

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: SB 45
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB045CS(HSS)-DOH-BHA-4-25-2025
Title: MEDICAID MENTAL HEALTH PARITY
Sponsor: DUNBAR
Requester: (S) HSS

Department: Department of Health
Appropriation: Behavioral Health
Allocation: Behavioral Health Administration
OMB Component Number: 2665

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	268.0		268.0	268.0	268.0	268.0	268.0
Travel							
Services	540.0		390.0	390.0	390.0	390.0	540.0
Commodities	10.0		4.0	4.0	4.0	4.0	4.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	818.0	0.0	662.0	662.0	662.0	662.0	812.0

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	134.0		134.0	134.0	134.0	134.0	134.0
1003 GF/Match (UGF)	134.0		134.0	134.0	134.0	134.0	134.0
1037 GF/MH (UGF)	550.0		394.0	394.0	394.0	394.0	544.0
Total	818.0	0.0	662.0	662.0	662.0	662.0	812.0

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
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If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/27

Why this fiscal note differs from previous version/comments:

Updated for committee substitute from Health and Social Services Committee.

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Approved By: Pam Halloran, Assistant Commissioner
Agency: Department of Health

Phone: (907)465-2817
Date: 04/27/2025 01:00 PM
Date: 04/28/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. CSSB045

Analysis

Senate Bill 45 mandates a review of applicable nonquantitative treatment limitations (NQTLs) to ensure that mental health and substance use disorder (MH/SUD) benefits are not more restrictive than medical/surgical (M/S) benefits. However, it applies parity statutes designed for commercial plans, not Medicaid.

Implementation will require dedicated resources, including multiple staff members and contracted support services, to manage compliance duties, data collection processes, and preparation of the required reports. Staff will be responsible for evaluating existing NQTLs for differences from M/S benefits, analyzing relevant data, and developing or refining data collection methodologies. Ongoing parity monitoring will involve regular NQTL reviews to identify barriers to care and ensure public reporting. For these reasons, collaboration with a contractor will be essential. There will be associated costs for designated positions and contractor support to meet these obligations.

A Medicaid Program Specialist 3 is needed to serve as the Medicaid, policy, systems, and program expert and will work on policy-based solutions regarding parity. A Research Analyst 3 is needed for the data work relating to NQTLs and communication and collaboration with the contractor on the full parity analysis. These two positions will work together to address the outcome of the parity analysis.

The requirements of the initial and quadrennial reporting mandates are more extensive than the interim year annual progress reports, necessitating a higher contractual allocation to ensure adequate support. This difference in scope of reporting dictates higher service contract costs each 5th year.

The initial and quadrennial reports require:

- 1) Development (initial) and explanation (quadrennial) of methodology used by DOH to determine parity compliance
- 2) Identification and summary of "market examinations" completed in the period under review
- 3) Development of an action plan to ensure compliance and/or address areas of identified noncompliance
- 4) Description of policy changes, regulation and/or State Plan Amendment (SPA) changes needed to effect parity goals

Annual progress report requires:

- 1) Summary of progress made toward parity compliance in the year under review
- 2) Legislative update on implementation steps from previous report

Regulations are anticipated to be adopted two years after the bill's conditional effective date of December 31, 2025. That sets an estimated deadline of December 31, 2027, for the regulation adoption.

Financial Breakdown:

Personnel:

One full-time Research Analyst 3 (including benefits): range 18, step C in Juneau at a cost of \$126.3

One full-time Medicaid Program Specialist 3 (including benefits): range 20, step C in Juneau at a cost of \$141.7

Services: Office space, phone, reimbursable service agreements for position support: \$40.0 annually

Service contract for parity analysis estimated to cost \$500.0 every 5 years and \$350.0 annually in interim years.

Commodities: Starting in the second-year office supplies \$4.0 annually.

One-Time Commodities Cost: Computer, software, and office equipment: \$10.0 in the first year.

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