

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 1
 Bill Version: CSSB 256 (HES)
 (S) Publish Date: 2-24-00

Revision Date/Time (Note if correction) 02/22/2000 Dept. Affected Community & Economic Development
 Title An Act relating to regulation of managed health care BRU Insurance
and allowing physicians to collectively negotiate with a health care... Component Insurance
 Sponsor Senator Kelly
 Requester S. (HES) Component No. 354

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	\$53.30	55.0	56.5	58.3	60.2	62.1
Travel						
Contractual						
Supplies	1.5	1.5	1.5	1.5	1.5	1.5
Equipment	5.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	59.8	56.5	58.0	59.8	61.7	63.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

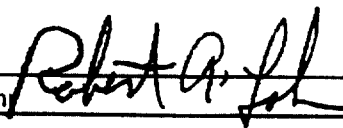

1002 Federal Receipts						
1003 GF Match						
1004 GF	59.8					
1005 GF/Program Receipts		56.5	58.0	59.8	61.7	63.6
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	59.8	56.5	58.0	59.8	61.7	63.6

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 The fiscal note for SB 256 is based on one new Insurance Analyst II to review the contracts between a participating health care provider and a managed care entity as required in Section 1 of SB 256, Sec 21.42.175(d) and to determine market share for a health care insurer using the number of covered lives for the most recently completed calendar year as required under Sec.23.50.020(d)(6).
 The assumptions used are the following:
 1. The standard provisions described in Sec. 21.42.175(d) are assumed to be the provisions listed in subsections (a) through (c), excluding (a)(4).
 2. Based on the number of provider and group contracts that currently exist in the market, we estimate reviewing 1000 contracts.
 3. We anticipate an average of 2 hours to review each contract, including time needed to obtain additional information or to correct faulty provisions in the contract.

Prepared by: Robert A. Loh  Phone 269-7900
 Division Insurance Date/Time 2-22-00 3:40 PM
 Approved by Commissioner Deborah B. Sedwick  Date 2-22-00
 Agency Community & Economic Development

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02/22/00
Division of Insurance

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Fiscal Note Analysis Continued:

Senate Bill 256 "An Act relating to regulation of managed health care and allowing physicians to collectively negotiate with a health care insurer that has substantial market power."

Analysis:

4. We anticipate that approximately five hours of work will be needed to enter data into a spreadsheet and calculate market share each year as required under Sec. 23.50.020(d)(6).
5. The over 2,000 hours of work to accomplish the contract review and market share calculation will require one new range 16 Insurance Analyst II position.