

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: SB 62  
Fiscal Note Number:  
() Publish Date:

Identifier: SB062-DHSS-RR-03-31-17  
Title: REPEAL CERTIFICATE OF NEED PROGRAM  
Sponsor: WILSON  
Requester: Senate LC

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

## Expenditures/Revenues

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

(Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates				
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>							
Personal Services				(135.9)	(135.9)	(135.9)	(135.9)
Travel							
Services							
Commodities				(4.4)	(4.4)	(4.4)	(4.4)
Capital Outlay					(2.0)	(2.0)	(2.0)
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(142.3)</b>	<b>(142.3)</b>	<b>(142.3)</b>	<b>(142.3)</b>

## Fund Source (Operating Only)

1005 GF/Prgm (DGF)				(142.3)	(142.3)	(142.3)	(142.3)
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(142.3)</b>	<b>(142.3)</b>	<b>(142.3)</b>	<b>(142.3)</b>

## Positions

Full-time				(1.0)	(1.0)	(1.0)	(1.0)
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>						

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2018) 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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable; initial version.

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Agency:

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Phone: (907)334-2520  
Date: 03/02/2017 12:00 PM  
Date: 03/31/17

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. SB 62

### 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 \$1.5 million. Alaska is one of 31 states and the District of Columbia to have a CON program.

SB062 would repeal the Certificate of Need Program. The program is supported by general fund program receipts. The passage of this bill, with an effective date of July 1, 2019 (start of FY2020), will result in one position deletion (Medical Assistance Administrator IV), for an annual total cost savings of \$135.9. There will also be an additional annual cost savings of \$4.4 in contractual services and \$2.0 saved in commodities. The total projected savings is \$142.3.