lot of time and energy," Assistant Commissioner Janet Clarke explained.

In September 2004, conforming with President Bush's efforts on a national level, Gov. Frank Murkowski established the **Office of Faith-Based and Community Initiatives**, within the Department of Health and Social Services. The office serves as a single point of contact for faith-

based and community-based organizations to work with government agencies to address gaps in Alaska's workforce and health and social services systems.

The office helps provide grant writing training, organizational development and technical assistance to participating groups. An unpaid advisory council guides the office and promotes partnerships between faith, community and governmental entities. During its first year, the office has established the Healthy Marriages Initiative, and offered 11 grants to organizations that offer educational programs on the value of marriage, relationship skills and budgeting, as well as premarital education, divorce reduction and marriage mentoring.

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Streamlining divisions

One of the department's most venerated programs, certainly its most historical, is **Alaska Pioneer Homes**. As part of the reorganization, responsibility for the Pioneer Homes was transferred from the Department of Administration. The newly formulated division's services are designed to maximize independence and quality of life for seniors 65 and older by addressing their physical, emotional and spiritual needs.

The new **Division of Behavioral Health** includes functions formerly in the divisions of Alcoholism and Drug Abuse, Mental Health and Developmental Disabilities, and the Office of Fetal Alcohol Syndrome. The division oversees a vast array of mental health and substance abuse services, and works with individuals, families and communities through prevention, early intervention, treatment and recovery programs.

The division's strategies include integrating what were separate, uncoordinated and fragmented programs into a streamlined system to better serve clients.

The Office of Children's Services reorganized in July 2003 and brought together under one roof four programs that support children: Child Protection, Family Nutrition Services, Healthy Families Alaska and Early Intervention/Infant Learning Program.

The new **Division of Health Care Services** includes many of the functions in the former Division of Medical Assistance. Health Care Services retains the Medicaid "core" services, including hospitals, physician services, pharmacy, dental services, transportation, and many other medical, therapeutic and health care services. The division finances and manages a wide range of women's and children's programs previously with the Maternal and Child Family Health section of the Division of Public Health.

Formerly known as the Division of Family and Youth Services, the **Office of Children's Services** reorganized in July 2003 and brought together under one roof four programs that support children: Child Protection, Family Nutrition Services, Healthy Families Alaska and Early Intervention/Infant Learning Program. In the past, this division focused mainly on child protection and permanency.

The newly formulated division provides a broader range of resources and support systems to prevent and remedy child abuse and neglect. Services to families at risk include child abuse and neglect investigations; foster care and reunification services; adoption and adoptive family services; behavioral rehabilitation and residential services; and independent living services for youth aging out of foster care. Child Protective Services is managed regionally, with services delivered out of 27 local offices throughout Alaska.

The **Division of Senior and Disabilities Services** was created to better promote the independence of Alaska seniors and people with physical and developmental disabilities. The Senior Services Division was formerly in the Department of Administration, and the Division of Developmental Disabilities was within the Department of Health and Social Services. In addition, several other functions from the former Division of Medical Assistance were shifted to the new Division of Senior and Disability Services.

Creating the Division of Senior and Disability Services functionally consolidated into one division all of the budget and policy relating to seniors and

disabled persons, which results in a policy of service delivery that is more coherent and efficient.

The **Division of Public Assistance** has been reorganized to include outreach for Denali KidCare, which formerly resided in the Division of Public Health, and Childcare Assistance, formerly in the Department of Education and Early Development. By integrating those responsibilities, Public Assistance broadens its mission of supporting families and individuals to become self-sufficient.



Major Initiatives

Yukon-Kuskokwim Demonstration Project

A “demonstration project” was inaugurated by the Division of Senior and Disabilities Services in late 2003 in the Bethel area, with the goal of reducing the longstanding Medicaid waiver waiting list for people with developmental disabilities trying to get help.

While Bethel Community Services had tried to serve the area’s needs for years, demand always exceeded available resources. At the state’s suggestion, to maximize federal funds the Yukon-Kuskokwim Health Corporation (YKHC) assumed responsibility from Bethel Community Services as a provider, which allows the state to be 100-percent reimbursed by the federal government. The reimbursement is possible because YKHC is an Indian Health Service beneficiary.

The project’s successes as of mid-2005 are twofold: the state realized an initial savings of about \$1.25 million; and the savings allowed 47 individuals to be removed from the waiting list. As of fiscal year 2005, the project was serving 136 individuals with developmental disabilities.

The transfer also makes better use of available resources by relocating individuals who were once housed at the Bethel Group Home to YKHC’s McCann Treatment Center. An additional five beds at McCann were designated for 24-hour rehabilitation treatment for girls ages 12-18 with emotional and behavioral disorders, who were previously unserved in the region.

The establishment of this first-ever residential care facility in the Yukon-Kuskokwim region serves young people in need of therapeutic intervention who cannot be treated effectively in their own family, a foster home, or in a less restrictive or less structured setting.



Improvements to the Child Protection System

The recent department reorganization provided an opportunity to evaluate the Office of Children's Services as a whole. In the past, the division — formerly known as the Division of Family and Youth Services — focused mainly on protecting children from abuse and finding safe places for children who could not remain at home.

The new Office of Children's Services strives to protect children and support families. It now also includes Family Nutrition Services; coordination of home visits; and early, home-based intervention services through the Infant Learning Program.

Program Improvement Plan. In September 2003, the Office of Children's Services inaugurated a Program Improvement Plan, known as PIP, which addressed deficiencies in a 2002 federal review of the state's child protection system and outlined plans for implementing improvements through August 2005. As of August 2005, all of the "action steps" spelled out in the PIP had been completed and benchmarks achieved. With reduction of child protection workloads a top priority of the PIP — and of Gov. Murkowski and the Alaska Legislature — 52 frontline positions have been added since the overhaul of children's services began in 2003.

Family to Family is an initiative begun by the Annie E. Casey Foundation in 1992 to help states and communities improve their child welfare systems. Alaska's Family to Family program began in February 2004 with the help of a startup grant from the Rasmuson Foundation.

The program's overall goals include improved screening of children being considered for removal from their homes; bringing children currently in institutional care back to their neighborhoods; recruiting more foster families and involving foster families with family reunification plans; becoming a resource for children and families in

the neighborhood from which the foster care population comes; and providing permanent families for children in a timely manner.

Online Resources for the Children of Alaska—ORCA. During fiscal year 2004, the Office of Children's Services began an initiative to more efficiently manage child protection and licensing cases. Known by its acronym ORCA, the Online Resources for the Children of Alaska is a fully integrated, comprehensive, automated case management welfare information system that replaces the cumbersome, paper-intensive process of manually recording case information. By providing many pre-filled forms, ORCA allows caseworkers more time to interact with children and families, and less likelihood of producing case files with conflicting or missing information.

The comprehensive system ties together, in one place, case management, licensing and payment. For example, if a child is placed in a foster home, when that information is entered into the system, payment is automatically generated. When the child leaves foster care, payment automatically stops.

Quality Assurance is a program that reflects the Office of Children's Services' belief that any measure of quality of services must encompass worker activities, community partners' involvement, and consumer response to services. In addition to ensuring compliance with federal and state standards, the program has set up review processes of all the work done by OCS. Included are regular case reviews, and consistent gathering and evaluating of information from families who are served.

Family Rights Act is legislation sponsored by Rep. John Coghill and signed into law in the summer of 2005 by Gov. Murkowski, which strengthens the rights of families for placement and adoption preferences, and improves transparency of the child protection system.

SeniorCare, Senior Services

SeniorCare. A highlight of the newly formed Division of Senior and Disabilities Services is the SeniorCare program, which began providing services in fall 2003. SeniorCare provides a one-stop senior resource and referral service, help with prescription drugs and access to healthcare, and works to lower the cost of prescription drugs.

The program allows seniors currently receiving the Alaska Senior Assistance Program to be offered a choice to continue receiving cash assistance of \$120 a month instead of drug coverage. That benefit will be available through June 2007 for seniors with annual incomes below 135 percent of the 2005 federal poverty level.

Beginning January 2006, when the Medicare prescription drug program begins, SeniorCare will cover premiums and deductibles for Alaska seniors between 135 and 175 percent of poverty level who qualify for the program. An estimated 11,000 out of 41,000 Alaska seniors are estimated to be eligible in 2006 for the new SeniorCare subsidy.

The program also includes a new Senior Information Office, a Preferred Drug List and a drug purchasing pool to make prescription drugs more affordable. It helps low-income seniors who do not otherwise qualify for public assistance.

An innovation was launched in 2004 when the Department joined with five other states in a prescription drug purchasing pool. This will save the state as much as \$20 million annually in Medicaid expenditures. The state also initiated another program intended to control the rising costs of health care: a “preferred drug list” for Medicaid recipients that lists less expensive alternatives to certain classes of medications. The list is available on the DHSS Web site.

Veterans Home. Another improvement to senior services will be the creation of an Alaska Veterans home. Gov. Murkowski and Alaska veterans celebrated the August 2005 groundbreaking for the new Alaska veterans home in Palmer. Seventy-five percent of the beds in the remodeled Palmer Pioneer Home will be designated for veterans, and 25 percent will be available for nonveterans. The department anticipates opening the Palmer home as the “Alaska Veterans and Pioneers Home” in the summer of 2006.

Total cost for the project is about \$4.15 million. Federal reimbursement covers about 65 percent of the original \$3.5 million estimate, leaving the state responsible for just \$1.2 million, plus an additional \$646,440 that allows adding some deferred maintenance projects onto the contract.



“The Bring the Kids Home initiative will serve as a catalyst to restructure and reinvigorate the children’s mental health system in Alaska.”

—Mental Health Trust Authority CEO Jeff Jessee

Bring The Kids Home Initiative

Bring The Kids Home is an initiative of the Division of Behavioral Health to return children with severe emotional disturbances from out-of-state residential facilities to Alaska treatment facilities.

The number of children placed out of state has steadily increased over the years. Medicaid beneficiaries in out-of-state treatment facilities jumped 17.5 percent in 2004 over 2003. In fiscal year 2004, more than 700 children ages 6 to 17 were being served out of state. Of those children, 49 percent were Alaska Natives. As part of the initiative, the state is working intensively with Native health organizations to make sure Native children are kept as close to their homes as possible while getting needed help.

The main point of the project is to link families and children with community-based care or other in-state services. The two-year \$5 million initiative will help establish regional community mental health care teams. Already, more than 100 children were brought home in 2005. The goal is to have all the children with severe

emotional disturbances served in Alaska by 2015, where they are close to family support systems and familiar cultural environments.

The 2005 Legislature and the Alaska Mental Health Trust authority funded \$2.5 million for fiscal year 2006 to further the initiative. Specifically, the funding can be used to provide in-home interventions, therapeutic foster care, group homes and other supportive services, such as tutors and social and recreational activities.

To prepare Alaska communities to treat these youngsters in their home state, planning grants have been awarded to Juneau Youth Services, Southcentral Foundation and NorthStar Behavioral Health System for new residential treatment facilities. JYS has broken ground for its 15-bed facility; still in the design stage are Southcentral’s 48-bed facility and NorthStar’s 60-bed facility. Eleven additional grants have been awarded to organizations throughout the state for program enhancements, including in-home treatment services and crisis prevention services, therapeutic group homes, and other services.



Breaking ground for the Juneau Youth Services residential treatment facility are, from left to right, Connie McKenzie, congressional delegation staff representative; Amalia Monreal, Vice President of the Juneau Youth Services Board of Directors; Ken Brewer, President and CEO for SEARHC; Karleen Jackson, DHSS Commissioner; John Pugh, Chair, Alaska Mental Health Trust Authority; Walter Majoros, Executive Director, Juneau Youth Services.