



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

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February 12, 2018

The Honorable Les Gara
Chair, House Finance Health & Social Services Budget Subcommittee
House of Representatives
Alaska State Capitol, Room 511

Dear Representative Gara:

Below you will find responses to questions asked during the Department of Health and Social Services' presentations during the subcommittee hearing on January 30, 2018:

➤ ***Rep. Sullivan-Leonard: What is the status of the \$25 million fund transfer we approved last year?***

The department did not transfer funds across appropriations during the first half of FY 2018. The department's report on the use of the \$25 million fund transfer flexibility provided by the legislature was submitted to Legislative Finance on January 31, 2018 and is attached (attached pdf files: "First 6 months of FY2018 \$25 million transfer").

➤ ***Rep. Johnston: Do you have dollar figures that correlate to the percentages shown on Slide 15 (GF match % for expansion)?***

Slide 15 presented this table showing the actual prior year and projected current and future year state general fund match percentages for the Medicaid expansion population:

		Alaska General Fund Match*				
Expansion FMAP		SFY 17**	SFY 18	SFY 19	SFY 20	SFY 21
CY 2014-2016	100%					
CY 2017	95%	1.64%				
CY 2018	94%		3.58%			
CY 2019	93%			4.23%		
CY 2020 & Beyond	90%				5.53%	6.50%

* = Adjusted for State Fiscal Year and 100% Tribal FMAP

** = SFY17 is the actual state match percentage paid. Other years are projections

The actual FY 17 GF paid and the projected GF expenditures for subsequent years associated with the projected GF Match percentages reflected in the table on Slide #15 (included above) are:

- SFY 17: \$ 6,052.3
- SFY 18: \$16,302.0
- SFY 19: \$20,036.6
- SFY 20: \$27,249.8
- SFY 21: \$33,341.0

➤ **Rep. Sullivan-Leonard: Please provide a breakdown of the number of Medicaid enrollees compared to the number of recipients.**

Participation in Medicaid		
State Fiscal Year	Medicaid Enrollment	Medicaid Recipients
2013	151,797	146,613
2014	159,277	137,377
2015	163,388	147,392
2016	190,572	177,597
2017	218,991	184,956

Source: Medicaid data are from MMIS/JUCE/COGNOS. Medicaid enrollment and recipient data are unduplicated counts of individuals within each fiscal year.

➤ **Rep. Gara: What was the originally projected Medicaid expansion enrollment and spending for FY 2018?**

The following was originally projected for the department by Evergreen Economics in February 2015.

Original Projections for SFY 2018	
Total Eligible	42,050
Enrollment	26,492
Spending	
Federal	\$ 195,514.0
State	\$ 9,854.0
Total	\$ 205,368.0

➤ ***Rep. Tarr: What is the average cost of Medicaid per recipient?***

Please see the attached table for a breakdown of Medicaid costs per recipient for FY 2017 (attached pdf file: "Medicaid Spend by FMAP and BeneGroup").

➤ ***Rep. Gara and Rep. Tarr: What Medicaid provider rates have been reduced?***

Medicaid Provider Rate Cuts	FY 2017 Savings	FY 2018 Estimates
Inflation Freezes (started in FY 16)	\$8,865.0	\$8,806.0
Hospital Inpatient and Outpatient 5% reduction	\$0.0	\$6,200.0
Professional Services fees cut from 130% of Medicare to 115%	\$0.0	\$8,000.0
Cancel Rate Rebasing for Nursing Homes and FQHCs	\$0.0	\$600.0
Total actual and projected savings	\$8,865.0	\$23,606.0

➤ ***Rep. Gara: How many Pioneer Home beds are currently not filled due to underfunding?***

There are currently 47 Pioneer Home beds not filled due to underfunding.

➤ ***Rep. Johnston: Please provide a breakdown between Medicare and Medicaid for senior populations, to provide an idea of costs and coverage.***

For those seniors who are dually eligible and enrolled in both Medicare and Medicaid, Medicare is the first payer and Medicaid is the payer of last resort. The Medicaid program assists with the costs of Medicare premiums, deductibles and co-insurance for those dually enrolled in both Medicare and Medicaid. Medicaid also provides coverage dually eligible individuals for some services that Medicare does not cover, typically dental and long term services and supports. FY 2017 Medicaid data on senior population enrollment and costs is included in the attached Medicaid Claims and Enrollment table (attached pdf file: "Medicaid Spend by FMAP and BeneGroup"). The department does not have access to Medicare expenditure data since it is administered by the federal government.

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House Finance Health & Social Services Budget Subcommittee

Thank you for this opportunity to provide additional information. Please distribute these responses to the committee.

Sincerely,



Shawnda O'Brien

Assistant Commissioner

Cc: Darwin Peterson, Legislative Director, Office of the Governor
Valerie Nurr'araaluk Davidson, Commissioner
Neil Steininger, Chief Budget Analyst, Office of Management and Budget
Kelly Cunningham, Fiscal Analyst, Legislative Finance Division