

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: HB 151
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB151-DOH-PAFS-3-28-25
Title: MEDICAL ASSISTANCE: CHILDREN UNDER AGE
6
Sponsor: GALVIN
Requester: (H) HSS

Department: Department of Health
Appropriation: Public Assistance
Allocation: Public Assistance Field Services
OMB Component Number: 236

Expenditures/Revenues

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

| | FY2026 Appropriation Requested | Included in Governor's FY2026 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|
| OPERATING EXPENDITURES | FY 2026 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | 144.0 | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 144.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | |
|----------------------|--------------|------------|------------|------------|------------|------------|------------|
| 1002 Fed Rcpts (Fed) | 72.0 | | | | | | |
| 1003 GF/Match (UGF) | 72.0 | | | | | | |
| Total | 144.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2026) 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If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/26

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

| | | | |
|--------------|--------------------------------------|--------|---------------|
| Prepared By: | Deb Etheridge, Director | Phone: | (907)465-2680 |
| Division: | Public Assistance | Date: | 03/27/2025 |
| Approved By: | Pam Halloran, Assistant Commissioner | Date: | 03/28/25 |
| Agency: | Department of Health | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. HB151

Analysis

HB151 would establish continuous Medicaid eligibility for children under six years of age, permitting uninterrupted enrollment through the child's sixth birthday regardless of changes in income or household composition, except in limited circumstances.

Fiscal Impact:

Although this change is expected to increase total Medicaid expenditures—by extending coverage for children who might otherwise lose eligibility during the year—the division does not anticipate a material increase in overall enrollment, as the majority of children eligible under this provision are currently enrolled and actively receiving services. While the redetermination workload for this population may be reduced, the division does not project a corresponding reduction in the overall administrative burden, as most Medicaid households include additional members who will continue to require annual eligibility renewals.

Implementation Considerations:

Implementation of this policy will require federal approval through an 1115 Demonstration Waiver. The waiver process will involve substantial staff resources dedicated to policy development, fiscal analysis, stakeholder engagement, regulatory revision, and coordination with the Centers for Medicare and Medicaid Services (CMS). The estimated timeline for full implementation—including waiver development, federal review and approval, adoption of necessary regulatory changes, and system readiness—is approximately 12 months.

Estimated One-Time System Development Cost:

Targeted modifications to the Medicaid eligibility system will be necessary to operationalize this policy change. Required updates include revisions to eligibility logic, tracking mechanisms, and reporting functionality. The division estimates the system development effort will require approximately 720 hours at a blended hourly rate of \$200, resulting in a total one-time cost of \$144,000 with a 50 percent federal reimbursement.

| System Development Activity | Estimated Hours | Estimated Cost (@ \$200/hr) |
|--------------------------------------|-----------------|-----------------------------|
| Discovery and Requirements Gathering | 80 | \$16,000 |
| Development and Programming | 480 | \$96,000 |
| Testing and Validation | 160 | \$32,000 |
| Total | 720 hours | \$144,000 |