



# Alaska State Legislature

## Representative Matt Claman

### February 2020 Community Council Update

**Department of Corrections Reverses Plan to Send Prisoners Out-of-State** — Following Representative Zack Fields' introduction of House Bill 187, which would prevent DOC from sending prisoners out of state, the administration reversed their plans to ship Alaskan prisoners Outside. We need to reduce crime and want our inmates to be successful when they leave prison and come back into our communities. From our past experience, sending prisoners out-of-state is not effective and costs more than using state prisons. As a co-sponsor of HB 187, I will continue to work with Rep. Fields to prevent future administrations from sending prisoners Outside.

In another reversal, DOC plans to reopen the Palmer Correctional Center. Last year, the department said that was not a viable option, even after the legislature appropriated more than \$16 million to reopen PCC. The administration has not yet provided details on its plan to re-open the Palmer prison.

**Department of Health and Social Services Unable to Achieve Savings** — In an effort to downsize government last year, the governor's FY 2020 operating budget drastically cut spending to many key DHSS services including reducing Medicaid expenditures and increasing rates for the Alaska Pioneer Homes. In January, the DHSS Finance Subcommittee learned that key items in the governor's FY 2020 budget did not meet their intended savings goals, and in some cases, did not result in any savings. For example:

- Last year, the administration terminated the Adult Preventative Dental, estimated to save of \$8.3 million in state funding and lose \$18.7 million in federal matching funds. After approximately 3 months of denying claims while continuing discussions with the Center for Medicaid Services about its plan to eliminate this program, the governor reversed his decision. DHSS is now providing these dental benefits, including benefits for the period they initially denied benefits. The state did not realize any savings.
- The administration proposed reducing the time allowed to file claims for medical services, estimated to save \$10 million. But the change required a statute change and would, in fact, not have achieved any actual savings. The administration withdrew the proposal.
- The administration proposed limiting physical therapy, occupational therapy, and speech therapy services through updated regulations, estimated to save approximately \$1 million. The administration was unable to complete the regulatory work needed to update the applicable regulations. The state did not realize any savings.

Although DHSS previously estimated \$102.9 million in projected savings, the adjusted FY 2020 savings only amount to \$55.3 million. In addition, we currently anticipate that the governor will request a supplemental appropriation for DHSS of \$120 million to pay for additional costs in the FY 2020 budget—more than twice the actual savings described above. Finally, the administration's FY 2021 DHSS budget request for general fund dollars is \$140 million greater than the current year's budget, which does not include any supplemental appropriation.

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