

FISCAL NOTE

STATE OF ALASKA 2012 LEGISLATIVE SESSION

Bill Version CSHB078(FIN)
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name)	HB078CS(FIN)-DHSS-HPSD-3-16-12	Dept. Affected	Health and Social Services
Title	Incentives for Certain Medical Providers	Appropriation	Public Health
Allocation			Health Planning and
Sponsor	Representative Herron		Systems Development
Requester	House Finance Committee	OMB Component Number	2765

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	102.8		102.8	102.8	102.8	102.8	102.8
Travel	6.0		6.0	6.0	6.0	6.0	6.0
Services	2,724.5		2,724.5	2,724.5	2,724.5	2,724.5	2,724.5
Commodities	9.6		2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	2,842.9	0.0	2,835.3	2,835.3	2,835.3	2,835.3	2,835.3

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF	2,164.2		2,156.6	2,156.6	2,156.6	2,156.6
1005	GF/Prgm (DGF)	678.7		678.7	678.7	678.7	678.7
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		2,842.9	0.0	2,835.3	2,835.3	2,835.3	2,835.3

POSITIONS							
Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required,
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required,
(discuss reasons and fund source(s) in analysis section)

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

This fiscal note reflects CSHB078(FIN) version "27-LS0147O". The CS moves advanced nurse practitioners (ANPs) from the eligible list of practitioner types in Tier II to Tier I after the Board of Nursing adopts a regulation that requires ANPs to complete a degree of doctor of nursing practice. As of March 13, 2012, the Alaska Board of Nursing has not made a decision to require doctoral education. It is assumed then that the doctoral requirement would not occur within the time frame of this fiscal note; therefore, there is no change in the fiscal note amounts. However, when the requirement does change it should be noted that there will be an increased cost. Using the existing assumptions of the fiscal note on page 3, moving a practitioner type from Tier II (\$222.0) to Tier I (\$387.0) will increase the total cost by \$165.0 (\$387.0 - \$222.0), with \$123.8 GF and \$41.2 in matching funds from the employing site. No changes were made to pages 2-3.

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 Approved by Nancy Rolfzen, Assistant Commissioner
 DHSS Finance & Management Services

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 Date/Time 3/13/12 12:00 AM
 Date 3/16/2012

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Analysis

This bill creates a loan repayment program and an employment incentive program for certain health care professionals employed in the state. These health care professionals must meet eligibility criteria, and they must be engaged in qualified employment. The intent of the legislation is to "address the worsening shortage of certain health care professionals in the state by increasing the number and improving the distribution of health care professionals who provide direct patient care."

The Division of Public Health estimates that it will need 1.0 FTE to fully administer the loan repayment and employment incentive programs.

The Division estimates that it will need \$2,715.0 for practitioner payments in Year 1. This assumes that 90 participants will be enrolled in the program in Year 1. Funding can be used for practitioner payments as cash incentives, for payments to lending institutions for loan repayments, or for a combination of the two types of payments. Maximum payments established for any combination of loan repayment and cash incentive are: \$35.0 annually for Tier I health care professionals employed in "regular" positions; \$47.0 annually for Tier I health care professionals employed in "very hard-to-fill" positions; \$20.0 annually for Tier II health care professionals employed in "regular" positions; and \$27.0 annually for Tier II health care professionals employed in "very hard-to-fill" positions. The need for \$2,715.0 in FY2012 assumes the following:

Tier I 27 Practitioners \$1,161.0

Tier II 63 Practitioners \$1,554.0

Total 90 Practitioners \$2,715.0

Tier I assumes 9 participants from each of 3 types comprising Tier I at \$387.0 for each type.

($6 \times \$47.0 + 3 \times \$35.0 = 387.0 \times 3 = \$1,161.0$)

Tier II assumes 9 participants from each of 7 types comprising Tier II at \$222.0 for each type)

($6 \times \$27.0 + 3 \times \$20.0 = 222.0 \times 7 = \$1,554.0$)

The Division assumes the employing entities will provide 25% of the \$2,715.0 as contributing match as specified in the bill. Therefore, the expected GF need is \$2,036.3. The match for the employing entities is \$678.7 (GF/Pgm).

Incentive payments are available to professionals for up to 3 years of qualified employment with a lifetime maximum participation of 12 years in the loan repayment and direct incentives aspects of the program by a Tier I or Tier II health care professional. The total number of participants in the program may not exceed 90 participants annually, regardless of whether the participant is a new or continuing participant.

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Analysis Continued

Continued from page 2

On the fiscal note, the payments for practitioners will be paid from the services line:

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Practitioner	\$ 2,715.0	\$ 2,715.0	\$2,715.0	\$ 2,715.0	\$ 2,715.0	\$ 2,715.0
Personal	\$ 102.8	\$ 102.8	\$ 102.8	\$ 102.8	\$ 102.8	\$ 102.8
Travel	\$ 6.0	\$ 6.0	\$ 6.0	\$ 6.0	\$ 6.0	\$ 6.0
Commodities	\$ 9.6	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0
Services	\$ 9.5	\$ 9.5	\$ 9.5	\$ 9.5	\$ 9.5	\$ 9.5
Equipment	\$	\$	\$	\$	\$	\$
Eval Report	\$	\$	\$	\$	\$	\$
Total:	\$2,842.9	\$2,835.3	\$2,835.3	\$2,835.3	\$2,835.3	\$2,835.3

Administrative Costs

1.0 Health Program Manager II. Assumes \$9.5 per FTE annually for office space, phones, and other contractual costs; \$7.6 one time costs per FTE for computers, software, and office equipment; \$2.0 per FTE annually for supplies; \$6.0 per year for travel.

Health Program Manager II

This position will serve as lead program manager for the loan repayment and employment incentive program and will establish procedures for the commissioner's designation and prioritization of sites eligible for participation in the program, develop the application process for participation in the program for sites and professionals, develop and disseminate public information and notices pertinent to the program, lead the development of the methodology and procedures for classifying each eligible site as having either regular or very hard-to-fill positions, prepare annual reports that document the successes and challenges of the program, facilitate the creation of and ongoing work of the advisory committee, and establish procedures and manage the employer contribution portion of the program.