

FISCAL NOTE

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Bill Version CSHB315
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB315CS-DHSS-HCMS draft-4-1-16 Dept. Affected Health and Social Services
Title Electronic Visit Verification Appropriation Medicaid Services
Allocation Health Care Medicaid Services
Sponsor Rep Vazquez
Requester House HSS OMB Component Number 2077

Expenditures/Revenues (Thousands of Dollars)

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

	FY17 Appropriation Requested	Included in Governor's FY17 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY17	FY17	FY18	FY19	FY20	FY21	FY22
Personal Services							
Travel							
Services					50.0	50.0	50.0
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	50.0	50.0	50.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts				37.5	37.5	37.5
1003	GF Match				12.5	12.5	12.5
1004	GF						
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1178	temp code (UGF)						
		0.0	0.0	0.0	0.0	50.0	50.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated SUPPLEMENTAL (FY16) operating costs 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY17) costs \$ 550.0 (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? No
If yes, by what date are the regulations to be adopted, amended, or repealed? n/s Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Committee Substitute requires the State to contract with single vendor to implement Electronic Verification.

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Agency Health and Social Services

Phone 907-334-2520
Date/Time 4/1/2016 5pm
Date 4/1/2016

FISCAL NOTE ANALYSIS

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Analysis

As amended, this bill requires the department to contract with a single vendor to implement an Electronic Visit Verification (EVV) System for Medicaid personal care services (PCS) and Home and Community Based Services providers to verify services provided to recipients of these services.

The bill also requires the provider and department to receive reports of missed appointments or a failure to provide scheduled services. The EVV System must interface with the Department's Medicaid Management Information System (MMIS) to receive service authorizations and to process Medicaid claims. The following assumptions were made to develop the estimated costs for implementation and ongoing maintenance of the EVV system.

Services subject to the requirement for Electronic Visit Verification (EVV): Personal Care Services, Respite, Residential Habilitation, Chore, Intensive Active Treatment (IAT), Nursing Service oversight and care management, Day Habilitation, Specialized Private Duty Nursing.

FY2015: 6,472 individuals received one or more services listed above.

Estimated one-time capital costs:

Service authorization data transmitted to a EVV system from MMIS and claims data transmitted from an EVV system to MMIS would require an interface between the two systems. Costs to develop the interface are estimated to be \$550.0 (4,400 hours x \$125/hr = \$550.0) at 90% federal/10% GF

Total Capital Costs for FY2017: \$550.0 90% federal/10% GF

Estimated annual operating expenditures:

Estimated annual maintenance expenditure for Electronic Visit Verification = \$ 50.0

Estimated cost per transaction = \$7.69 (\$50.0/6,500 client services per year)

FY2020 and ongoing total annual expenditures: \$50.0 at 75% federal/25% GF

Other changes to MMIS necessary to implement existing state and federal requirements must be completed prior to beginning the system development for an EVV system. The Department anticipates that it will be able to initiate the development and implementation of EVV in FY 19, with a start date of July 1, 2019.