

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB 21(HES)
 () Publish Date: _____

Revision Date/Time (Note if correction): Corrected 2/21/2003 Dept. Affected: Health & Social Services

Title MEDICAID FOR BREAST AND CERVICAL CANCER BRU Medical Assistance
 Component Medicaid Services

Sponsor KERTTULA

Requester HOUSE (HES) Component No. 2077

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	970.0	1,108.8	1,265.6	1,442.6	1,642.5	1,867.8
Miscellaneous						
TOTAL OPERATING	970.0	1,108.8	1,265.6	1,442.6	1,642.5	1,867.8

CAPITAL EXPENDITURES

CHANGE IN REVENUES (0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	687.5	785.8	896.9	1,022.4	1,164.0	1,323.7
1003 GF Match	282.5	323.0	368.7	420.2	478.5	544.1
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
TOTAL	970.0	1,108.8	1,265.6	1,442.6	1,642.5	1,867.8

Estimate of any current year (FY2003) cost: 847.3

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation continues the optional breast and cervical cancer Medicaid eligibility category, which is due to sunset June, 30, 2003.

In FY2002 Medicaid spent \$584,364 (\$403,032 Federal funds, \$181,332 general funds) to pay for the treatment costs of 22 women diagnosed with breast cancer, 9 diagnosed with cervical cancer, and 13 with pre-cancerous cervical conditions. In future years we expect expenditures to grow at a rate typical of general Medicaid expenditures, but with only a slight increase in the number of individuals taking advantage of this eligibility category. See our assumptions on the next page.

Prepared by: Kevin Henderson, Eligibility Program Officer Phone 465-5281
 Division Medical Assistance Date/Time 02/02/2003
 Approved by: Joel S. Gilbertson, Commissioner Date 02/24/2003
 Agency Department of Health and Social Services

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ANALYSIS CONTINUATION

Assumptions used in making this fiscal note:

1. The number of women who have taken advantage of this program is lower than the numbers projected last year by the Division of Public Health. Part of the reason for the reduced number of eligibles is that Alaska Native women screened and diagnosed by the four tribal grantees are not applying for Medicaid. The number of anticipated recipients is expected to increase slightly. We assume a 5% increase in total recipients for each fiscal year.

2. To estimate future expenditures, we began by looking at the cost of services provided to women eligible under the breast and cervical cancer category in FY2002. The average cost per recipient in FY2002 was \$24.0 for breast cancer, \$4.9 for cervical cancer, and \$.8 for precancerous cervical conditions. However, the trend for FY 03 appears to be 45% higher than FY2002. The program was new in FY 2002, so we believe the FY2003 increase seen so far is due to the fact that current recipients have had time to move from needing treatment to actually being in or having received full treatment. We established a FY2003 base cost that is 45% higher than FY2002. Beginning with FY 2004 we estimate that Medicaid expenditures in this category will grow at a rate of 10% per year, similar to the national average growth for Medicaid spending.

The enhanced federal match rate used is 70.87%.

Funding for this bill is in the Division's base budget, however, the Governor's FY2004 Budget has not been finalized at this point.