

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version: SB 7
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB007-DHSS-WS-2-9-2019
Title: MED. ASSISTANCE WORK REQUIREMENT
Sponsor: MICCICHE
Requester: HSS

Department: Department of Health and Social Services
Appropriation: Public Assistance
Allocation: Work Services
OMB Component Number: 2337

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2020 Appropriation Requested	Included in Governor's FY2020 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Personal Services							
Travel							
Services	109.0						
Commodities							
Capital Outlay							
Grants & Benefits			18,826.0	17,718.0	16,611.0	16,611.0	16,611.0
Miscellaneous							
Total Operating	109.0	0.0	18,826.0	17,718.0	16,611.0	16,611.0	16,611.0

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	54.5						
1003 GF/Match (UGF)	54.5						
1004 Gen Fund (UGF)			18,826.0	17,718.0	16,611.0	16,611.0	16,611.0
Total	109.0	0.0	18,826.0	17,718.0	16,611.0	16,611.0	16,611.0

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 (FY2019) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2020) 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If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/20

Why this fiscal note differs from previous version/comments:

Not applicable; initial version based on the Governor's December 15, 2018 FY2020 request.

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Phone: (907)465-5847
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Date: 02/09/2019

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION

BILL NO. SB007

Analysis

SB 7 amends AS 47.07.036 and directs the department to apply for an 1115 waiver to require 20 hours of work or comparable work search, volunteer, subsistence, or educational activities for adults who are eligible for Medicaid and who are not exempt from this new work requirement. Exemptions under the bill would include age, disability, pregnancy and parent caretakers of children of a certain age. The work requirements cannot interfere with substance abuse treatment, and compliance must be achieved within 90 days of being notified of the work requirements.

Based on a departmental analysis of public assistance data, an estimated 22,148 of all Medicaid enrollees would not be exempted and would be required to engage in activities to come into compliance with work requirements. Cost and savings are estimated based on the expectation that, effective SFY2020, new Medicaid applicants would be evaluated for a determination of exemption from, or compliance with, the new requirement, and all current non-exempt enrollees would be given a 90-day notice to come into compliance. 22,148 of total enrollees would be required to comply with the work requirement. (This number could be lower depending on the number of individuals participating in treatment for substance use. At this time there is not centralized data to cross match with Medicaid enrollees.) Eventually, 25% of the total enrollees subject to work requirements would not comply and would be removed from or denied Medicaid (based on Society of Actuaries' analysis).

The division's work services section is currently responsible for administering the work requirements required in the Temporary Assistance for Needy Families program and certain clients participating in the Supplemental Nutrition Assistance. Staff of this section assist individuals in entering and staying in the work force through case management, determining and find ways for participants to overcome the barriers to employment, whether they be transportation, child care, or skills challenges. No additional staff is needed in this component but additional resources will be needed for recipients to develop skills and strategies for successful work.

Projected Costs

Services:

\$50.0 FY20 (50%Fed/50% GF Match)

In Year 1, new regulations will need to be written for the new work requirements through a contracted agency

\$5.0 FY20 (50% Fed/50% GF Match)

Publication of the new regulation statewide is required for the regulation change

\$54.0 FY20 (50% Fed/50% GF Match)

Notices will need to be sent to all clients informing them of the new requirement

Grants/Benefits:

Beginning in Year 2:

\$18,826.0 FY21 (100% GF)

\$17,718.0 FY22

\$16,611.0 FY23 and beyond

The department will provide supportive services to work participants estimated at a cost of up to, but not more than, \$1,000 per year per participant. These funds are intended for items that will help the participant become more self-sufficient. Under guidance from the Centers for Medicare and Medicaid Services these costs cannot be federally reimbursed.