

Fiscal Note

State of Alaska
2016 Legislative Session

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

Identifier: SB074CS(FIN)am-DHSS-CDDG-3-17-16
Title: MEDICAID REFORM;TELEMEDICINE;DRUG
DATABAS
Sponsor: KELLY
Requester: House Finance

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)

| | FY2017 Appropriation Requested | Included in Governor's FY2017 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|-------------------|-------------------|-------------------|-------------------|
| OPERATING EXPENDITURES | FY 2017 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | (5,817.9) | (11,635.8) | (11,635.8) | (11,635.8) | (11,635.8) |
| Miscellaneous | | | | | | | |
| Total Operating | 0.0 | 0.0 | (5,817.9) | (11,635.8) | (11,635.8) | (11,635.8) | (11,635.8) |

Fund Source (Operating Only)

| | | | | | | | |
|--------------|------------|------------|------------------|-------------------|-------------------|-------------------|-------------------|
| 1037 GF/MH | | | (5,817.9) | (11,635.8) | (11,635.8) | (11,635.8) | (11,635.8) |
| Total | 0.0 | 0.0 | (5,817.9) | (11,635.8) | (11,635.8) | (11,635.8) | (11,635.8) |

Positions

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

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

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

Estimated CAPITAL (FY2017) 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If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/18

Why this fiscal note differs from previous version:

Bill references are updated.

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Agency: Health and Social Services
Phone: (907)269-2083
Date: 03/17/2016 06:00 PM
Date: 03/17/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSSB074(FIN)

Analysis

In part, **CSSB74 (FIN)** authorizes DHSS to apply for federal waivers and options to reform the Medicaid program and to assess the most cost-effective method for revising expansion coverage.

Section 28, p.25 lines 27-29 charge the department with "reducing the cost of... senior and disabilities services provided to recipients of medical assistance under the state's home and community-based services waiver."

Section 30 (d) (1) of the bill directs the Department to apply for the 1915(i) option under Medicaid.

Making use of the 1915(i) option offers the Department the opportunity to shift eligible recipients from 100% general funded grant programs to the 50% federal/50% general fund funded 1915(i) Medicaid option.

Individuals receiving home and community-based services through the Community Developmental Disabilities Grant (CDDG) program must meet the definition of a person with a developmental disability presented 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 services provided through the Community Developmental Disabilities Grant program. 969 individuals accessed CDDG services in FY2015 with an average cost per recipient of \$12,008.04 per individual per year, for a total budget of \$11,635.8 general funds. All recipients could be transitioned from the CDDG program to the 1915(i) Medicaid option.

Changes to the State Plan and regulations are required to implement the new option and would involve extensive public comment. The Department expects the 1915(i) option for community developmental disabilities services to be implemented by January 1, 2018. Savings have been prorated for FY2018.