

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 49
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB049SS(am)-DHSS-PAFS-02-24-14
Title: MEDICAID PAYMENT FOR ABORTIONS; TERMS
Sponsor: COGHILL
Requester: House Finance Committee

Department: Department of Health and Social Services
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)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time	***		***	***	***	***	***
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) 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? **Yes**
If yes, by what date are the regulations to be adopted, amended or repealed? **01/01/15**

Why this fiscal note differs from previous version:

Fiscal Note reflects the Affordable Care Act (ACA) requirement that individuals purchase health insurance and the ACA mandate that those insurance policies offer Essential Health Benefits, which include Family Planning Services.

Prepared By:	Ron Kreher, Director	Phone:	(907)465-5847
Division:	Public Assistance	Date:	02/24/2014 02:00 PM
Approved By:	Sarah Woods, Deputy Director, Finance & Management Services	Date:	02/24/14
Agency:	Health & Social Services		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SSSB049AM

Analysis

This bill would limit funding of abortions for Medicaid eligible individuals to medically necessary abortions and abortions that are the result of rape or incest. The bill provides a statutory definition of medical necessity. Currently, Alaska Medicaid only pays for medically necessary abortions and abortions that are the result of rape or incest.

The Affordable Care Act (ACA) requires individuals with incomes above 100% of the federal poverty level (FPL) to purchase insurance through the Federally Facilitated Marketplace. These insurance plans include family planning as an essential health benefit. Individuals, primarily childless adults, with incomes at or below 100% FPL will not have access to family planning or related services, but are likely to be eligible should the State develop a Medicaid women's health program. The percentage of Alaska's population who will apply for and be eligible for insurance under ACA or who may wish access to a Medicaid women's health program is unknown. As a result, the Division of Public Assistance is unable to determine how many people would apply for a woman's health program.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 49
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB049SSam-DHSS-MAA-02-24-14
Title: MEDICAID PAYMENT FOR ABORTIONS; TERMS
Sponsor: COGHILL
Requester: House Finance Committee

Department: Department of Health and Social Services
Appropriation: Health Care Services
Allocation: Medical Assistance Administration
OMB Component Number: 242

Expenditures/Revenues

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

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015					
Personal Services							
Travel							
Services	55.2						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	55.2	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1002 Fed Rcpts	41.5						
1003 G/F Match	13.7						
Total	55.2	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) 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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/15

Why this fiscal note differs from previous version:

Updated for 2nd session to accurately reflect FY2015 and out year costs.
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Prepared By: <u>Margaret Brodie, Director</u>	Phone: <u>(907)334-2520</u>
Division: <u>Health Care Services</u>	Date: <u>02/24/2014 12:00 PM</u>
Approved By: <u>Sarah Woods, Deputy Director</u>	Date: <u>02/24/14</u>
Agency: <u>Finance & Management Services</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SSSB049AM

Analysis

This bill would limit funding of abortions for Medicaid eligible individuals to medically necessary abortions and abortions that are the result of rape or incest. The bill provides a statutory definition of medical necessity. Currently, Alaska Medicaid only pays for medically necessary abortions and abortions that are the result of rape or incest.

The legislation also directs the department to submit a Medicaid State Plan Amendment to create a women's health program. A women's health program would include family planning-related services, including testing and treatment of sexually-transmitted diseases, contraceptive methods, and an annual family planning visit at an office/clinic. We assume that we would make these services available to individuals with incomes below 175% of the federal poverty level for Alaska.

In order to add this program to Medicaid, it is necessary to make changes to the Medicaid claims processing system to recognize recipients of the new program and pay claims appropriately. The Department estimates that there will be a one-time cost of \$55.2, 75% of which will be reimbursed by the federal government.

Regulation changes will be necessary to specify the eligibility requirements and covered services included in this Medicaid option. No additional funding is required to change the regulations as the Department frequently updates its Medicaid regulations.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 49
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB049SS(am)-DHSS-HCMS-02-24-14
Title: MEDICAID PAYMENT FOR ABORTIONS; TERMS
Sponsor: COGHILL
Requester: House Finance Committee

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Health Care Medicaid Services
OMB Component Number: 2077

Expenditures/Revenues

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

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) 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? **Yes**
If yes, by what date are the regulations to be adopted, amended or repealed? **01/01/15**

Why this fiscal note differs from previous version:

Fiscal Note has been updated to reflect the Affordable Care Act (ACA) requirement that individuals purchase health insurance and the ACA mandate that those insurance policies offer Essential Health Benefits, which include Family Planning Services.

Prepared By: <u>Margaret Brodie</u>	Phone: <u>(907)334-2520</u>
Division: <u>Health Care Services</u>	Date: <u>02/24/2014 12:00 PM</u>
Approved By: <u>Sarah Woods, Deputy Director, Finance & Management Services</u>	Date: <u>02/24/14</u>
Agency: <u>Health & Social Services</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SSSB049AM

Analysis

This bill would limit funding of abortions for Medicaid eligible individuals to medically necessary abortions and abortions that are the result of rape or incest. The bill provides a statutory definition of medical necessity. Currently, Alaska Medicaid only pays for medically necessary abortions and abortions that are the result of rape or incest.

It is possible that use of specific criteria for medical necessity could reduce the number of abortions qualified for state funding. However, the Department lacks the data needed to estimate how many abortions would fail to meet the bill's definition of medical necessity. Therefore, we cannot determine the impact on expenditures.

The legislation directs the department to submit a Medicaid State Plan Amendment to create a women's health program. A women's health program would include family planning-related services, including testing and treatment of sexually-transmitted diseases, contraceptive methods, and an annual family planning visit at an office/clinic. We assume that these services will be available to individuals with incomes below 175% of the federal poverty level (FPL) for Alaska. According to the current population estimates from the U.S. Census Bureau, approximately 14,000 women in Alaska ages 19-44 are estimated to be uninsured and below this income level. The annual cost per individual accessing family planning services is estimated at \$800 per person. Direct services costs are at a 90/10 federal match rate. The fiscal note excludes women currently eligible for family planning services under Medicaid/Denali KidCare.

The Affordable Care Act (ACA) requires individuals with incomes above 100% FPL to purchase insurance through the Federally Facilitated Marketplace. These insurance plans include family planning as an essential health benefit. This coverage is likely eligible for 100% premium reimbursement through the Affordable Care Act.

Women whose income falls between 100% and 175% of FPL are required to purchase health insurance through the Marketplace, but would likely also be eligible for the Medicaid women's health program, should Alaska offer one. There would be financial incentive for individuals in this income level to apply for Medicaid coverage of family planning services, rather than apply for the required Marketplace insurance coverage. While cost is largely subsidized, premiums are paid up front and reimbursed upon filing of a person's tax returns. While the federal government states that those who must apply for Marketplace insurance but do not will be assessed a gradually escalating annual fine, it is not yet clear how this requirement will be enforced or what effect that may have on Medicaid enrollment in Alaska.

The Division of Health Care Services is unable to determine how many people would apply for a women's health program or how many unintended pregnancies might be averted by the establishment of a women's health program.

Regulations would need to be developed should the Bill and accompanying amendment become law, with no particular additional cost associated (absorbed within cost of ongoing Medicaid regulations change).