

Fiscal Note

State of Alaska
2015 Legislative Session

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

Identifier: SB074CS(STA)-DHSS-PAA-04-15-15
Title: MEDICAID REFORM/PFD/HSAS/ER
USE/STUDIES
Sponsor: KELLY
Requester: Senate Finance Committee

Department: Department of Health and Social Services
Appropriation: Public Assistance
Allocation: Public Assistance Administration
OMB Component Number: 233

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	430.6		574.1	574.1	574.1	574.1	574.1	574.1
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	430.6	0.0	574.1	574.1	574.1	574.1	574.1	574.1

Fund Source (Operating Only)

1002 Fed Rcpts	185.2		246.9	246.9	246.9	246.9	246.9
1003 G/F Match	245.4		327.2	327.2	327.2	327.2	327.2
Total	430.6	0.0	574.1	574.1	574.1	574.1	574.1

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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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? No
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

Why this fiscal note differs from previous version:

This fiscal note addresses a new provision in the Senate State Affairs Committee Substitute for SB 74 - Section 2, requiring the Department to pursue purchase of a computerized income, asset and identity verification system to work in tandem with the Division of Public Assistance's eligibility determination system.

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Division: <u>Public Assistance</u>	Date: <u>04/15/2015 05:00 PM</u>
Approved By: <u>Sarah Woods, Deputy Director Finance & Management Services</u>	Date: <u>04/15/15</u>
Agency: <u>Health & Social Services</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. CSSB074(STA)

Analysis

Sec. 2 of the proposed legislation adds a new section to AS 47.05 directing the Department to establish a computerized income, asset and identity verification system. The department will contract for the system development. The Department is further directed to use the system "periodically" to verify eligibility between and during recertification periods.

Assumptions:

The system will be web-enabled and capable of providing access for individual eligibility technicians, fraud investigators, quality assurance, and other designated staff.

The system costs will largely be based on number of inquiries (encounters) submitted to the system, though other costs (licensing, system support, etc.) are likely. The estimated cost per encounter is 60 cents.

Following a competitive procurement process, the selected system will be implemented 10/1/2016. First year costs are based on 9 months of use.

Verification will occur at initial intake, at recertification or renewal of eligibility, and at least once between certification for each program recipient and applicant.

The Division anticipates approximately 956,840 encounters annually:

In FY2014 the Division received approximately 169,200 applications. Assuming an average household of 2.7 people per application = 456,840 annual encounters.

An estimated 250,000 recipients would be screened for verification at least twice per year = 500,000 encounters.