Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: SB 26
Fiscal Note Number:
() Publish Date:

Identifier: SB026-DHSS-RR-3-19-2021
Title: REPEAL CERTIFICATE OF NEED PROGRAM
Sponsor: WILSON
Requester: (S) HSS

Department: Department of Health and Social Services
Appropriation: Departmental Support Services
Allocation: Rate Review
OMB Component Number: 2696

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY 2022**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
Personal Services					(155.1)	(155.1)	(155.1)
Travel							
Services					(75.0)	(75.0)	(75.0)
Commodities					(2.0)	(2.0)	(2.0)
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	**0.0**	**0.0**	**0.0**	**0.0**	**(232.1)**	**(232.1)**	**(232.1)**
Fund Source (Operating Only)							
1002 Fed Rcpts (Fed)					(116.1)	(116.1)	(116.1)
1003 GF/Match (UGF)					(73.6)	(73.6)	(73.6)
1005 GF/Prgm (DGF)					(42.4)	(42.4)	(42.4)
Total	**0.0**	**0.0**	**0.0**	**0.0**	**(232.1)**	**(232.1)**	**(232.1)**
Positions							
Full-time					(1.0)	(1.0)	(1.0)
Part-time							
Temporary							
Change in Revenues							
None							
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2022) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No

(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/23

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Marcey Bish, Executive Director — Phone: (907)334-2447
Division: Departmental Support Services — Date: 01/27/2021
Approved By: Sylvan Robb, Administrative Services Director — Date: 01/29/21
Agency: Office of Management and Budget

FISCAL NOTE ANALYSIS

STATE OF ALASKA **BILL NO.** SB026
2021 LEGISLATIVE SESSION

Analysis

The certificate of need process requires health service providers to obtain approval of the commissioner before building or remodeling health care facilities, or purchasing equipment costing more than an established capital expenditure threshold. Under AS 18.07.031, the existing expenditure threshold for requiring a certificate of need is $1,500.0. Alaska is one of 31 states and the District of Columbia to have a Certificate of Need program.

This bill would repeal the Certificate of Need Program, effective July 1, 2024 (start of FY2025). The passage of this bill will require the department to adopt regulations necessary to implement the changes by July 1, 2023. There is one position that supports the program management for the Certificate of Need Program , so the passage of this bill will result in one position deletion (Medical Program Specialist IV), for an annual total cost savings of $155.1. There will also be an additional annual cost savings of $75.0 in contractual services and $2.0 saved in commodities. The total projected savings is $232.1.