



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

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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 at the Department of Health and Social Services' Budget Overview presentation to the subcommittee on January 25, 2018:

➤ ***Rep. Johnston: Could you provide a five-year look-back on Medicaid spending and enrollment?***

The most recent five-year history of actual spending in the Medicaid Services RDU is presented in the following table. The total unduplicated count of enrollment for each year is also included.

State Fiscal Year	Medicaid Services RDU Actual Expenditures				Enrollment: Unduplicated Count
	TOTAL	State UGF	Federal	Other	
2013	\$ 1,448,792.7	\$ 605,249.7	\$ 836,298.6	\$ 7,244.4	151,797
2014	\$ 1,456,725.8	\$ 614,470.7	\$ 836,366.5	\$ 5,888.6	159,277
2015	\$ 1,581,768.4	\$ 672,867.0	\$ 900,704.4	\$ 8,197.0	163,388
2016	\$ 1,732,793.9	\$ 634,555.0	\$ 1,092,862.7	\$ 5,376.2	190,572
2017	\$ 2,076,956.2	\$ 638,295.8	\$ 1,418,917.9	\$ 19,742.5	218,991

- ***Rep. Sullivan-Leonard: Last year's presentation included different numbers for actuals than are shown on Slide 8 of this presentation — could you provide more information on actual expenditures?***

The graph on Slide 8 reflects the amounts requested in the Governor's Proposed Budget for FY 2015 through FY 2019, not actual expenditures. Please see the table on the previous page for actual expenditures.

- ***Rep. Johnston: Could you provide a breakdown of federal reimbursement level by group?***

Following is the current SFY 2018 federal medical assistance percentages (FMAP).

Regular FMAP:	50%
IHS FMAP:	100%
CHIP FMAP:	88%
Breast & Cervical Cancer:	65%
Family Planning FMAP:	90%

Alaska receives the 100% IHS (Indian Health Service) FMAP when a Medicaid beneficiary is also an IHS beneficiary and their care is "received through" an IHS facility, including Alaska's tribally operated facilities.

Congress recently reauthorized a six-year extension of the Children's Health Insurance Program (CHIP). The enhanced federal match rate will continue for federal fiscal years 2018 and 2019. The CHIP FMAP will then transition back to the original federal match for CHIP. The department has calculated an estimated state match rate based on state fiscal year.

	FFY FMAP	SFY FMAP
2018	88%	88%
2019	88%	88%
2020	76.5%	79.4%
2021	65%	67.9%
2022 & 2023	65%	65%

Breast & Cervical Cancer treatment services are provided for certain qualifying women who are uninsured and do not otherwise qualify for Medicaid, and are reimbursed at 65%. Family planning services and supplies are reimbursed at 90%.

The Medicaid expansion FMAP is currently at 94%, and will transition to 93% in CY 2019 and 90% in CY 2020 and beyond. The department has calculated an estimated state match rate based on state fiscal year. This calculation takes into account the changes in FMAP rates cross state fiscal years and the proportion (approximately 35%) of expansion spending that qualifies for the IHS 100% FMAP rate.

		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

➤ ***Rep. Gara: Do you have information regarding the correlation between the economy and Medicaid enrollment?***

The department has not done a longitudinal study on the varied, and often unique individual and family circumstances, resulting in an increased number of Alaskans eligible for Medicaid. However, on a macro-level, the department has been analyzing the enrollment growth in terms of the recession in Alaska and trends experienced at the national level. National data shows that Medicaid enrollment grew by 14 percent following the Great Recession in 2008-2009. Additionally, we are not seeing the same levels of Medicaid enrollment growth in the typically non-working Medicaid eligibility categories of elderly and disabled Alaskans. In lieu of an intensive study of individual Medicaid recipients, we believe that Alaska is experiencing a similar trend following a downturn in the state's economy.

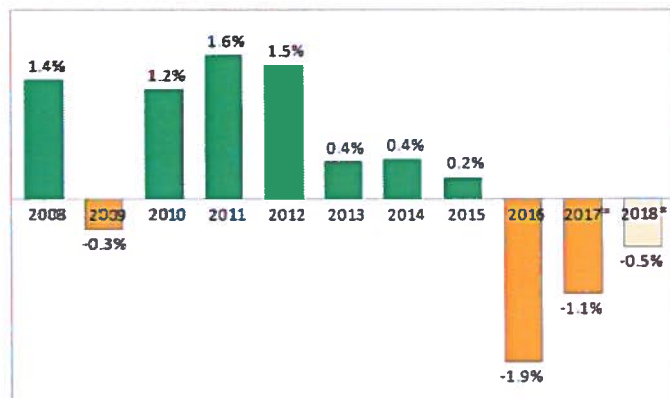
Here are some pertinent data points the department gathered while researching the impact the recession in Alaska has had on Medicaid enrollment:

- Enrollment in Medicaid grew by 34% from FY15 to FY17
 - Unduplicated counts:
 - FY15: 163,388
 - FY17: 218,991
 - Enrollment Increase= 55,603 (34% of FY15 enrollment)
 - Enrollment growth in Medicaid is not limited to Medicaid Expansion
 - Expansion accounted for approximately half of the enrollment increase in FY 2017
- The U.S. economy was suffering from the Great Recession from December 2007 – June 2009
 - Nationwide Medicaid enrollment increased 14% during the Great Recession
 - Similar enrollment trends occurred during earlier recessions.
 - The Kaiser Family Foundation released a report on national Medicaid enrollment following the Great Recession. The report can be found here: <https://kaiserfamilyfoundation.files.wordpress.com/2013/01/8157.pdf>

- Data from the Department of Labor and Workforce Development Employment
 - Alaska's total loss from 2015 through 2018 at 11,700 jobs (-3.5 percent)
 - Additional information available at <http://labor.alaska.gov/trends/jan18.pdf>

Tapering Job Losses for Alaska

PERCENT CHANGE FROM PRIOR YEAR, 2008 TO 2018



*Preliminary **Forecast

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

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
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