

Fiscal Note

State of Alaska
2015 Legislative Session

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

Identifier: SB074-DHSS-BHMS-03-20-15
Title: MEDICAID REFORM/PFD/HSAS/ER
USE/STUDIES
Sponsor: KELLY
Requester: Senate Health & Social Services Committee

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Behavioral Health Medicaid Services
OMB Component Number: 2660

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					
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits				7,856.0	7,918.8	8,789.9	8,860.2	
Miscellaneous								
Total Operating	0.0	0.0	0.0	7,856.0	7,918.8	8,789.9	8,860.2	

Fund Source (Operating Only)

1002 Fed Rcpts				4,399.4	4,434.5	4,922.3	4,961.7
1003 G/F Match				3,456.6	3,484.3	3,867.6	3,898.5
Total	0.0	0.0	0.0	7,856.0	7,918.8	8,789.9	8,860.2

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If yes, by what date are the regulations to be adopted, amended or repealed?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: <u>Albert Wall, Director</u>	Phone: <u>(907)465-4841</u>
Division: <u>Behavioral Health</u>	Date: <u>03/20/2015 01:00 PM</u>
Approved By: <u>Sarah Woods, Deputy Director Finance & Management Services</u>	Date: <u>03/20/15</u>
Agency: <u>Health & Social Services</u>	

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 behavioral health services. 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 behavioral health services that are currently GF-funded through the Behavioral Health Treatment and Recovery Grants program.

This option will serve Medicaid-eligible adults with behavioral health needs that result in multiple admissions to inpatient or residential care. The population includes homeless, those re-entering from incarceration, and others who intermittently use services.

The federal match rate for the 1915(i) option is the regular match rate, usually 50% but 65% for the Children's Health Insurance Program (CHIP) and 100% for tribal services provided to Indian Health Service beneficiaries. Behavioral Health Medicaid Services average 56% federal match.

Medicaid State Plan and regulation changes are required to implement these changes. The estimated effective date of regulation changes is July 2017.