

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: SB 74
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB074-DHSS-CDDG-03-19-15
Title: MEDICAID REFORM/PFD/HSAS/ER
USE/STUDIES
Sponsor: KELLY
Requester: Senate Health & Social Services Committee

Department: Department of Health and Social Services
Appropriation: Senior and Disabilities Services
Allocation: Community Developmental Disabilities Grants
OMB Component Number: 309

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

| | FY2016 Appropriation Requested | Included in Governor's FY2016 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|-------------------|-------------------|-------------------|-------------------|
| OPERATING EXPENDITURES | FY 2016 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | (11,635.8) | (11,635.8) | (11,635.8) | (11,635.8) |
| Miscellaneous | | | | | | | |
| Total Operating | 0.0 | 0.0 | 0.0 | (11,635.8) | (11,635.8) | (11,635.8) | (11,635.8) |

Fund Source (Operating Only)

| | | | | | | | |
|---------------|------------|------------|------------|-------------------|-------------------|-------------------|-------------------|
| 1004 Gen Fund | | | | (5,000.0) | (5,000.0) | (5,000.0) | (5,000.0) |
| 1037 GF/MH | | | | (6,635.8) | (6,635.8) | (6,635.8) | (6,635.8) |
| Total | 0.0 | 0.0 | 0.0 | (11,635.8) | (11,635.8) | (11,635.8) | (11,635.8) |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

| | | | | | | | |
|---------------------------|--|--|--|--|--|--|--|
| Change in Revenues | | | | | | | |
|---------------------------|--|--|--|--|--|--|--|

Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/17

Why this fiscal note differs from previous version:

Not applicable, initial version.

| | | | |
|--------------|--|--------|---------------------|
| Prepared By: | Duane Mayes, Director | Phone: | (907)269-2083 |
| Division: | Senior and Disabilities Services | Date: | 03/19/2015 06:00 PM |
| Approved By: | Sarah Woods, Deputy Director Finance & Management Services | Date: | 03/19/15 |
| Agency: | Health & Social Services | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. SB074

Analysis

Section 2(a)(6) of the bill requires the State to reform the Medicaid program in a manner that reduces the cost of providing services to seniors and individuals with disabilities. To achieve savings, the department will apply to the Centers for Medicare and Medicaid Services (CMS) to develop the 1915(i) funding authority, and provide Medicaid-funded home and community-based services that are currently 100% GF-funded.

Individuals receiving home and community based services through the Community Developmental Disabilities Grant (CDDG) program must meet the eligibility requirements in AS 47.80.900. The CDDG program provides home and community-based services to support individuals' desire to live as independently as they are able.

The department will use the 1915(i) funding option to refinance the Community Developmental Disabilities Grant program using the following assumptions:

953 individuals accessed CDDG services in FY2014 with an average cost per recipient of \$12.2 per individual per year.

Current CDDG program and funding (general fund) = \$11,635.8.

Estimated general fund to be refinanced with Federal Funds = \$11,635.8

State Plan and regulation changes are required to implement the new option and would involve extensive public comment. The Department expects the 1915(i) option to be implemented by FY2018.