

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	SB 93
Fiscal Note Number:	2
(S) Publish Date:	2/24/2021

Identifier: LL0530-2-DHSS-MAA-2-23-2021
 Title: HEALTH INS. ALL-PAYER CLAIMS DATABASE
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Governor

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)

	FY2022	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2022 Request	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services	358.8		358.8	239.2	239.2	239.2	239.2	239.2
Travel	3.5		3.5	3.5	3.5	3.5	3.5	3.5
Services	3,876.7		726.7	605.0	605.0	605.0	605.0	605.0
Commodities	9.6		2.0	1.5	1.5	1.5	1.5	1.5
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	4,248.6	0.0	1,091.0	849.2	849.2	849.2	849.2	849.2

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	3,524.3		545.5	424.6	424.6	424.6	424.6
1003 GF/Match (UGF)	724.3		545.5	424.6	424.6	424.6	424.6
Total	4,248.6	0.0	1,091.0	849.2	849.2	849.2	849.2

Positions

Full-time	3.0		3.0	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 (FY2021) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2022) 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 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable; initial version

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Division:	Health Care Services	Date:	02/23/2021 12:45 PM
Approved By:	Sylvan Robb, Administrative Services Director	Date:	02/23/21
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION**Analysis**

This bill establishes a statewide all-payer health claims database in the Department of Commerce, Community and Economic Development, Division of Insurance. The Division of Insurance would be responsible for mandating health care claims data reporting through the all-payer claims database. Health care claims data includes Medicaid claims from the Medicaid Management Information System and Administrative Services Organization system. The Department of Health & Social Services would report Medicaid claims data from these two systems to the Division of Insurance (DOI).

In order to comply with this bill, the Division of Health Care Services (DHCS) would be responsible for building new interfaces in the Medicaid Management Information System (MMIS) to meet the data collection standards created by the DOI. This is assuming that no new data elements will be required by the DOI data standards that are not currently collected in MMIS. This fiscal note includes costs based on similar interfaces built for the MMIS by the current contractor, similar activities performed by department staff, and DHCS staff time and costs for completing testing and validation of the interfaces and the metrics would that would be required.

DHCS responsibilities related to this bill (e.g. data mapping and defining specifications) are parallel to an existing Transformed Medicaid Statistical Information System (T-MSIS) project. T-MSIS is a federal requirement under the Centers for Medicare & Medicaid Services (CMS), the Medicaid program's primary funding source. Because T-MSIS is a federal requirement, CMS funds that project at 90% federal/10% state match, otherwise known as Federal Financial Participation (FFP). CMS currently receives a similar subset of Medicaid claims data through T-MSIS. Additional Medicaid claims data will also become available to patients through the Interoperability Rule later this year. This fiscal note was calculated at the 90% federal/10% state match FFP on the assumption that the Interoperability Rule standard, USCDI, would be reused for an All Payer Claims Database.

Interfaces

The previously undertaken T-MSIS project required a work effort similar to the details in this bill. There was significant data identification and mapping needed to build the 7 required interfaces for claims data, member data, provider data, and third-party liability data. This project ultimately cost DHCS/CMS \$4.7 million and extended across 3 federal fiscal years. During this project, the estimated budget increased by 15 percent and the work timeline was extended by 1 full year.

To prevent duplicating the interface work (and costs), the department recommends using a version of the existing T-MSIS process until a new fiscal agent has been implemented for the Medicaid program. The expected implementation of the new fiscal agent is early 2023.

Staff

To comply with the bill as written, additional DHCS staff resources are required because Alaska's Medicaid program is "fee-for-service." The work conducted by DHCS staff is not managed by a contractor or actuary, as in a managed care organization or private insurer, respectively. The current routine workload, with new federal requirements, has consumed existing staff time in order to maintain federal funding and current operations. In order to meet the requirements of this bill, DHSS would require additional staff as work cannot be absorbed by existing staff.

The MMIS Systems Unit would work on cohesive development (approx. 9-18 months), including testing and validating the new interfaces. Successful implementation would require three new FTEs in Health Care Services and 85% FTE of IT resources over that same time period through a reimbursable service agreement. In the post-implementation phase (beginning in FY2024), maintaining the interfaces would take approximately two FTEs. The third FTE would no longer be needed for maintenance.

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The three full-time Medicaid Program Specialist III's will handle the coordination of the database. Database coordination includes, but is not limited to, liaising with the DOI, Conduent (MMIS claims contractor), the DHSS Regulations Coordinator, the DHSS State Plan Coordinator, other Divisions, and outside entities. These positions would be responsible for the implementation of policies, programs, and systems as it relates to this project. Additional administrative work generated by this project would be absorbed within existing staffing levels. Administrative work encompasses tracking documents, scanning projects, invoicing, and general administrative support.

Staffing Cost Breakdown

Three full-time Medicaid Program Specialist III (including benefits): Range 20, Juneau: \$358.8 first and second year annually and two position \$239.2 annually after go-live.

Travel: \$3.5 annually for security review and compliance audit of IT staff

Services: Amendment to contract for MMIS contractor to create 3-7 interfaces at database start up \$3,500.0 first year; Office space, phone, reimbursable services agreements for position support costs: \$10.0 annually for each position; Ongoing updates and maintenance of interfaces \$350.0 annually

Commodities: Office supplies: \$2.0 annually for the first two years and then \$1.5 annually

One-Time Commodities Cost: Computer, software, and office equipment: \$7.6

Health Care Services Costs						
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Personal Services	358.8	358.8	239.2	239.2	239.2	239.2
Travel	3.5	3.5	3.5	3.5	3.5	3.5
Services	3,530.0	380.0	370.0	370.0	370.0	370.0
Commodities	9.6	2.0	1.5	1.5	1.5	1.5
Total	3,901.9	744.3	614.2	614.2	614.2	614.2

Reimbursable Services Agreement (RSA) Costs, budgeted in the services line (50% UGF/50% Federal):

RSA between DHSS Health Care Services and DHSS Departmental Support Services

The department would be responsible for building new interfaces in the Enterprise Service Bus/Master Client Index (ESB/MCI) to meet the data collection standards created by DOI. The ESB/MCI would collect relevant Medicaid data elements to submit to the DOI. This fiscal note represents the cost given the following assumptions:

- There are no new data elements required by the DOI data standards that are not currently collected.
- The de-identification of the data is performed by the DOI.
- The actuarial work and analysis are performed by the DOI.
- The requirements affect the MMIS and ASO systems.

Based on similar interfaces built for the ESB/MCI by the current IT staff resources, and similar activities performed by department IT staff, it is estimated that this work will require 85% FTE, the cost would be \$111.7 for the RSA. An

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additional \$20.0 for IT Security to review for compliance.

RSA between DHSS Health Care Services and Department of Law

To ensure compliance with federal and state security/privacy laws, the division estimates the need of approximately \$15.0 for legal services from the Department of Law annually.

RSA between DHSS Health Care Services and DHSS Division of Behavioral Health

Health Care Services will coordinate with Division of Behavioral Health to support data exchange needed for the all claims payer database; quality control of the data to make sure it is clean prior to interfacing and coordination of retransmission of clean files.

Interagency Reimbursable Service Agreements						
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
IT RSA Personal Services	111.7	111.7				
IT RSA Services	20.0	20.0	20.0	20.0	20.0	20.0
DBH RSA Services	200.0	200.0	200.0	200.0	200.0	200.0
Law RSA Services	15.0	15.0	15.0	15.0	15.0	15.0
Total	346.7	346.7	235.0	235.0	235.0	235.0