

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version: HB 86
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB086-DHSS-MS-3-22-2019
Title: MENTAL HEALTH HOSPITAL: CONTRACTS/BIDS
Sponsor: FIELDS
Requester: (H) HSS

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Medicaid Services
OMB Component Number: 3234

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							
Commodities							
Capital Outlay							
Grants & Benefits	56,330.9	21,005.4	56,609.3	56,609.3	56,609.3	56,609.3	56,609.3
Miscellaneous							
Total Operating	56,330.9	21,005.4	56,609.3	56,609.3	56,609.3	56,609.3	56,609.3

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	39,431.6	11,703.7	42,026.6	42,026.6	42,026.6	42,026.6	42,026.6
1003 GF/Match (UGF)	16,899.3	9,301.7	14,582.7	14,582.7	14,582.7	14,582.7	14,582.7
Total	56,330.9	21,005.4	56,609.3	56,609.3	56,609.3	56,609.3	56,609.3

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? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version based on the Governor's February 13, 2019 FY2020 amended budget request.

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Agency: Office of Management and Budget

Phone: (907)269-7848
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Date: 03/22/19

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION

BILL NO. HB086

Analysis

The Department currently receives Medicaid Disproportional Share Hospital funding in support of the Alaska Psychiatric Institute (\$15,000.0, 50% UGF/50% Federal) and traditional medicaid revenues (\$6,005.4 million, 30% UGF/70% Federal). Together, these funding sources total \$21,005.4 with the general fund portion making up \$9,301.7. The likely outcome of this legislation would lead API to be unable to serve the mentally ill population of the state and it is assumed that these individuals would ultimately have to be housed in inpatient units throughout the state. The average inpatient rate for the major hospitals throughout the state is \$3.1 per day. At this rate for 80 patients over the course of a year (365 days), the state Medicaid program would likely have to pick up the cost of care for these individuals. The Department assumes that 80% of these individuals would be Medicaid Eligible with private insurance and Medicare picking up the additional 20%. The total additional cost for caring for these patients in hospitals throughout the state equates to \$56,609.3 from the state Medicaid Program for a total cost of \$77,614.7 (\$3.1 average inpatient hospital rate * 80 beds * 365 days/year * 80% assumed Medicaid Eligible proportion).